



# Procurement Procedures

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## Revision history

Version	Type (e.g. replacement, revision etc)	Date	History (reason for changes)
1.0	New	30 Sept 2020	
1.1	Revision	June 21	Annual Review

## Monitoring and review

This procedure document will be reviewed by the Director of Finance and Procurement, SLT and Corporation at least every two years.

# **1. Procurement Policy**

## **Purpose of the Policy**

The purpose of the policy is to ensure that goods and services should be purchased through competition to ensure value for money (VfM) and gain best prices. Purchases should also be made using good practice and in accordance with the following principles the college will:

- promote the delivery of VfM through good procurement practice and utilising the most cost effective and efficient methods of procuring goods and services.
- identify and explore opportunities for collaboration to increase buying power and build relationships
- develop relationships with other Colleges and suppliers to ensure lasting good service and VfM.
- consider sustainable, ethical, social and environmental policies.
- ensure all procurement is compliant with extant legislation and regulation.
- ensure all purchasing within College is transparent and accurate records are kept for auditing/challenge purposes.
- promote, where possible, the use of College apprenticeships in the supply chain.

## **2. Purchasing Procedures**

All new suppliers must be approved by the procurement team. The procurement team reserves the right to reject new suppliers. A new supplier may also be subject to a financial check, which depending on the result, could result in the supplier being rejected. Orders should not be agreed with suppliers prior to them being approved and set up on the College finance system.

All purchases must be made via an approved official College purchase order process. This includes submitting an FPM request which is then authorised by the Budget Holder. The order must clearly indicate the nature of the goods or service and if applicable refer to any agreed price, quotation or tender submitted.

Maintenance agreements should be co-ordinated in conjunction with the procurement team in order to take advantage of a supplier's ability to undertake work on all costs of a similar nature with a view to reducing overall costs.

Items may normally be purchased from suppliers who are already on the approved supplier list which is maintained on the finance system. Where an item is not available from these suppliers, the department concerned will liaise with the procurement team to facilitate this purchase. Where more than one department requires the identified item, the procurement team will co-ordinate the process.

The ability of a supplier to meet the College's requirements should be assessed, by way of due diligence, before any contract is awarded or an order placed. The level of due diligence carried out will be linked to the value of the contract, however low value contracts may still offer a great level of risk to the college so this would need to be assessed on a contract by contract basis. The procurement team and, where appropriate, the purchasing consortium will be responsible for examining a supplier's conditions of sale to ensure they do not materially prejudice the college.

Where another college department can provide a service internally this must, where possible, be used in preference to external suppliers. This includes in-house printing and repair and maintenance facilities. In a situation where an external supplier is used where the service is also provided internally, the Senior Management Team will be informed.

## **Quotations and Tenders**

Delegated budget holders must comply with the college's tendering procedures, which are as follows:-

**Purchases with a value of:      Process to be followed.**

Under £1,000	The budget holder shall have the discretion whether or not to obtain quotations, but VFM must always be obtained
£1,001 - £10,000	the budget holder shall be required to obtain at least three quotations supported by current price lists or written quotations
£10,001 - £50,000	the Procurement and Contracts Officer shall arrange for four written quotations to be obtained
Over £50,001	all items will require four competitive tenders managed by the Head of Department and the Procurement and Contracts Officer

Contracts with a total value in excess of £100,000 must be reported to the Finance and General Purposes Committee.

**It is not acceptable under any circumstances for purchases or contracts to be split into a number of lower value orders to avoid a quotation or tender threshold.**

When tendering, care should be taken to ensure items and services are grouped correctly, for example, laptops, desktops and keyboards should always be included under a general 'IT equipment'. When carrying out a tender however, the items can then be split into 'lots' within the same document. For example lot 1 would be laptops and lot 2 would be desktops and keyboards. This is to encourage SMEs who only supply laptops for example, to tender for that lot only.

Only in exceptional circumstances should contracts/agreements with a value in excess of £1,000 be awarded without at least three suppliers being invited to quote.

Each Budget Holder will retain quotations in excess of £1,000, together with copy purchase orders, for a period of two years for review by the auditors on request. A copy must also be submitted to the Finance Department upon request.

Procurement with a value in excess of £50,000 must follow the college's tendering procedure as outlined in the Financial Regulations. The procurement team must be consulted before awarding contracts over £50,000 to a single supplier.

The college has a legal requirement to advertise all contracts over the value of £50,000 on MultiQuote, which is a tendering portal run by the Crescent Purchasing Consortium (the CPC). This is the total value of the contract and not the annual value. Advertising on MultiQuote can only be arranged via the procurement team.

In order to ensure all purchases are made on the most advantageous terms and are consistent with the required quality, this process will be co-ordinated by the Finance Department.

Tender and quotation evaluation should take account of all relevant costs, including acquisition, servicing, performance, maintenance, compatibility and disposal.

Wherever better value can be obtained, purchasing contracts made available by the approved purchasing consortium must be used.

Maintenance and lease agreements must also conform to Financial Regulations and procedures and tendering guidelines. When determining tender thresholds, the annual value and duration of the agreement must be considered.

The college is required by law to adhere to certain purchasing regulations, the purchaser must make reference to the UK-only tendering service, and use of facilities such as UK Government Find a Tender service (FaTS) to ensure compliance with requirements of public sector procurement. The latest thresholds are:

<b>Procurement Threshold</b>	<b>Value</b>
Supplies	214,000 Euros £189,330
Services	214,000 Euros £189,330
Works	5,350,000 Euros £4,733,252

In determining whether the above UK-only tendering service thresholds have been or are likely to be reached for public supplies or services contracts, **ALL** spend relating to such activity should be considered.

The threshold could be reached either as a one-off purchase or as an aggregated spend over a period of time. Whilst it is generally based on an aggregate spend over four years (approx. £45k per year) it is still applicable on contracts employed over longer periods which could have a lower annual spend.

For example, a seven year service contract at £30k per annum would see a contract spend value of £210k – which is above the threshold – thus appropriate use of UK Government Find a Tender Service (FaTS) must be carried out.

Further guidance should be sought from the procurement team for any purchases likely to be within 10% of the threshold.

### **Tendering Procedures**

Under college Financial Regulations competitive tendering must occur for all procurement exceeding £50,000 in value. However, purchasers must be mindful of the regulations set out above and liaise with procurement accordingly if unsure.

The procurement team will ensure a consistent approach to tender documentation.

Except in the case of specialist supplies where alternatives are not available at least three suppliers are required to tender.

It is always advised that where college spend is governed by external funding any documentation and advice from the funder must be reviewed prior to any procurement activity commencing and strictly adhered to.

In all cases where formal tendering processes are required, sufficient time must be given to prospective suppliers to allow them to reasonably consider and respond to the requirements. Typically, this is suggested as a minimum of four weeks, however the procurement team will offer guidance as to the appropriate timescales on a case by case basis.

Invitations to Tender will be sent by letter, electronically by e-mail, or by using the In-tend tendering programme by the procurement team, in conjunction with the appropriate Budget Holder. Invitations will give particulars of the work or supply and will give a closing date and time for submission of the tender, including instructions for return.

The closing date must be strictly adhered to. Tenders received after the closing date will not be considered, unless under extreme situations agreed by the Procurement and Contracts Manager and

relevant Budget Holder and/or SMT member. Tenders received prior to the closing date and time will be held, secure and unopened by the procurement team.

In line with Financial Regulations tenders will be opened by nominated individuals (to include a member of the procurement team, the relevant Budget Holder, a member of SLT and a representative of Finance and General Purposes Committee for tenders over £100,000), who will ensure that on opening tenders a record of tenders will be completed and signed by the persons present at the opening.

Alternatively, if the tender has been released through the MultiQuote tendering system, only a single person needs to be present as the system only allows access after the closing date and an audit trail is recorded by the system.

The decision to opt for a particular supplier must be taken with due consideration to the tender price, quality of service and cost effectiveness and the overall value to Bradford College. The lowest price will not necessarily win a tender unless the tender is being evaluated entirely on cost.

Post tender negotiations may be conducted in limited circumstances to benefit the college and only in such a manner as to be equitable to all tenderers. The reason for any post tender negotiation must be detailed in writing and retained on file. Care must be taken to ensure no rules are breached with regards to the UK-only tendering service should any negotiations take place.

The procurement team will assist departments in evaluating the tender and will be involved in post tender negotiations. The procurement team must be involved where post tender negotiations for UK-only tendering service tenders take place.

Successful tenderers will be informed in writing and standard documentation will be used to inform unsuccessful tenders. Feedback will always be given to unsuccessful tenderers who request it, to help improve future bid quality and competition going forward. The procurement team will co-ordinate this process.

Tender documentation will be retained for seven years unless it is linked to funding bid, in which case the requirements of the funder will be fulfilled.

If a framework from a consortium is to be used, any restrictions on that framework must be adhered to. Support and advice on any restrictions can be sought from the framework managers and/or the procurement team.

### **Sustainable Purchasing**

The college will consider environmental and social responsibility as a factor in all of its purchasing decisions and recognises its responsibility to carry out its purchasing activities in a sustainable manner.

The procurement team will work with the purchasing consortium to consider the environmental impacts of products and processes involved in purchasing and supply.

Before buying any product or service the following questions should be asked:

- Is the product or service required?
- Can the need be met in any other way?
- Is a suitable product available elsewhere in the college?
- Can the college meet this requirement by renting, leasing or sharing rather than buying?
- Is the specification right? Is it “fit for the purpose”, the appropriate quality (not over or under specified) and the correct quantity.
- Can the product serve any useful purpose after its initial use?

Wherever possible the college will give preference, where items are of a similar cost, to those that are:

- Manufactured with a high-recycled content.
- Biodegradable or able to be recycled or reused.
- Energy, water and resource efficient.
- Packaged appropriately, not excessively using packaging that is recyclable or re-usable.
- Non-polluting during production, working life and on disposal.
- Durable, easily upgraded and repairable.
- Not categorised as special wastes entailing additional disposal costs and procedures.

From suppliers:

- Who are based locally;
- who are committed to environmental transparency and improvement;
- who do not exploit child labour or labour and economies in the developing world and adhere to Fair Trade standards;
- who supply environmental handling and disposal information;
- who actively seek to employ apprentices.

The college will strive to:

- Comply with all relevant environmental legislation.
- Increase awareness of sustainable procurement across the college.
- Encourage and persuade suppliers to operate environmentally friendly processes and supply environmentally friendly products.
- Educate its suppliers concerning the college's sustainability objectives.
- 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 purchasers to review their consumption of goods and materials in order to reduce usage and adopt more environmentally friendly products, including the use of recycled products as appropriate.
- Specify, wherever possible and reasonably practicable, the use of environmentally friendly materials and products.
- Ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers to submit offers for environmentally friendly alternatives.
- Ensure that appropriate consideration is given to the costs and benefits of environmentally friendly alternatives.
- Explore opportunities for recycling of materials as appropriate.
- Will monitor legislation impacts upon the college in terms of disposal costs, for example the disposal of fluorescent tubes, computers and monitors, disposal of cooking and other oils. Suppliers of these products will be required to quote for their disposal. Contracts may have to be reconsidered if suppliers are unable to meet this request.
- Address barriers to entry so that Small, Medium Enterprises (SMEs) and local suppliers are encouraged to bid for appropriate work.

**Further environmental considerations:**

- Sources of raw materials (for example, wood from sustainable forests).
- Will the supplier remove and dispose of their packaging or are they obliged to remove it under the Producers Responsibilities and Packaging Waste Regulations.
- Consolidation of deliveries, reducing transport costs and environmental impact.

**Safeguarding Young People and Vulnerable Adults**

The College recognises that all children have a right to protection from abuse and takes seriously its responsibility to protect and safeguard the welfare of children, young people and adults.

This includes all contracts and/or one-off requirements for the provision of works at the College, where a member of a provider's personnel may come into contact with children, or vulnerable adults, or sensitive personal information in relation to them, will require those provider's personnel to hold DBS clearance.

In order to offer protection to its children and vulnerable adults, the College expects that relevant provider's personnel engaged in the provision of these contracts will have the same level of DBS clearance, monitoring and verification as the College would expect of its directly employed staff.

**Security considerations**

Bradford College is committed to ensuring that staff and students confidential information is protected and controlled within the guidelines of the Data Protection Act 1998 and the General Data Protection Regulations when they come into force in May 2018. It is essential that when dealing with any suppliers that will require access to any confidential data, that a number of important clauses are included in any contracts, these are:

- We, Bradford College' are data controller and that the supplier is the data processor and that all data protection obligations are required to be met during the duration of the contract.
- That the supplier will keep college information confidential and not pass it on to third parties or partners without prior consent from the college.
- All data held by the supplier is secured to an acceptable standard aligned to the college's own information security policy.
- The college has the right to audit the supplier's security and administration methods to ensure the confidential data they are dealing with is not compromised in any way.
- That all information, whether in paper format or stored electronically, is removed from their possession or destroyed on completion or termination of any contracts.

Further to the above clauses the college should ensure it is fully indemnified against any loss of information by the supplier. It is also advised that clauses are included with any contract to ensure both parties are aware of the consequences should any data be lost/misplaced/stolen.

**Subsidiaries**

Bradford College has a number of subsidiaries, some of which are used directly to provide a service for the college. There are a number of rules under the 'Teckal exemption' that are relevant to this type of procurement.

- A subsidiary should be wholly owned, and should not under any circumstances have any private participation in the company, for the college to undertake any work or service without following the relevant procurement process. Even a small stake from a private investor would result in procurement rules not being met if a process was not followed.

- If work or a service is procured from wholly owned subsidiary and the work requires sub-contractors to carry out the work the subsidiary has to follow the same rules as the college should they have appointed directly. This includes meeting Financial Regulations and also UK-Only tendering service regulations.

Please contact the procurement team for further advice and guidance.

### **Disposal of surplus equipment**

Any disposal of assets must conform to college Financial Regulations and procedures including obtaining approval as per Appendix B of the Financial Regulations. This is the responsibility of the Budget Holder.

### **Code of Ethics**

Any personal or family interests which may impinge, or might reasonably be deemed by others to impinge upon the impartiality of any matter relevant to purchasing duties should be declared to the Director of Finance and Procurement prior to any involvement in the production of documents or evaluation of responses.

College senior managers of the executive and governors register their interest on an annual basis, the register of interests is checked against spend levels and declarations to the college auditors is made for review. The procurement team are made aware of these declarations and due consideration is given during the procurement process to check on conflicts of interest.

The confidentiality of information received in the course of duty should be respected and specific details of suppliers offers must not be divulged to competitors. Information given in the course of duty should be true and fair and never designed to mislead and must not be used for personal gain.

Whilst bearing in mind the advantages to the college in maintaining a continuing relationship with a supplier, any arrangement which might, in the long term, prevent the effective operation of fair competition must be avoided.

Approval must be sought from the Deputy Chief Executive for the use of official college suppliers for personal purposes.

Business gifts, other than items of small intrinsic value such as business diaries or calendars, must not be accepted. Items for personal use may not be accepted.

Modest hospitality is an accepted courtesy of a business relationship. The recipient should however be conscious of the need to avoid a position where they might be, or appear to be, influenced in making a business decision by such hospitality.

The frequency and scale of such hospitality should not be significantly greater than the college would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality the offer should be declined or advice sought from the Director of Finance and Procurement. For the protection of those involved the Director of Finance and Procurement will maintain a register of all gifts and hospitality received. Members of staff in receipt of such gifts or hospitality are obliged to notify the Director of Finance and Procurement immediately.

### **Apprenticeships**

The college, where possible, will use procurement including the use of frameworks and tenders to promote the use of college apprentices. Where possible, a clause will be included within tender documents to promote potential suppliers to take up Bradford College apprentices from various areas, dependant on the contract being tendered.

## Document Retention

Below is a guide as to how long documents, relating to the procurement of goods and services and held in procurement should be kept:

Copy order (held electronically)	7 years
Copies of successful quotations/tenders	7 years or life of contract
Copies of unsuccessful quotations/tenders	3 years
Signed/sealed documents	13 years
Funded major capital and property contracts	25 years

Funded projects may require longer retention levels, these should be established prior to starting projects.

## Authorisation Levels *(reviewed June 2021)*

### 1. Purchase Ordering – Revenue Expenditure

Description	Financial Limits	Authority Limits
All items <b>within</b> budget	Up to £10,000	Budget Holder
	Over £10,001	+ Director of Finance and Procurement
All items <b>not in</b> budget	Up to £10,000	+ Deputy Chief Executive
	£10,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

### 2. Purchase Ordering – Capital Equipment

Description	Financial Limits	Authority Limits
All items <b>within</b> budget	Up to £10,000	Budget Holder
	£10,001 - £100,000	Executive Director + Deputy Chief Executive
	£100,001 - £250,000	+ Chief Executive Officer
	Over £250,001	+ Finance & General Purposes Committee
	Over £1 million	+ESFA
All items <b>not in</b> budget	Up to £30,000	Deputy Chief Executive
	£30,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

### 3. Purchase Ordering – Buildings

Description	Financial Limits	Authority Limits
All items <b>within</b> budget	Up to £100,000	Deputy Chief Executive
	£100,001 - £250,000	+ Chief Executive Officer
	Over £250,001	+ Finance & General Purposes Committee
	Over £1 million	+ESFA
All items <b>not in</b> budget	Up to £30,000	+ Deputy Chief Executive
	£30,001 - £100,000	+ Chief Executive Officer
	Over £100,001	+ Finance & General Purposes Committee

### 4. Student Fees

Description	Financial Limits	Authority Limits
HE Fees	All	Finance & General Purposes Committee/Corporation
FE Fees	Annual Schedule	Finance & General Purposes Committee/Corporation
Fee Waivers	All	Director of Finance and Procurement

## 5. Invoiced Income – Credit Notes

Description	Financial Limits	Authority Limits
All refunds	Up to £3,000	Director of Finance and Procurement
	£3,001 - £6,500	+ Deputy Chief Executive
	Over £6,500	+ Chief Executive Officer
Where Bradford College policy allows fee waivers and other student credits, a monthly report will be presented to the Director of Finance and Procurement and the Deputy CEO for sight to show the credit in these cases is within the policy dictate.		

## 6. Bad Debt – Write Off

Description	Financial Limits	Authority Limits
All items	Up to £1,000	Director of Finance and Procurement
	£1,001 - £10,000	+ Deputy Chief Executive
	Over £10,000	Finance & General Purposes Committee

## 7. Staff Expenses – Reimbursement

Description	Financial Limits	Authority Limits
All staff below Head of Curriculum or Support Area	Up to £1,000	Budget holder
Budget holder	Up to £1,000	Direct Line Manager
All staff	Over £1,000	+ Deputy Chief Executive
Executive Directors		+ Chief Executive
Chief Executive Officer		Chair of Corporation

## 8. Cash Advances

Description	Financial Limits	Authority Limits
Advances	Up to £250	Budget Holder + Director of Finance and Procurement
	£251 to £500	+ Deputy Chief Executive

## 9. Overseas Travel

Description	Financial Limits	Authority Limits
All staff below Executive Team	n/a	Director of Finance and Procurement
Executive Directors	n/a	Chief Executive Officer
Chief Executive Officer	n/a	Chair of Corporation

## 10. Bank Mandate

Description	Financial Limits	Authority Limits
Cheques/BACS	Up to £5,000	Director of Finance and Procurement
	Over £5,000	+ executive Director
	Up to £1 million	+ executive Director
	Over £1 million	+ another Executive Director

## 11. Salaries and Wages

Description	Financial Limits	Authority Limits
Honorariums up to Executive Director level	All	Deputy Chief Executive
Honorariums – Executive Director level	All	+ Chief Executive Officer
Overtime – FT Lecturers	All	Chief Executive
Overtime APT&C (non-contractual)	All	Budget holder
Overtime – Craft and Manual (non-contractual)	All	Budget holder

## 12. Disposal of Fixed Assets

Description	Financial Limits	Authority Limits
Computers and Equipment	Written-down Value	Director of Finance and Procurement
Buildings	Up to £1million	Finance & General Purposes Committee
Buildings	Over £1 million	+ESFA

## 13. Major Developments

Description	Financial Limits	Authority Limits
Any new aspect of business or proposed establishment of a company or joint venture, which will require an investment in buildings or resources	Up to £100,000	Deputy Chief Executive + Chief Executive Officer
	Over £100,000	Finance & General Purposes Committee

## 3. Responsibilities

**The Director of Finance and Procurement** is responsible for:

- Ensuring approval is sought for the use of official College suppliers for personal purposes
- The implementation of the Procurement Policy and related paperwork

**Procurement and Contracts Manager** is responsible for:

- Assisting Heads of Departments in determining best course of action for initiating procurement/tender processes
- Assisting the Departments in evaluating tenders and must be involved in post tender negotiations.
- Carry out financial checks on new suppliers which, depending on the outcome, could result in the supplier being rejected
- Retaining tender documents for seven years unless it is linked to funding bid, in which case the requirements of the funder will be fulfilled
- The implementation of the Procurement Policy, procedure and related paperwork.

**The Procurement team** is responsible for:

- Approving all new suppliers inputting onto financial system
- Administration of orders via the financial system

**Budget Holders** are responsible for:

- Ensuring the procurement of services or goods conforms to college Financial Regulations and procedures including obtaining approval as per the Financial Regulations.

### Linked Policy

- Procurement Policy
- Gifts and Hospitality Policy
- Anti-Fraud Policy
- Anti-Bribery Policy
- Financial Regulations