

Approved by the

Vice-Chancellor’s Group on: 17 April 2018

# CODE OF TENDERING PRACTICE

## Why Good Procurement Matters

Public procurement is the process used by public sector organisations such as the University to purchase goods, services and works. Effective public procurement is essential for good public services. The procurement process spans a life cycle from identification of the need, through the selection of suppliers, to ongoing management and disposal. Key principles include the delivery of value for money, appropriate quality and services to meet the University’s needs, and appropriate governance.

**Procurement Principles**

## Good Practice

All procurement within the University will be carried out in accordance with all legal requirements, the University’s Financial Regulations, and this Code of Tendering Practice. It is the responsibility of the Finance Department (and ultimately the Board of Governors) to show that adequate policies, procedures and checks are in place to ensure compliance.

It is the responsibility of all Primary Budget Holders (as defined in the Financial Regulations) to ensure that these requirements are complied with. Any Primary Budget Holder who is unsure of how these requirements should be applied should contact the Finance Department for direction. Any exceptions must be authorised in advance by the Director of Finance.

The University’s Finance Department will produce, at least annually, a report listing procurements either a) exceeding £50,000 and/or b) considered high risk to the Vice-Chancellor’s Group. For the avoidance of doubt, this reporting mechanism is for management information purposes only and is entirely distinct from the authorisation requirements of the University’s Financial Regulations and Scheme of Delegation. Acknowledgement of such a report by the Vice-Chancellor’s Group shall not constitute approval, acceptance or ratification of the procurements listed.

Each procurement must:

* ensure that pre-sales and explorative discussions will be undertaken under appropriate nondisclosure agreements;
* any supplier with any connection to a University employee must be identified, and any member of staff associated with a potential supplier identified, and excluded from the procurement process;
* follow an appropriate route to procurement based on the scope and scale of the requirement, and demonstrably observe statutory processes and time frames;
* ensure compliance with all University policies, and all statutory obligations (such as the UK Public Contracts Regulations 2015 or the requirements of the Official Journal of the EU (OJEU));
* use standardised pre-qualification questions, tender questionnaires and tender assessment;
* include full economic costing, including estimated values of any discounting or gifted assets;
* consider leasing options for large assets, where available;
* be undertaken using the University’s procurement templates and processes; and
* ensure internal and external communications are managed without prejudicing the procurement process via tenders@chi.ac.uk

The University will only consider sole-supplier or other exclusive agreements where there is a significant and long-term advantage to the whole University; a clear and material investment in the partnership by the contractor; and legal compliance can be demonstrated. Approval must be obtained from the Chief Operating Officer in these cases.

## Value for Money

Value for money is defined as ‘the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user’s requirement’. In industry, the working acronym is ‘MEAT’ – or ‘most economically advantageous tender’. In either case, this is rarely synonymous with the lowest price. Where an item or service is chosen that does not have the lowest whole life costs, then the additional value-added benefits must be clear and justifiable.

Procurement for the University must always be undertaken with the objective of securing the maximum value for money consistent with acceptable and appropriate standards of quality and service.

## Ethical Sourcing

The University recognises its responsibilities to carry out its procurement activities in a responsible and sustainable manner.

### Environment

The University will strive to ensure that environmental criteria are used in the award of contracts by:

* specifying, wherever possible and reasonably practicable, the use of environmentally sound materials and products;
* ensuring that life cycle cost, carbon footprint and the availability of recycling are considered prior to procurement decisions and given the appropriate weight;
* ensuring that suppliers’ environmental credentials are considered in any supplier appraisal process;
* working with suppliers to help them understand the University sustainability objectives and find low-impact alternatives where applicable;
* requiring suppliers to comply with the University’s Environmental Policy (or equivalent or higher standards); and
* encouraging suppliers to deliver environmentally sound products and services through a low carbon and environmentally sustainable supply chain.

### Equality

The University will strive to ensure that all procurement processes are undertaken in a manner that fulfils the public sector equality duty set out in the Equality Act 2010 by:

* requiring suppliers to demonstrate the application of equalities legislation to their work within all formal tenders;
* ensuring that suppliers’ anti-discrimination credentials are considered in any supplier appraisal process;
* requiring suppliers to comply with the University’s policies on equality and diversity (or equivalent or higher standards); and
* conducting its own affairs in a manner consistent with the public sector equality duty.

### Citizenship

The University will strive to remain an active member of its local communities by:

* addressing barriers to entry so that SMEs and local suppliers are encouraged to bid for appropriate work; and
* where appropriate, encouraging larger contracted suppliers to the University to include SMEs and local suppliers in their supply chain.

The University will practice global citizenship by:

* requiring suppliers to demonstrate the work they have undertaken to eliminate modern slavery and exploitation from their supply chains;
* reviewing a subset of key suppliers on a regular basis to ensure continued compliance; and
* conducting its own affairs in accordance with the requirements of the Modern Slavery Act 2015.

The University will protect the privacy of its staff and students by:

* requiring suppliers to comply with the University’s Privacy Standard (or equivalent or higher standards); and
* conducting its own affairs in accordance with the requirements of all applicable data protection legislation.

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