

PROCUREMENT POLICY



This document sets out the University's approach to procurement.

Version	1.1
Executive Sponsor	Chief Operating Officer
Officer Responsible for Policy/ Procedures	Director of Finance
Consultation Process	Finance Office of the General Counsel Director of Operations - Colleges
Date of Approval and Committee and/or Executive Officer	Executive Operations Group
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1. SCOPE OF THE POLICY

1.1 Purpose of the Policy

The purpose of this Policy is to ensure that all procurement undertaken by the University is performed ethically, sustainably and in compliance with relevant legislation and regulation.

1.2 What is covered by the Policy

This Policy sets out:

- how the University conducts procurement,
- the internal thresholds, and
- how relevant legislation and regulation will be complied with.

1.3 Who is covered by the Policy

All staff, joint venture and business partners, contractors and suppliers to the University must comply with the Policy.

This Policy does not form part of any employee's contract of employment and may be amended at any time.

1.4 Breach of this Policy

Any breach of this Policy and its associated procedures by staff will be investigated in accordance with the University's disciplinary procedure. A serious breach may amount to gross misconduct and could therefore result in summary dismissal.

1.5 Policy Ownership

The Executive has approved this Policy, the Chief Operating Officer is the Executive sponsor and the Director of Finance is the officer responsible for the Policy. Any questions about the operation of this Policy or any concerns that the Policy has not been followed should be referred in the first instance to the Director of Finance.

2. THE POLICY STATEMENT

2.1 Guiding Principles

The guiding principles of this Policy are that the University will act lawfully and has an obligation to maintain effective controls and records over expenditure in order to:

- Comply with all relevant legislation and regulations.
- Deliver value for money.
- Support sustainable procurement objectives.
- Make contract opportunities more accessible to small and medium size enterprises

2.2 Procedures

This policy is implemented and supported by the following policies and procedures:

- a) The Procurement Procedures
- b) The Competition Law Compliance Policy
- c) The Financial Records Policy

- d) The Anti-Bribery Act Policy
- e) The Anti-Modern Slavery Policy
- f) Information Management Policy
- g) Sustainability Policy
- h) Financial and Contracting Policy

3. DEFINITIONS

Concession contracts regulations are the Concession Contracts Regulations 2016 that set out the legal framework for the establishment of contracts between a public authority/utility and a counterparty where the payment for the counterparty is the right to exploit (that is, to profit from) the works/services that are the subject of the contract. The public authority is required to fully transfer the operating risk in exploiting the works or services encompassing demand or supply risk or both.

Public contracts regulations are the Public Contracts Regulations 2015 that set out the legal framework for public procurement and applies to public authorities seeking to acquire goods, services or works.

Public authority is a body governed by public law established for the specific purpose of meeting needs in the general interest. The University is a public authority and therefore the University must ensure compliance with the public contract's regulations for all purchasing activity and procedures.

Find a tender (FTS) is the public portal used by public buyers to advertise all high value contracts and by suppliers to access these opportunities.

CCS is the Crown Commercial Service.

IR35 (Off payroll working) covers the rules to make sure that workers, who would have been an employee if they were providing their services directly to client, pay broadly the same tax through their own limited company or another type of intermediary to the client.

Procurement consortium is a body that works to provide public sector bodies with value for money through compliant and trusted procurement routes by using the collective purchasing power of their members. The University is a member of Southern University Procurement Consortia (SUPC) but may be able to access agreements through other consortia.

Framework agreement is an agreement between one or more contracting authorities and providers to establish terms governing contracts that may be awarded during the life of the agreement.

4. PUBLIC CONTRACTS REGULATIONS

The regulations set out the procedures which must be followed before awarding a contract when its value exceeds set thresholds (see section 5).

Even when a procurement is not subject to the public contracts regulations, the University must consider whether the concession contracts regulations apply.

Where neither the public contracts regulations nor the concession contracts regulations, the University must still assess the proposed arrangement in the context of the following principles:

- A degree of advertising which is proportionate to the scale of the contract;
- Non-discrimination;
- Equality of treatment;
- Transparency;
- Mutual recognition; and
- Proportionality.

5. PROCUREMENT THRESHOLDS AND CONTRACTS

5.1 Procurement Thresholds

The University has set the following thresholds which should be applied when procuring goods, services or works. The value of the contract is based on the total spend anticipated over the length of the proposed contract, not on an individual purchase order.

Value of Contract	Procedure	Procurement Route
Up to £25,000	One written/confirmed price. A risk-based approach should be taken where consideration must be given to the risk associated with the purchase and a robust contractual agreement be put in place. Consideration should be given to which Terms and Conditions are agreed.	Department
£25,001 - £50,000	Three written quotations required. A risk-based approach should be taken where consideration must be given to the risk associated with the purchase; and a more robust contractual agreement be put in place. Consideration should also be given to which Terms & Conditions are agreed.	Department and must notify the Procurement team using an over £25k Purchase Justification Form (see 5.1.6 below for exemptions)
£50,001 +	Formal tendering process. Advertise on the government portal "Contracts Finder".	Procurement Team
>£4,733,252 for capital and £189,330 for supplies and services (both excluding VAT and as at 1 st January 2020).	Formal tendering process. Advertise on the government portal "Find a Tender" must be used.	Procurement Team

Value thresholds include VAT except those where high value contract thresholds apply.

For concession contracts, the threshold for both works and services concessions is £4,733,252 (excluding VAT as at 1st January 2020).

It is the purchaser's responsibility to confirm that a contract for the goods, services or works does not already exist. This can be verified by contacting the Procurement Team.

Grants from funding councils may have more demanding thresholds and requirements when purchasing goods. It is the responsibility of the grant holder to confirm the procurement thresholds and policy with their funding bodies prior to any procurement activity.

5.2 Exemptions

A purchase justification form (PJF) will not be required for the following types of purchases:

- Where the Procurement team have been actively involved in the procurement exercise
- Research and Education collaboration agreements. However, purchases from suppliers and third-party providers associated with the project are not exempt and must have a PJF completed for purchases over £25k;
- Rates and other payments to Local Authorities;
- Bursaries, scholarships or grants to staff & students.

Any non-compliant behaviour will be reported to the Executive.

5.3 Supplier Selection

Where the Procurement Team conducts tender activity for expenditure over £50,000, all suppliers selected will have undergone a robust supplier selection process. Where a public sector framework is used all vetting of the supplier is conducted by the procurement consortium prior to letting the framework.

The University has adopted the standard questions as stipulated by the Crown Commercial Services (CCS) which all public sector bodies are recommended to adopt. The questions include, but are not limited to, areas related to technical and professional ability, Modern Slavery Act 2015, ownership of the supplier and bidding model adopted. All supplier selection questions are relating to the above are mandatory and failure to respond can result in the tender submission being treated as non-compliant and removed from the process.

For all procurement under £50,000 conducted by staff in the Colleges, Professional Services Departments or Commercial areas, the responsibility of supplier selection resides with the requisitioner and the authorising manager and consideration should be given to the areas listed above when selecting the supplier.

If a contractor or consultant is being engaged, then an assessment of their employment status must be made before a contract is agreed.

5.4 Contracts

Any agreement or contract with a supplier for the provision of goods, works or services that requires a signature on behalf of the University should use the standard terms and conditions of the University, unless industry specific terms and conditions are required. Contracts and changes to terms and conditions must be drafted by the Procurement Team or reviewed by Office of the General Counsel (OGC). All contracts must be signed in accordance with the University's Financial and Contracting Policy. Other University staff are not permitted to sign such agreements or contracts. If a contract is required to be sealed with the University seal then OGC must be notified and an original copy must be retained by OGC.

6. LEGAL COMPLIANCE

Wherever applicable, the University will seek to include, in its tendering activity and contracts, specific obligations to comply with applicable laws relevant to the nature of the service including and not limited to:

- a) Modern Slavery Act 2015
- b) Freedom of Information Act 2000
- c) Bribery Act 2010
- d) Health & Safety at Work Act 1974
- e) The Equality Act 2010
- f) Data protection legislation (including UK GDPR and Data Protection Act 2018)
- g) Tax legislation.

Furthermore, the University will include a right of termination in the event of any material breach of such terms by the counterparty.

7. SUSTAINABLE PROCUREMENT

The University is committed to procuring goods and services that meet the sustainable procurement objectives and promote value for money. This includes supporting environmental obligations, seeking to reduce poverty, inequality and ensure fair working practices. Suppliers who wish to contract with the University must demonstrate performance in the areas identified.



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