PROCUREMENT POLICY

1st November 2018 to 31st October 2019

Operational Owner: Lisa Jeffries Director of Procurement

Executive Owner: Sam Foley, Chief Financial Officer

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Approval History

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# Procurement Department

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SECTION 1 - OVERVIEW

The University's Mission Statement

We are one of the United Kingdom’s leading research intensive universities, a major contributor to the knowledge economy, and internationally recognised for our excellence in teaching.

As we head towards our centenary in 2026, our vision is to be:

"A vibrant, thriving, sustainable, global and broad-based institution that is significantly larger than today in terms of students, global reach and presence, and revenue."

Vision of the Procurement Department

To achieve the vision of the University of Reading as a vibrant, thriving, sustainable, global and broad-based institution, there are many new ways in which we need to work together. Within our procurement activity, we must strive for value for money and quality in the goods and services we buy and the suppliers we contract with.

The Procurement Department aim is to become a world-class centre-led procurement function that supports the University’s vision and operating model. Its aim is to lead in the education sector on embedding a category management approach across all areas of spend. It will be a professional enabling service that delivers to the business functions optimising the value of third party spend in both reducing costs and improving outputs.

Procurement Policy Document

The document relates to the management and control of all non-pay spend, in respect of the acquisition of goods, services and works in all Departments and applies irrespective of the source of funding for a purchase. The policy applies to all employees of the University and its subsidiary companies, including temporary staff, contractors and consultants, involved in the procurement process.

The Procurement Policy document and all relating documents will be reviewed on an annual basis. The Procurement Policy is reviewed and endorsed by the Procurement Board.
SECTION 2 - PROCUREMENT

Why Good Procurement Matters

Our core purpose as a leading university is research and teaching. Effective procurement activity contributes to these areas by ensuring that we maximise available funds and meet our responsibilities in respect of our public funding and all relevant legislation.

Procurement legislation requires that every stage of the procurement process be approached having regard to the principles of equal treatment, non-discrimination, transparency and proportionality. Benefits of approaching procurement activity in an efficient and effective manner across the University include:

- Consolidating the number of suppliers we use so that we can build stronger relationships and improve the goods and services they offer
- Better value for money and better prices for goods due to volume and leverage
- Recognition of the specialist requirements of a complex institution and bringing that together with the market expertise of procurement specialists
- Compliance with appropriate UK and EU legislation
- Management of risk

Procurement Practice

All procurement within the University shall be carried out in accordance with legal requirements, financial regulations, and procurement policy. This includes funding obtained through research grants and other specific grants.

Procurement shall always be undertaken with the over-riding purchasing, commercial and organisational objectives of:

- Securing maximum Value for Money (VfM) whilst balancing risks.
- Managing risk in both a compliant and effective manner, taking due consideration of the level of risk.
- Adopting the Most Economically Advantageous Tendering (MEAT) approach that accounts for total lifecycle costing and value in supplier selection, rather than price in isolation.
- Complying with all relevant legislation.
- Ensuring transparency, fairness and non-discrimination in purchasing decisions.
- Ensuring sustainability and equality/diversity issues are considered in purchasing decisions
- Selecting the right quality of product and services

This applies across all our activities, so a category management approach has been implemented. This will look at categories of spend across the whole of the University and all its subsidiaries. It is important that we are able to demonstrate that our activity is always fair and transparent.

To do all this, the Procurement department will work closely with colleagues around the University, to ensure there is an understanding of the requirements and we use
our professional expertise to support and enable what you do. We will manage the end to end process and work with suppliers where appropriate.

It is the responsibility of Procurement Board to ensure that these requirements are complied with.

**Value for Money**

Procurement will be undertaken in a way that optimises the use of resources to deliver the maximum value for money to ensure it meets the University’s objectives. Procurement in the University will ensure it obtains the right product, of the right quality, in the right quantity, at the right time and at the right price whilst ensuring that appropriate contract terms are put in place.

In order to achieve value for money we must consider the following:
- Whole life costs including maintenance, storage, consumables and disposal
- Quality and after sales support
- All University activities

**Governance**

The Procurement Department reports to the Procurement Board who are accountable for the overall guidance and strategic direction of procurement within the University and all its subsidiaries. All Procurement related policies will be approved by the Procurement Board prior to being issued to the University Executive Board.

**External Appraisal of the University’s Procurement Activities**

As an organisation in receipt of significant public funds, the University is subject to the scrutiny and appraisal of HM Government through the Department for Education and Skills, Office for Students, the Research Councils and the National Audit Office. These bodies require the Procurement Strategy and Policy to be carried out effectively.

**Authority to sign or acceptance of Procurement Contracts**

It is the responsibility of the Procurement Department to arrange for all contracts to be signed by the appropriate member of staff. Other staff are not permitted to sign these contracts unless the Director of Procurement has delegated responsibility. This is for contracts of any value including free trials or pilots. The University will endeavour to sign all contracts on its standard terms and conditions or industry standard if appropriate.

A signature on an agreement/contract (or placing an order based on the supplier’s terms and conditions) indicates the University’s acceptance of and inescapable commitment to it, if not procured correctly this may result in the University exposing itself to excessive risk and liability. Therefore before it is signed, Procurement Department staff must check the agreement/contract and its related Terms and Conditions. It might be necessary for the contractual terms to be checked by a University Legal Services Department via the Procurement Department. Any
necessary amendments or deletions will be made before the agreement or contract is signed and sent to the supplier. This must be done prior to a Purchase Order being issued or purchase card being provided. Sufficient time must be given in order to ensure the terms are reviewed and signed prior to the goods / service being delivered.

**Management of Risk**

Procurement activity must be undertaken in a way that does not expose the University to unacceptable levels of risk and that this is managed and reduced where appropriate. This will include:

- Ensuring that suppliers are sound and reliable
- Ensuring acceptable terms and conditions are in place
- Complying with the University’s Financial Regulations and Procedures
- Ensuring that the University’s procurement activity does not damage suppliers
- Ensuring compliance with all applicable procurement legislation

**Legislative and Contractual compliance**

When carrying out procurement activity, the Procurement Department must ensure that the University complies with all necessary legislation in the country in which it practises. This will include (but is not limited to):

- **The Public Contracts Regulations 2015**
  
  The University must comply with the Public Contracts Regulations 2015 (and related procurement legislation) and ensure that below and above thresholds processes are complied with. This applies to all requirements where the contract value is £25,000 (excluding VAT) and above.

- **EU Procurement Directives**
  
  This ensures that the EU public procurement market is open and competitive and that suppliers are treated equally and fairly. The rules cover aspects such as advertising of contracts, procedures for assessing company credentials, awarding the contracts and remedies (penalties) when these rules are breached. Member states have to make national legislation (regulations) to implement the EU rules in domestic law by certain deadlines and adopt the thresholds. The latest EU rules are enshrined into UK law within the Public Contract regulations 2015 and therefore this might not be immediately affected by Brexit.

- **The Bribery Act 2010**
  
  The Bribery Act 2010 covers the criminal law relating to bribery. The University, its employees and contractors/bidders are covered by the Act. The University’s Anti-Bribery and Corruption Policy can be found at: [https://www.reading.ac.uk/web/FILES/office-of-the-university-secretary/Anti-Bribery-and-Corruption-Policy-CURRENT.pdf](https://www.reading.ac.uk/web/FILES/office-of-the-university-secretary/Anti-Bribery-and-Corruption-Policy-CURRENT.pdf)
• Modern Slavery Act 2015

The Modern Slavery Act requires large commercial organisations to prepare a slavery and human trafficking statement in each financial year (section 5).

• The Freedom of Information Act 2000

The Freedom of Information Act (FOIA) gives the general public (including successful and unsuccessful bidders) the right to ask public authorities whether they hold certain information and, if they do, the right to be given that information, subject to certain exceptions.

• Public Services (Social Value) Act 2012

For higher value purchases of services, the Public Services (Social Value) Act places an active duty on public bodies to consider, at the planning stage, the wider economic, environmental and social benefits that could be achieved through the procurement activity for the relevant area.

• Health & Safety at Work Act

The Health and Safety at Work Act places a general duty on the University to ensure that plant, articles and substances used at work are safe and without risks to health (section 4)

• Criminal Finance Act 2017

The Criminal Finances Act 2017 received royal assent on 27 April. It represents a radical overhaul of the Proceeds of Crime Act 2002 (POCA) anti-money laundering and confiscation regime.

• Counter – Terrorism and Security Act 2015

The Counter-Terrorism and Security Act 2015 it came into force in July 2015. Prevent duty is the duty in the Counter-Terrorism and Security Act 2015 on specified authorities, in the exercise of their functions, to have due regard to the need to prevent people from being drawn into terrorism.

• General Data Protection Regulations

The General Data Protection Regulation 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union and the European Economic Area. It also addresses the export of personal data outside the EU and EEA areas. The GDPR aims primarily to give control to individuals over their personal data and to simplify the regulatory environment for international business by unifying the regulation within the EU
The Data Protection Act 2018 (c 12) is a United Kingdom Act of Parliament that updates data protection laws in the UK. It is a national law, which complements the European Union's General Data Protection Regulation (GDPR).

The Payment Card Industry Data Security Standard

The PCI Standard is mandated by the card brands and administered by the Payment Card Industry Security Standards Council. The standard was created to increase controls around cardholder data to reduce credit card fraud. Validation of compliance is performed annually, either by an external Qualified Security Assessor (QSA) or by a firm specific Internal Security Assessor (ISA) that creates a Report on Compliance for organizations handling large volumes of transactions, or by Self-Assessment Questionnaire (SAQ) for companies handling smaller volumes.

Tax – IR35/ sole traders

Procurement have responsibility to ensure appropriate procedures are in place to meet with HMRC requirements. Anyone engaging with a self-employed individual, an individual via their own limited company (known as a Personal Services Company) or a partner in a partnership will need to complete an Employment Status Questionnaire where those services exceed a value of £833 in any year.

In addition, correct VAT codes should be used when raising Purchase Orders. Guidance can be found at [http://www.reading.ac.uk/closed/finance/A-Z/searchableindex/fcs-atoz-mainpage.aspx?DSID=V](http://www.reading.ac.uk/closed/finance/A-Z/searchableindex/fcs-atoz-mainpage.aspx?DSID=V) and VAT courses are run twice yearly by the Tax Department which cover the VAT rules regarding purchases.'

Code of Professional ethics

The Procurement Department adopts the code of ethics as set out by the Chartered Institute of Purchasing and Supply. Details of this can be found at [http://cips.org/aboutcips/What-we-do](http://cips.org/aboutcips/What-we-do)

Corporate Social Responsibility

All procurement must take into consideration the University’s commitment to:

- Sustainability
- Equality and diversity
- Support for the local communities

Sustainable Procurement

The University recognises its responsibilities to carry out its Procurement activities in an environmentally responsible and sustainable manner. The objectives that will be
considered as part of the procurement of goods and services as detailed in section 6.

Collaborative Procurement

The University believes in the benefits of collaborative purchasing and is a member of the Southern Universities Purchasing Consortium (SUPC) which amongst its activities puts framework purchasing agreements into place for its members to draw on. The University is committed to review all frameworks available. The University will work with other public sector bodies to ensure they work in a collaborative manner to ensure best value.

In many cases these framework agreements will offer the best arrangement, since all contractors have passed assessment and the agreements have been competitively tendered through EU procedures. Assessment principles will include service, quality, competitiveness and financial stability and will be subject to equitable conditions of contract (see also Contracts). The Procurement Department will provide details of agreements available for a particular requirement. Only goods, works and services within the scope of the framework can be obtained in this way.

Procurement Training

The University will provide training to all staff associated with Procurement and the buying of goods and services. This includes all training related to any legislative and contractual compliance.

Training on the ordering systems such as requisitions and purchase cards is mandatory. A number of training courses are carried out online and can be found through the Procurement Website https://www.reading.ac.uk/internal/procurement/training/proc-training.aspx

Contracts

Contracts are in place for many of the goods, works and services required routinely by staff in the University. In the majority of cases the contracts have been put into place following comprehensive tender exercises which include the following assessments of suppliers:

- Experience
- Insurances
- Financial Stability
- Forward planning
- Market share
- Competitiveness
- Value for money
- Health and safety
- Sustainability / Environmental planning and practices
- References
- Technical ability
- Quality and Quality Assurance
- Delivery
Procurement Department

- Other service aspects
- Equal opportunities
- Ethical trading
- Inspection visit to supplier's premises

It is imperative that all parties understand the contract that is being adhered to and all the relevant documentation that forms that contract. This could include a number of different documents, some of which are detailed in the tendering documentation and procedures section of this policy.

Heads of School and Functions have ultimate responsibility to ensure that where an appropriate contract is available, orders are placed with that supplier. If there is any doubt, regarding contracted sources of supply advice must be sought from the Procurement Department in advance of the requirement.

The University reserves the right to accept or reject tender returns in full or in part.

Terms and Conditions

The University has standard sets of terms and conditions and in most circumstances; these will be applied to the acquisition of goods, works or services. The terms and conditions are reviewed on an annual basis. If circumstances alter or a change in law occurs, it may be appropriate to review the terms more frequently.

Procurement, Legal Services Department and Research and Development Contracts Team will work together to identify other areas to develop specific contract templates and ensure wherever appropriate terms and conditions are mirrored in all related contracts.

It may be deemed necessary, as part of a tender process to agree more industry-specific terms and conditions. In such cases, these will need to be checked by the Procurement Department and in some circumstances, the University Legal Services Department.

In all cases terms and conditions must be reviewed by the Procurement Department and where appropriate in conjunction with the Legal Services Department.

Information Security

All suppliers or third parties that require access to the University information systems as part of the service they provide must comply with the University of Reading Information Security Policies. Details of these policies must be provided prior to the access being granted. Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier/third party has signed up to the policies. During the term of the contract the terms and use of the contract must be monitored and reviewed to ensure that information security requirements are being satisfied. In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security of information and systems. Suppliers/third parties will be asked where appropriate to demonstrate their compliance with the policies.
Procurement Department

Purchase or Lease

Where possible all goods and services should be purchased rather than leased. If there is a requirement to lease any goods then the Procurement department will assist in evaluating that this is the most cost effective mechanism in acquiring the goods to ensure the University is obtaining value for money. It is advisable to inform the relevant Finance Business Partners or Analysts when a leasing option has been chosen so that they can track this expenditure in future budgets.

Quotations and Tenders

Thresholds

Where there is no contract/contracted supplier in place, or where a contract is due to expire or terminate, and the requirement reaches the monetary thresholds set out below (£15,000-24,999), quotations must be sought by the School/Department. Tenders have to be carried out for requirements above £25,000 via the Procurement Department. This has to be done prior to an order being placed. Where required, the Procurement Department can assist with quotations. This will ascertain the best source, demonstrate competitiveness and value for money and enable us to comply with legal requirements:

Threshold £s ex VAT

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Requirement</th>
</tr>
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<tbody>
<tr>
<td>15,000 – 24,999</td>
<td>2 or more written quotations required</td>
</tr>
<tr>
<td>25,000 and over</td>
<td>Tenders to be invited via tendering if no framework or contract is already in place</td>
</tr>
</tbody>
</table>

There are different thresholds that apply for advertising a tender in the European Union in order to comply with the EU Procurement Directives. The European Commission updates these thresholds every two years:

Threshold £s ex VAT (updated January 2018)

<table>
<thead>
<tr>
<th>Threshold</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>181,302 and over</td>
<td>Goods and Services</td>
</tr>
<tr>
<td>4,551,413 and over</td>
<td>Works, e.g. construction and renovations</td>
</tr>
</tbody>
</table>

When a tender is required, there is different procedures that need to be followed depending on the threshold or requirement. The Procurement Department will advise on this.

Schools and Functions are encouraged to obtain quotations for requirements below the quotation threshold to assist in achieving best value for money.

Responsibility for Quotation

If the requirement cannot be met by an existing contract and is of the quotation thresholds the stakeholder must provide two or more quotes to the Procurement Department in order for the requisition to be approved. Justification must also be provided on the choice of supplier.
Responsibility for Tendering

All current and future tenders are advertised using the department’s e-tendering system. It is the responsibility of the Procurement Department to carry out tenders for Goods, Services and Works on behalf of the University. Any post tender bid clarification with suppliers will be led by the Procurement Department. Any communication with the suppliers involved in the tender process will be facilitated by the Procurement Department.

Electronic Tendering

Electronic tendering is the norm for all tenders over the values listed above. All electronic tenders that meet this threshold value, must be set up to require a formal system driven opening ceremony, which excludes any late tenders and prevents premature opening of tenders. As the electronic tendering system provides an independent audit trail, the assigned Procurement officer or an officially delegated representative from the client department may only open, which cannot be amended or deleted, electronic tenders.

Tender Specification Documentation

All documentation required to clearly describe, and contract for the required services, works or goods must be developed prior to tendering. This is the responsibility of stakeholders but with the support from the Procurement Department. This may include Scope of Works, Technical and Functional Specifications describing materials, services, drawings, workmanship and performance standards (construction and life cycle maintenance), Non Functional specifications etc.

Tender Report

For tenders above the threshold of EU Procurement Directives thresholds. Upon completion of the tender process a Tender Report will be written and submitted for sign off by the relevant Stakeholders or Board prior to any award being made. This report will be saved for future reference. For all other tenders an evaluation document will be signed off prior to award.

Length of Contract and Aggregated Spend

When deciding the length of the contract different factors must be taken into consideration. These will include the source of funding, market intelligence and any identified risks. It may be appropriate to seek advice from Legal Services. The stakeholder and the Procurement Department will agree this. In order to ascertain the correct procedure to follow, the length of contract and the aggregated spend must be taken into account. Although VAT is excluded from these calculations, budget holders must ensure that funds are available to cover this.

The aggregated spend includes all anticipated purchases over the lifetime of the contract. These costs include but are not limited to delivery, service/maintenance and training. In some cases, licencing or intellectual property arrangements may also need to be considered.
If the University is putting in place a framework agreement, generally these should be no more than 4 years. In exceptional circumstances, longer frameworks can be put in place, but these will have to be justified according to the PCR (2015).

**Single Action Waiver (SAW)**

If your requirement is £15,000 and over and cannot be met by any of the current University contracted suppliers, and you are genuinely unable to obtain the relevant number of quotations or carry out a tender, the School or Function will need to complete the single action waiver form stating the reasons why this was not possible.

All single action waivers must be issued to Procurement for authorisation prior to committing the university to any purchase. If a single action, waiver is over the tender threshold of £25,000 (exc. VAT), Director of Procurement will require approval and if over the additional thresholds detailed in the EU Procurement Directives a further signature will be required by the Chief Financial Officer.

There may still be a requirement to carry out a sole supplier tender via the e-tendering system to ensure an appropriately worded and compliant contract is in place and both parties are in full agreement. Full justification is required prior to the order being issued to the supplier. The Procurement Department may reject your request for a single action waiver if it would not be permitted under procurement legislation. For example, the justification for a single action waiver will not be accepted if it simply indicates personal preference, convenience or previous use of supplier, or because a stakeholder has delayed in contacting the Procurement Department to commence a procurement exercise.

**Procurement Options Process**

The Procurement Department will provide the University with advice on procurement related matters. Procurement will consider all Procurement-related legislation, policy and processes, available frameworks and any related risks. In most cases, the Director of Procurement will make all decisions regarding Procurement policy, processes and risk. However, in some cases, where necessary, the Director of Procurement (or delegated person/s) will provide the advice and any details from the stakeholders involved to the Chair of the Procurement Board for a final decision. This will be in cases of significant risks of legal liability, legal challenge, financial penalties, reputational risk and/or detrimental impact on the University’s ability to provide services to students or other related third parties.

**Declaration of Outside Interest**

All staff in the Procurement Department and closely involved in procurement will complete an annual declaration of outside interest form.

When carrying out a tender exercise a declaration of outside interest form must be completed by staff involved in the tender process. This includes the use of external consultants who are assisting in the tender exercise. The form will be issued by the Procurement Department once they are aware who has expressed an interest in the tender exercise. In order to be part of the evaluation the completed form must be returned to the Procurement Department.
Reports, Statistics and Key Performance Indicators

Monthly statistics and, where appropriate, key performance indicators will be captured and recorded. A number of the statistics monitored will be used to provide details to the Higher Education sector and both internal and external auditors. The department shall measure itself against the procurement practise indicators set out by the HE sector and any required by the University.

This will be reported to the Procurement Board on an annual basis.

Placing of Purchase Orders

A purchase order must be raised and approved before any goods or services are delivered and this acts as the commitment by the University. It is imperative that the correct processes have been undertaken prior to the purchase order being issued to the supplier and that no commitment to that supplier is made in any other form. All requisitions will be placed on the web requisitioning system and all users have a mandatory requirement to attend a training course prior to using the system. Procurement and other Central Services will be part of appropriate approval processes. The Procurement Department carries out spot checks on all purchase orders immaterial of the value.

Approval of purchase Requisitions

Procurement staff at the appropriate spend levels and categories will be part of the requisition approval process. These are detailed as follows:

<table>
<thead>
<tr>
<th>Requisition value / Category</th>
<th>Procurement approval Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under £15,000 (except those detailed below)</td>
<td>No</td>
</tr>
<tr>
<td>£15,000 and over (except those detailed below)</td>
<td>Yes</td>
</tr>
<tr>
<td>Contracted suppliers over £25,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Contracted suppliers under £25,000</td>
<td>No</td>
</tr>
<tr>
<td>Sole Traders and Personal Services Companies – any value</td>
<td>Yes</td>
</tr>
<tr>
<td>Software / Systems (KEP) – £5,000 plus</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Purchasing Cards

The University recognises the benefits of using Purchasing Cards as an alternative means of ordering goods and services. The advantages include reduced paperwork, reduced time in administration and reduced costs. Purchasing Cards are particularly suitable for low value, high volume goods and services, one-off purchases and for purchases from abroad.

There are stringent controls attached to the use of the Purchasing Card:

- Each application for a Purchasing Card must be supported by the Head of School or Function;
- The applicant must receive training on the use of the Purchasing Card;
- Card use may be restricted to certain categories of commodity or service;
Card holders must comply with the Terms and Conditions of the Purchasing Card Manual. Failure to comply may result in disciplinary action including termination of employment.

Details on the Purchasing Card application process are available from the Procurement website, [https://www.reading.ac.uk/closed/procurement/Information-for-employees/how-do-i-pay/proc-p-cards.aspx](https://www.reading.ac.uk/closed/procurement/Information-for-employees/how-do-i-pay/proc-p-cards.aspx)

**Retention of Documents**

Schools and Functions should retain documents for the periods noted below and only those documents where it is indicated that it is their responsibility to retain those documents. The Procurement Department will retain the documents noted below for the periods noted below.

<table>
<thead>
<tr>
<th>Type of document</th>
<th>Responsibility for retention</th>
<th>Period of retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original copies of all signed contracts not under seal¹</td>
<td>Procurement Department</td>
<td>At least 6 years from expiry of the contract</td>
</tr>
<tr>
<td>Original copies of all signed contracts executed under seal</td>
<td>Procurement Department</td>
<td>At least 12 years from expiry of the contract</td>
</tr>
<tr>
<td>Copy orders</td>
<td>These will be held electronically in the finance system.</td>
<td>At least 6 years from expiry of the contract</td>
</tr>
<tr>
<td>Delivery notes</td>
<td>Schools, Functions and Halls</td>
<td>At least 6 years from expiry of the contract</td>
</tr>
<tr>
<td>Copies of tender documentation</td>
<td>Schools, Functions and Halls</td>
<td>During the tender process</td>
</tr>
<tr>
<td>Pre-procurement advice, OJEU Notice, specification and contract development documentation, SQ&amp; ITT</td>
<td>Procurement Department</td>
<td>Contracts not under seal – 6 years from expiry of contract</td>
</tr>
<tr>
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<td>Contracts under seal – 12 years from expiry of contract</td>
</tr>
<tr>
<td>SQ and ITT submissions and quotation from successful applicants/tenderers</td>
<td>Procurement Department</td>
<td>Contracts not under seal – 6 years from expiry of contract</td>
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<td>Contracts under seal – 12 years from expiry of contract</td>
</tr>
<tr>
<td>SQ and ITT submissions and quotations from unsuccessful applicants/tenderers</td>
<td>Procurement Department</td>
<td>At least 12 months after commencement of contract</td>
</tr>
</tbody>
</table>

¹ Due to requirements by other funders, it might be required to retain documents for longer periods. This will be documented in the tender file.
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**Contracted Suppliers**

There are contracted suppliers in place for a very wide range of Goods, Works and Services, covering the supply of both specialist and routine requirements.

Contracted suppliers have been awarded a contract to supply through formal tendering procedures by the University, Purchasing Consortiums or other public sector organisations whose contracts are available to the University. Suppliers on contract will have their performance monitored at annual review meetings. Where there is no current contracted supplier in place for a specified service or goods, the Procurement Department is able to make recommendations based on experience, user feedback and market information, such information being contributory to any future negotiations.

Contracted suppliers should always be used in preference to other companies. If you are unable to use a contracted supplier for your requirements then you must contact the Procurement Department prior to making any commitment.

**Supplier Selection and Management**

Suppliers wishing to supply goods, works or services to the University are encouraged to register on the e-tendering system via the Procurement website or the Government’s contracts finder website this will allow them to express an interest in any tenders or be contacted should there be a requirement under the tender threshold. Suppliers that departments need to use that are not contracted suppliers or already set up on the Finance System will need to be set up. Departmental staff must complete a new supplier form on line and the University will then carry out the necessary checks before agreeing if the supplier should be set up.

All contractors and consultants must comply with the University Policies and Procedures. These are obtainable via Estates Department and where appropriate must be issued with tenders.

Supplier reviews will take place for all contracted suppliers on a regular basis. The Procurement Department will request feedback, KPI’s and customer views of a contracted supplier before each contracted supplier review is undertaken. This feedback will form part of the review and responses where possible fed back to the customer. Stakeholder representatives will be included in supplier review meetings.

**Payments to suppliers**

The University will comply with the statutory guidance in the Public Contracts Regulations 2015. This guidance is for Public sector buyers and suppliers on paying undisputed, valid invoices within 30 days.

**Sale and Disposal of University Goods**

The sale or disposal of goods process must comply with the Financial Regulations.
No item can be disposed of without a Disposal Reference Number. This requirement is managed via an on-line disposal request system hosted by Campus Services. No items can be donated or sold to staff, students or outside organisations except in exceptional circumstances (see below), and in consultation with the Director of Procurement. Health and Safety implications will need to be considered. All requests for disposal irrespective of the value must be approved by the Head of School/Function; this approval is sought automatically by the on-line disposal request system.

Prior to requesting disposal by Campus Services, departments should offer any item to other users within the University, to ensure full use has been made of the asset. To ensure that the University does not send any items to landfill, which might be of value, Campus Services, on collecting these items from departments, will store them, and make other departments aware of the items through Warp-it for use within the University. Items that are not re-used after a period of time may be sold to staff and students via a sale that Campus Services shall organise. Staff or Students purchasing items through this route shall need to complete a formal consent form. This is not the case for items covered under the Waste Electrical and Electronic Equipment (WEEE) directive, which must be disposed of via Campus Services. In exceptional circumstances the Director of Procurement may after consultation, permit an item designated for disposal to be purchased privately; or if any item is redundant within the University but is considered of significant value, Procurement should be consulted regarding sale to private purchaser. Procurement will advise the process to be followed in these cases.

The University will not purchase any item, which is not needed, will re-use items where practical and will not unnecessarily dispose of items to landfill.
SECTION 3 - FINANCIAL PRINCIPLES

Financial Authority

Any Goods, Services or Works acquired must be necessary and suitable for a purpose that is in accordance with the University’s financial and academic plans. The University operates a system of devolved purchasing authority under which Heads of Schools and Functions are responsible for this planning and decision making process within the management of their financial resources. This authority may be further delegated to budget holders.

Finance of a Proposed Acquisition

The University prefers to purchase equipment where possible as this normally provides better value for money than hiring, renting or leasing. If contemplating an arrangement other than purchase Schools and Function must submit a supporting case for consideration to the Director of Procurement. The case must compare and demonstrate the financial merits of hiring, renting or leasing as opposed to straight purchase.

Spending Funds

A high level of care, prudence and control must be exercised in spending funds, irrespective of the source; eg: Research Councils, private sponsor or any other source.

Traceability of Expenditure

An audit trail must be evident for all purchases regardless of the method of acquisition whether that is Purchase Order, Call-off Order or Purchasing Card.

Authority to Place an order

Finance maintains a secure electronic record of all staff that have been given delegated authority to approve expenditure. The record details the Projects against which the employee is authorised to approve expenditure, their transaction limits and a specimen signature for any manual processes. This record is verified when expenditure is committed.

- No employee can approve expenditure if they have not been given delegated authority to do so.
- No employee is authorised to commit the University without first ensuring that sufficient funds are available to meet the commitment.
- It is not permissible to raise two or more lower value Purchase Orders or to phase the issue of Purchase Orders in order to circumvent authorisation levels.

Failure to comply with these requirements may result in withdrawal of authority and disciplinary action.
Payment in Advance

Payment in advance is strongly discouraged, except by Purchasing Card, as it represents an unacceptable risk to funds. Financially stable suppliers will not require advance payment. All requests have to be approved by the Director of Finance. Any such requests need to be made via the Procurement Department.
SECTION 4 – HEALTH & SAFETY

Responsibilities

University Responsibilities

The Health and Safety at Work Act places a general duty on the University to ensure that plant, articles and substances used at work are safe and without risks to health.

If applicable Estates Department will be consulted prior to any purchase of any goods, works or services that would affect the building or building services.

The Management of Health and Safety at Work Regulations require the University to ensure that by effective planning, risks are controlled by careful selection and design of equipment, articles and substances.

School/Function Responsibilities

It is the responsibility of the Head of School or Function authorising the purchase to ensure that goods and services are selected, which are suitably safe, and without risks to health. The manner in which the School or Function intends to employ the goods or service will be subject to a risk assessment. The specification of the goods or service must then be in accordance with the assessment. If they are in any doubt about health and safety legislation or responsibilities, departments should consult their Health and Safety Co-ordinator, the Health and Safety Services Director or the Director of Procurement.

Outlined below are some of the main health and safety requirements which relate to the purchasing of equipment and substances. Heads of School or Function must ensure that these requirements are met within their School or Function.

Further guidance and information can be obtained from Health & Safety Services (ext 8888) or downloaded from:

www.reading.ac.uk/internal/health-and-safety/

Specific Legal Requirements

Work Equipment

The Provision and Use of Work Equipment Regulations and the Supply of Machinery Regulations require the University to select equipment that has been designed and constructed to comply with any EC Essential Safety Requirements relating to that equipment. All equipment purchased (or acquired second hand) must be safe to use and maintain and must be suitable in terms of its initial integrity, the place where it will be used and the purpose for which it will be used. Before new equipment is put into use, a risk assessment must be carried out to determine its suitability. When selecting work equipment, departments must take account of ergonomic factors and should select the least hazardous type of equipment that can adequately perform the task. For example, preference should be given to equipment that reduces health and safety risks to users to as low as is reasonably practicable.
Safety features such as the following, should be selected whenever possible:

- low noise or vibration levels
- low voltage electrical equipment
- lightweight (reducing manual handling risks)
- adjustable dimensions such as height – improving ergonomic fit

Written instructions provided by the supplier must be made available to those using the equipment and spare copies should be kept.

Display Screen Equipment (DSE)

The Health and Safety (Display Screen Equipment) Regulations require the University to ensure that Display Screen Equipment (DSE) used by DSE users meets the requirements laid down in the Schedule to the Regulations. Further guidance on the suitability of DSE equipment can be obtained from the Procurement Department or Health & Safety Services. Guidance is also contained in ‘University Safety Code of Practice 13 – Display Screen Equipment’.

Furniture and Furnishings

The Furniture and Furnishings (Fire) (Safety) Regulations require the University to purchase furniture and furnishings which are flame retardant, comply with the relevant British Standards and are labelled accordingly. Further guidance is contained in ‘University Safety Code of Practice 34 – Fire Safety Management’.

Hazardous Substances

The Control of Substances Hazardous to Health Regulations prohibits the University from carrying out work with hazardous substances unless a suitable and sufficient assessment of the health risks from exposure to that substance has first been undertaken. Information, in the form of material safety data sheets, regarding the hazard(s) of the substances proposed to be used, must be obtained from the supplier and considered as part of the COSHH assessment. As far as is reasonably practicable, the least hazardous substance, or form of the substance, should be selected. The buyer should always consider the disposal of hazardous substances, prior to making the purchase.

Personal Protective Equipment (PPE)

The Personal Protective Equipment at Work Regulations require the University to select and provide suitable personal protective equipment (PPE) in accordance with the findings of the risk assessment for the activity in question. Such PPE must be provided to employees free of charge. PPE purchased must comply with the appropriate European Standards (BS EN) and should be CE-marked accordingly. Further guidance is contained in ‘University Safety Code of Practice 27 – Personal Protective Equipment’.

Radioactive Materials

Radioactive materials must be ordered, used and disposed of as described in ‘University Safety Code of Practice 16 ‘Radiation Safety Management System’ and
Procurement Department

associated Safety codes of Practice. Copies of these are available from the Health & Safety Services or via their website (see School / Function responsibilities).

Supplier Responsibilities

The Sale of Goods Act requires the supplier to supply goods which are fit for their purpose. They must also be of merchantable quality unless defects are specifically drawn to the buyer's attention before the contract is made or, if the buyer examines the goods before the contract is made, as regards defects which that examination ought to reveal.

The Health and Safety at Work Act lays a duty on those who design, manufacture, import or supply any article for use at work to ensure, so far as is reasonably practical, that the article is designed, constructed and installed so as to be safe and without risks to health when used. In addition the person supplied with the article must be provided with adequate information such that it may be used safely and without risks to health.

- The Supply of Machinery (Safety) Regulations set out the essential health and safety requirements that must be met by manufacturers and suppliers before new (CE-marked) machinery is placed on the market.

- Suppliers of electrical equipment must also ensure that their products comply with the requirements of The Low Voltage Electrical Equipment (Safety) Regulations, The Electromagnetic Compatibility Regulations, and The Electrical Equipment (Safety) Regulations.
SECTION 5 – MODERN SLAVERY

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to taking reasonable steps to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

You are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier tier at the earliest possible stage to the Director of Procurement or, if a member of staff, via the University’s Whistleblowing Procedure.
SECTION 6 – SUSTAINABLE PROCUREMENT

The University recognises its responsibilities to carry out its Procurement activities in an environmentally responsible and sustainable manner. The Procurement department will embed sustainable procurement actions and work collaboratively with all stakeholders to meet the University’s objectives. The University and its Procurement Department will therefore strive to:

- Comply with all relevant environmental legislation.
- Ensure that all procurement decisions are taken in the spirit of the University Environmental Policy, Energy and Water Policy and that associated carbon savings are included within the Carbon Management Plan.
- In accordance with the University environmental/energy management system (EMS/EnMS), assess the impact of on-going spend relating to environmental aspects.
- Ensure suppliers are aware of the University’s Environmental Policies, EMS/EnMS and how they can make suggestions on how we can improve environmental performance.
- Encourage suppliers to deliver environmentally sound products and services through a low carbon and environmentally sustainable supply chain.
- Work with suppliers to help them understand the University sustainability objectives and find lower impact alternatives where applicable.
- Work with key suppliers to bring about changes and thereby spread sustainability improvements throughout the supply chain.
- Ensure that suppliers’ environmental credentials are, as far as legally practicable, considered in the supplier appraisal process.
- Ensure that, where appropriate, environmental criteria are used in the award of contracts.
- Encourage internal customers to review their consumption of goods and materials, in order to reduce usage and adopt more environmentally sound products, including the use of sustainable products as appropriate.
- Specify, wherever possible and reasonably practicable, the use of environmentally sound materials and products.
- Ensure that an opportunity is given for the inclusion within all specifications, of a facility for suppliers to submit offers for environmentally sound alternatives.
- Ensure that life cycle cost and carbon footprint is considered prior to procurement decisions and given the appropriate weight.
- Identify partners for environmental benchmarking, and adopt best practice wherever possible.
- Explore opportunities for recycling of materials as appropriate.
- Address barriers to entry so that SMEs and local suppliers are encouraged to bid for appropriate work.
- Where appropriate incorporate social benefits into all procurement activities
- Encourage larger contracted suppliers to the University to include SMEs and local suppliers in their supply chain.
- Work with other Departments across the University to bring about ‘joined up thinking’ in this area.