

Procurement Policy

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Introduction

1. Our procurement policy is designed to ensure that we achieve best value for money in all our procurement activity, taking into account: the full cost of the goods or service over its whole life, from procurement to the end of the contract, and the quality of goods and services procured. It aims to:
 - promote transparency, fairness and accountability in the use of University funds by establishing guidelines for the acquisition of goods and services whether by purchase, rental or lease;
 - foster a professional, value-added approach to procurement in the University, ensuring ethical standards are defined and maintained;
 - ensure that employees, students, contractors and suppliers are aware of the university's commitment to social, ethical, environmental and economic sustainability;
 - ensure delivery of value for money, whilst actively purchasing environmental and socially responsible products, services and buildings.

Link to financial regulations

2. The financial regulations approved by the Board of Governors in September 2023 contain the following guidance on procurement:
 - i) All University staff purchasing goods or services on behalf of the University must comply with the University's Procurement Policy, which provides further guidance on obtaining best value for money, purchasing thresholds and the auditable evidence required to support purchasing decisions.
 - ii) The Head of Procurement is responsible to the COO for ensuring that the University's Procurement Policy and supporting procedures are updated as required to comply with relevant external regulation and for advising budget-holders on application of the Policy.

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3. Every member of staff responsible for making purchases on behalf of the University must be able to demonstrate that the services/ goods obtained represent best value-for-money for the University, complying, where relevant, with the Procurement Act 2023 and any other relevant legislation. Before making any purchase, members of staff must consider whether changes in practice would allow them to reduce consumption, by adopting the principles of reducing the need, re-using existing resources or recycling.
4. University purchasers must comply with the University's procurement procedures, which are designed to assist them to:
 - Compile a product or service specification that takes into account all user requirements
 - Estimate contract value
 - Find the most appropriate way of sourcing suppliers
 - Carry out an objective assessment of tenders for the goods/services that leads to the contract award
 - Manage the contract to ensure continuing value for money over the contract life.
5. Where the same goods or services are bought by more than one faculty or department, those faculties and departments must work together to procure a single contract for use across the University and maximise savings from economies of

scale. Category buyers will be identified in each case to lead the procurement.

6. The University's purchasing procedures determine the procurement process to be taken, to balance the cost of procurement with likely savings. In summary, the procurement route depends on the estimated value of the purchase, as shown in the table at Appendix A.
7. Wherever possible, goods and services must be purchased using collaborative framework agreements, which reduce procurement costs and increase buying power to reduce cost, by benefitting from the total value of purchases across all framework purchasers.
8. Low value purchases (under £1,000) must be made using University purchasing cards, to reduce procurement and invoice processing costs.

Sustainable procurement

9. We are committed to the values of sustainable procurement, by encouraging:
 - Small and Medium Sized Enterprises (SME's), ethnic minority businesses, social enterprises and local suppliers to bid for appropriate work.
 - suppliers to develop pro-active corporate social responsibility approaches in their supply chain
 - purchase of products with recognised labelling schemes such as FSC, MSC or EU Eco label where appropriate.
 - staff to review the consumption of goods and materials and adopt best practice (Reduce, Re-use & Recycle) in their buying decisions to help minimise environmental impacts.
 - purchase of goods with minimal packaging or packaging made from recycled or recyclable materials.
 - the purchase of products that can be recycled or disposed of with minimal environmental damage.
 - suppliers to achieve environmental credentials such as environmental management systems for ISO 14001 or EMAS.
10. Our specifications for goods and services should take into account the environmental impact of the goods and services required and seek to minimise that impact, for example by requiring the use of recycled and locally sourced materials wherever possible, by minimising packaging and by purchasing goods that can be recycled or disposed of with minimum environmental damage.
11. The assessment criteria used to determine the successful bidder should, where relevant, include a requirement for the supplier to promote environmental sustainability throughout its supply chain, for example by requiring a relevant environmental management accreditation.

Anti-slavery

12. All specifications for goods and services must include a statement that we are not prepared to accept any exploitation in any part of our supply chain and that we require contracts to contain an anti-slavery clause. This clause, which flows down through all layers of our supply chain, prohibits suppliers and their employees from engaging in slavery or human trafficking.

Commitment to University aims

13. As part of a requirement for our suppliers to demonstrate their commitment to

Corporate Social Responsibility and our aims and values, assessment criteria should include a requirement to work with the us to offer work opportunities for our students, for example by providing work experience opportunities.

Link to value for money policy

14. The University's value for money policy defines value for money as 'the optimal use of resources to achieve the intended outcomes'. Three criteria are used to assess value for money:
 - a. **Economy:** minimising the cost of resources used or required (inputs) – **spending less**;
 - b. **Efficiency:** the relationship between the output from goods or services and the resources to produce them – **spending well**; and
 - c. **Effectiveness:** the relationship between the intended and actual results of spending (outcomes) – **spending wisely**.
15. Our policy is as follows:

'London Metropolitan University recognises its responsibility to achieve value for money from all its activities, however they may be funded. The University is committed to the pursuit of economy, efficiency and effectiveness as part of its corporate and academic strategy. The University will seek to adopt good practice and incorporate value for money principles in all its activities.'
16. To achieve value for money does not mean that when purchasing goods and services, we always buy the cheapest item or service. It means that we understand the factors that driving our costs and make sure that we buy the required standard or quality of goods or service at the lowest price.
17. To obtain best value for money we should encourage competition to provide goods and services, working in an ethical, accountable and transparent manner when making purchasing decisions. Purchasers should:
 - follow a standard approach to procurement based on a transparent and competitive principles that ensure consistency, efficiency and economy across all types of purchasing;
 - plan and carry out purchasing activities in good time to avoid having to settle with a costlier solution;
 - ensure the full range of supply options such as hire or lease are considered;
 - ensure that the specification for their planned purchase is not over-scoped;
 - monitor value for money throughout the life of the contract to drive out further efficiencies and savings
 - measure the value for money savings and report these to the Procurement Unit to form part of our data return to Office for Students.

Procurement policy: required procedures			
All proposed purchases: preparing to buy - musts 1. Prepare a specification for the goods/services required and estimate the cost. 2. Obtain authorisation to spend from budget holder. 3. Check with the Procurement Team whether the University already has a relevant contract in place. If so, contact the contract manager to request a purchase order against that contract. 4. If no suitable existing contract is in place, follow the procedure outlined below. 5. Documentation must be kept in case of audit, to show the fairness of the evaluation process and justification of the value for money of the contract awarded. 6. Confirm procedure to be followed, based on estimated cost, as follows.			
Estimated contract value less than £20,000, excluding VAT	Estimated contract value between £20,001 and £100,000, excluding VAT	Estimated contract value between £100,001 and procurement regulations threshold, excluding VAT	Estimated contract value above the procurement regulations threshold excluding VAT
Informal Quotation route: Only one quotation is required, although you should consider whether additional quotes would help to evaluate value for money. There is no need to complete a single source justification form for purchases below this value.	Formal Quotation route: Use a consortium framework OR obtain three quotations. Sustainable procurement by use of local SMEs/ suppliers should be considered when selecting suppliers to ask for quotations.	Local tender route: Use a consortium framework OR invite a minimum of 5 suppliers to respond to an invitation to tender. The supplier list should include a minimum of two SMEs/ local suppliers. Any exceptions must be justified and signed off by the Procurement Team as part of the procurement strategy.	GPA tender route: Use an compliant consortium framework, OR procurement exercise must follow the procurement regulations tender rules.
Musts: Select supplier. Issue the request for quotation. Payment must be made using a	Musts: Select suppliers. If not using a framework, issue the request for quotation to all three.	Musts: Prepare a brief procurement strategy, including the rationale for supplier selection, which must be	Musts: Prepare a brief procurement strategy, which must be reviewed by the Procurement Team to ensure

university purchasing card wherever possible to reduce processing costs.	Decision to be based on test for best value (price and quality). Record of decision criteria and assessment to be kept on file. Ensure required Transparency Notices are published on the Central Digital Platform within timescales provided under PA23	reviewed by the Procurement Team to ensure compliance with purchasing regulations. If the appropriate minimum number is not available, the requirement must be advertised. A member of the Procurement Team must be a member of the Procurement Team throughout the procurement exercise. If not using a framework, due diligence must be conducted on the financial status as regulatory policies of the supplier. throughout the procurement exercise. Ensure required Transparency Notices are published on the Central Digital Platform within timescales provided under PA23	compliance with procurement regulations. All tenders must follow the procurement regulations prescribed method and be advertised in Find a Contract. A member of the Procurement Team must be a member of the Procurement Team throughout the procurement exercise. If not using a framework, due diligence must be conducted on the financial status as regulatory policies of the supplier. throughout the procurement exercise. Ensure required Transparency Notices are published on the Central Digital Platform within timescales provided under PA23
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Post Award: Required Procedures

All proposed purchases above £20,000: musts

- Follow the Gateway Process as described within the Contract Management Policy
- Contact the Procurement Team with details of the requirement before the commencement of any purchasing activity, to enable all PA23 requirements to met and a contract reference number to be issued.
- Raise an order for the contract value.
- The purchase order reference must be quoted on supplier invoices for payment to be made

There must be a signed contract in place