

PROCUREMENT POLICY			
Department	Finance		
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I have carried out an equality impact assessment screening to help safeguard against discrimination and promote equality.			
I have considered the impact of the Policy on the Welsh language and Welsh language provision within the University.			✓

Overview

To achieve its core mission – to deliver for learners - Glyndwr University requires the support of a large number of external suppliers. In 2017 / 2018 the university spent circa £10m on non-pay spend, which equates to approximately 30% of the University's running costs.

Procurement is the process of acquiring goods, works and services through non-pay spend.

The "Procuring the Future" 2006 definition of Procurement is:

"The process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment"

The procurement process spans the whole life cycle from identification of needs, through to the end of a Contract or the end of the useful life of an asset.

The procurement service has 3 key aims:

- The first is to support the procurement activity that takes place, to ensure that best value for money is obtained when purchasing its own goods, services and contracts and to ensure that procurement best practice is always followed.
- The second part of the role is to advise the Board of Governors which is responsible for ensuring that public funds are spent appropriately and that value for money is achieved. The Board is responsible for monitoring and reporting to the Welsh Government on the achievement of savings targets made by Glyndwr University.
- The third is to ensure the University's procurement is at all times compliant with legal requirements.

In addition to these key aims, the Procurement service also supports and contributes to the Vision and Commitments set out in the Strategic Framework 2015 – 2020 and all ensuing business strategies and objectives developed to support it, such as Campus 2025 and the University's environmental, sustainable and ethical objectives.

Leadership and Governance

The Board of Governors, its Executive and staff have ownership of this procurement policy document.

The Boards policy, strategy and procedures must also accord with the Financial memorandum issued to it by the HEFCW.

Purpose

The purpose of this procurement policy is to firstly consider and incorporate the key principles set out in the Welsh Procurement Policy Statement.

It is also designed to assist in delivering the strategic aims set out in the Financial Strategy 2018 – 2025 regarding financial sustainability, efficiency, probity and accountability and value for money and ensure that the requirements set out in Section 8 - Expenditure of the Financial Regulations 2015/2016 are adhered to.

This Procurement Policy applies to and binds all employees in any situation where they are involved in a procurement process, whether as requisitioners, purchasers, or those who validate or authorise payment.

Adherence to the Policy is both an individual and a corporate responsibility.

This Policy is a public document - it may be quoted in Annual Reports, Operating & Financial Reviews, shareholder/stakeholder information, and is freely available to potential suppliers. It confirms to management and staff, to actual and potential suppliers and contractors, to customers, to governmental and other regulators and to stakeholders in the wider community, the key responsibilities on which the University procures and contracts.

Approach:

Glyndwr University operates a devolved procurement structure and the procurement advisor provides professional procurement expertise, advice and assistance to all leaders and budget holders across the business to ensure business needs are met through the purchasing of goods, works and services. By increasing the profile of procurement within the University and

engaging with those with devolved responsibility to purchase, the service aims to support the University's core mission by managing costs, mitigating risk and encouraging partnerships, sustainability, value for money and innovation throughout the supply chain.

Legality

The Procurement activity carried out within the University will fully respect and comply with all applicable UK laws and regulations in addition to all applicable European Union laws, directives and regulations (including those governing Public Procurement, where relevant).

The University is committed to the fair and effective application of laws and regulations.

Key Responsibilities:

1. To be: - Professionally Resourced

Glyndwr University has adopted the initial benchmark of a minimum of one procurement professional per £10m expenditure. The Procurement Advisor will ensure that procurement expenditure is subject to an appropriate level of professional involvement and influence.

To support the devolved Procurement structure, staff undertaking purchasing functions must be adequately trained.

2. To obtain: - Value for Money

Value for Money is commonly understood to be a combination of:

Economy:

The ability to obtain human and material resources at best value, taking both price and quality into account – “doing things at best price”.

Efficiency:

The ability to do something well or achieve an objective without wasting energy or effort – “doing things the right way”.

Effectiveness:

The ability to achieve the best/desired results -“doing the right things”.

Glyndwr University recognises its responsibility to achieve value for money (VFM) from all its activities including Procurement. Specifically, there is a duty of care to ensure that public funds are spent on the purposes for which they are intended and that good value for money is being obtained.

The University will obtain optimum value for money for all aspects of expenditure through sourcing, supply, and performance monitoring. Value for money equates to measures of quality as well as price. In addition to price, the University will take account of whole life costs in terms of costs of acquisition, costs of use, maintenance costs and end of life costs to ensure the University secures maximum value for money.

The University has a clearly defined process for budget holders to incur expenditure, through to commitment and receipt of goods with segregation of duties. The rules

regarding levels of expenditure and competition are detailed in the Financial Regulations.

3. To consider: - Economic, Social and Environmental Impact

Value for Money is considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future.

The University will endeavour to procure in an environmentally aware and sustainable manner, taking social and environmental factors into consideration alongside financial and qualitative factors when evaluating tenders. The University's Sustainability Forum is closely involved in ensuring the university satisfy legal and strategic requirements.

In seeking to procure in an environmentally sustainable manner, the University will:

- i. Encourage staff to review consumption of goods and materials and adopt best practise (Reduce, Re-use & Recycle) in their buying decisions to help minimise environmental impacts.
- ii. Comply with all relevant procurement and environmental legislation.
- iii. Encourage the purchase of goods with minimal packaging. If unavoidable, packaging should be made from recycled or recyclable materials.
- iv. Establish individual policies and guidelines for products that have a significant environmental impact.
- v. Promote the purchase of products that have minimal environmental impact during their use (e.g. durable, energy efficient, reusable, refillable, etc).
- vi. Encourage the purchase of products that can be recycled or disposed of with minimal environmental damage.
- vii. Exclude environmentally damaging products where viable alternative is available.
- viii. Make procurement decisions based on a balance between economic, social and environmental factors.
- ix. Investigate annually spend on procurement of food and utilise this information to increase purchase of sustainable and locally produced food products.
- x. Provide guidance and training to encourage staff involved in purchasing to adopt more sustainable purchasing policies to reduce costs and the environmental impact of goods and services we buy.
- xi. Ensure tender documents reflect sustainability issues at every stage including specification, facility to offer environmentally friendly alternatives, evaluation criteria and contract management.
- xii. Investigate the University's spend in order to identify and where possible reduce environmental impacts.
- xiii. Encourage Small and Medium Sized Enterprises (SMEs) and local suppliers to bid for appropriate work.
- xiv. Promote the purchase of Fairtrade products.
- xv. Work with other bodies to share experiences and adopt best practise.
- xvi. Communicate this policy to all staff to promote awareness of sustainable procurement.

In seeking to procure in a socially sustainable manner, the University will:

- i. Commit to join the HEPCW Code of Practice Working Group on Ethical Employment in the Supply Chain and will continue to contribute to its work and adopt the overall policy agreed.
- ii. Support the principles and objectives of the Campus 2025 strategy in terms of being cognisant with the Wellbeing of Future Generations (Wales) Act 2015 and maximising community benefits for both students and the local community

4. To encourage: - Collaboration

Glyndwr University is a full member of the North West Universities Procurement Consortium (NWUPC) and an Associate Member of the Higher Education Procurement Consortium for Wales (HEPCW) and the North Wales Regional Procurement Forum (NWRPF).

The procurement service through its work with the North West Universities Purchasing Consortium (NWUPC), the Higher Education Purchasing Consortium Wales (HEPCW) and the wider public sector will collaborate whenever and wherever possible to utilise contracts that have been tendered and awarded by other public bodies, thereby using standardised approaches and specifications to reduce duplication, saving on the costs of a full procurement exercise and improving the potential to secure keener prices by combining purchasing power.

The University will also collaborate by sharing advice, guidance and experience, to help colleagues across the public sector with particular emphasis on the Higher Education sector.

The University's Procurement Advisor has links with local, regional and national procurement establishments to ensure that the University's levels of collaboration continue to increase through the sharing of a broad range of experiences and expertise.

The procurement service will make the best possible use of resources, with particular emphasis on maintaining existing collaborative arrangements and developing new ones across the public sector. Participation in Framework Agreements will promote and embed best practice and best value is achieved across the university.

5. To create: - open, accessible competition

Glyndwr University will adopt a risk based, proportionate approach to procurement to ensure that any contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain.

The University recognises the importance of its suppliers and of the market place. It will review the quality of its supplier management and development plans for enhancing relationships with suppliers to meet the needs of the organisation.

To meet Welsh Government Standing Orders, the University will also increase and standardise the use of the Sell2Wales site for advertising any tender opportunities and develop the use of the integral assessment tool SQuID for relevant procurements.

The Board's payment terms are communicated to all its suppliers. Financial appraisals of suppliers are undertaken in a fair and appropriate manner, in proportion to the value and risk of the items or service being procured.

6. To Simplify: - Standard Processes

Guided by the introduction of a contracts register, the Procurement Service aims to instigate pre-renewal date discussions with Contract Managers, to allow the time to develop a strategy for each procurement exercise. Where collaborative arrangements are not available to utilise, the University will tender and award its own contracts. The Procurement Advisor will work with financial business partners and budget holders in pursuit of a dynamic flow of information with regards to potential purchases.

The procurement processes used for tendering purposes must be compliant, open and transparent and based on standard approaches and the use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

Each Procurement will include as a minimum:

A Purchasing Strategy:

Each high value/high risk procurement exercise undertaken by the University will have its own purchasing strategy. This will show an understanding of the market place, will reduce risk to supply wherever possible, consider the legal implications of each procurement in terms of compliance with the European Procurement Directives, seek to add value and will take into consideration as a minimum the following:

Use of e-Procurement

Glyndwr University is registered as a user of the Governments "Sell2Wales" Website;

this is the national procurement website for Welsh public sector purchasers. It aims to

bring the entire public sector and its suppliers together. Low and high value tender opportunities are available to suppliers on line. The website also holds a wealth of procurement information and guidance which is of benefit to the University. The University will advertise all its appropriate tender opportunities on this site as well as satisfying the legal requirements of public procurement through use of the Official Journal of the European Union (OJEU) website and journal for tenders above the annually set thresholds.

Procurement Documentation

The University will produce clearly written specifications, and will allow a reasonable amount of time for suppliers to submit their written tenders, make award and evaluation criteria clear and understandable, evaluate all bids on a like for like basis and provide constructive de-briefing to unsuccessful tenderers.

Impact Measurement Tools

The University will review and consider the use of relevant tools for each procurement such as The Sustainability Risk Assessment Tool (>£25,000) and the Community Impacts Measurement Tool (> £1m)

Whole Life Costs

Where appropriate, the University will consider the use of whole life cost models for each procurement and award the contract to the supplier who submits the most economically advantageous tender in line with the evaluation and award criteria stated in the tender documentation. (e.g. whole life costs, service levels, quality, technical merit.)

The Procurement service will ensure that all other procurement procedures and processes;

- comply with all relevant legislation, policies and guidelines
- are responsive to the needs of the University
- are open and fair to all suppliers, local or national
- provide value for money
- promote the highest ethical standards and financial probity
- consider sustainability and environmental impact
- are professional
- are streamlined
- support a business efficient reputation
- minimise contractual risk
- provide relevant and meaningful data and reporting

The procurement service will look to review its current procedures on an annual basis to ensure that they are always fit for purpose and simplify them wherever possible.

7. To analyse and record: - Data analysis

Part of the Procurement service is to regularly analyse the University's expenditure with suppliers for goods, services and contracts, to understand the scale and importance of procurement activity in terms of amount, nature of purchases, market risk and business risk. This analysis will inform the routes by which the procurement function develops and delivers best value procurement.

The University's procurement service will implement a savings measurement system, which will record hard and soft savings made against each tendered contract.

8. To introduce: - Measurement and Impact

In accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

There are inherent risks in procurement which must be monitored in order to ensure continuous improvement, these are;

- Unnecessary Purchasing
- Failure to achieve Best Value
- Uneconomic procurement
- Supplier failure to deliver
- Quality of goods services and contracts procured being substandard
- Fraud
- Missed opportunities
- Failure to minimise the impact on the environment

The above list is not exhaustive but represents a basis for a monitoring and reporting framework to reduce the risks associated with procurement to a minimum in addition to recording the corresponding positive outcomes.

9. To progress: - Policy Development and Implementation

The University will consider deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015).

The 2011 Diamond report makes several recommendations for improving the efficiency and effectiveness of procurement in the higher education sector, Glyndwr University has built the agreed recommendations into its policy documents.

10. To achieve: - Compliance

The University's internal auditors will undertake periodic reviews of the procurement function. The auditors will check for compliance against internal procedures and to ensure compliance with UK and European Procurement Directives as well as procurement best practice.

The Welsh Public Procurement Policy contains a requirement to undertake annual Procurement Fitness Checks and to report the subsequent recommendations and actions plans to the Welsh Government.

The Procurement Service will ensure that the actions and recommendations included within these reports are fulfilled.

Further Considerations:

Welsh Language Act & Scheme

The University will specify in tender documents and contracts any particular requirements as to the use of Welsh, and will monitor the fulfilment of any such requirements by the contractor.

Where the University engages external consultants to undertake studies or reviews in the Higher Education Sector in Wales, it will specify any requirements as to the provision of Welsh language services or the consideration of Welsh medium issues as appropriate to the particular projects concerned.

Where required, in accordance with the requirements of the Welsh Language Standards, invitations to tender will be published in both English and Welsh, with the Welsh language version not being treated less favourably than the English version. Tenderers will be informed that tenders may be submitted in Welsh and that the tender will not be treated any less favourably than a tender submitted in English.

Freedom of Information

A register of Contracts has been established and is available, under the University's Freedom of Information commitment, in the public domain on the Freedom of Information Act 2000 (FOI) Finance web pages. This list all major tendered and awarded contracts.

The University will alert all tenderers and suppliers to our duties, as laid down under the Freedom of Information Act 2000, The Statutory Code of Practice on the Discharge of Public Authorities Functions issued under section 45 of the FOI Act and the Statutory Code of Practice on Records Management issued under section 46 of the FOI Act.

Ethics

The University's procurement service will adopt the Chartered Institute of Purchase & Supply, Professional Code of Ethics." The ethics cover a number of principles including maintaining the highest possible standard of integrity in all its business relationships.

Equality

The University will ensure that, through its procurement procedures, contractors or subcontractors providing a service to the University are aware of their obligations to respect the Board's commitment to eliminate unlawful discrimination, promote equality of opportunity and good relations between people of different racial groups. These commitments are set out in its Race Equality Policy and will be added to as further policies and schemes are developed to meet statutory responsibilities.

The University warmly welcomes tenders from all sections of the community. The University will promote procedures that are fair and free from prejudice.

Health & Safety

The University will request and assess where applicable, Health & Safety information from suppliers prior to contracting.