



# Procurement Procedures

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## 1. Glossary of Terms

<b>Term</b>	<b>Definition</b>
<b>Agresso</b>	Queen Mary electronic purchasing and finance system
<b>Authorised Signatory</b>	Budget holder and those employees with delegated authority in compliance with Financial Regulations Authorisation procedure and these Procedures.
<b>Buyer</b>	An employee authorised to commit Queen Mary either by using a purchasing card or Purchase Order.
<b>Contracted Supplier/ Framework Agreement Supplier</b>	A supplier with whom prices and the terms to purchase goods or services by Queen Mary, have been clearly defined and agreed.
<b>Commit</b>	Authorise supplier to supply goods or start work – shall be either paid for by Purchasing Card or communicated by a duly authorised Purchase Order.
<b>Head of Department</b>	Head of Department, School, or Institute
<b>Purchase Order</b>	A Purchase Order generated by Queen Mary's Finance System. This is currently Unit 4 Agresso

## 2. Introduction

These procedures are designed to complement Queen Mary's Financial Regulations, which in turn supports Queen Mary's mission statement. The main purpose of the procedures is to set out how procurement will be conducted in order to:

- Protect the commercial interests of Queen Mary
- Provide procurement expertise and support to staff across Queen Mary
- Provide contracts giving value for money for all.
- Ensure that Queen Mary's Procurement Policy and Procedures are up to date, fit for purpose and support all relevant legislation and best practices.

These Procurement Procedures are binding on all staff that are responsible for or undertake procurement on behalf of Queen Mary.

**The Procedures apply to purchases resulting from all sources of funding, including research grants and contracts.**

Heads of Departments and nominated budget holders are responsible for the purchasing arrangements for the goods and services charged to the budgets and accounts under their control.

These procedures are based on good practice but are not intended as a comprehensive guide or to replace training in procurement.

Any figures shown in this document exclude VAT.

### **PLEASE NOTE:**

Disciplinary action may be taken, up to and including dismissal from employment, against any employee in respect of any misconduct or gross misconduct that is judged to be relevant to their employment by Queen Mary such as, but not limited to, conduct amounting to a criminal offence, whether or not there has been a prosecution and conviction, breach of any obligation or duty arising from regulations and procedures regarding financial matters, including fraud, deceit, deception or dishonesty, bringing Queen Mary into disrepute or action that would result in the employee being unsuitable for their current employment.

### 3. Ethics

It is Queen Mary's policy to conduct its business and operations in accordance with the highest ethical standards. Every effort shall be made to preserve and protect the reputation of Queen Mary by adopting a professional and correct approach at all times.

In accordance with the Queen Mary's Financial Regulations all staff involved in financial transactions must guard against fraud and malpractice. If a member of staff suspects fraud they must report it to the Head of Procurement or Director of Procurement.

Staff shall avoid authorising financial transactions (including the placing of orders and the certification of invoices) with organisations in which they, their partners or close relatives have a financial interest.

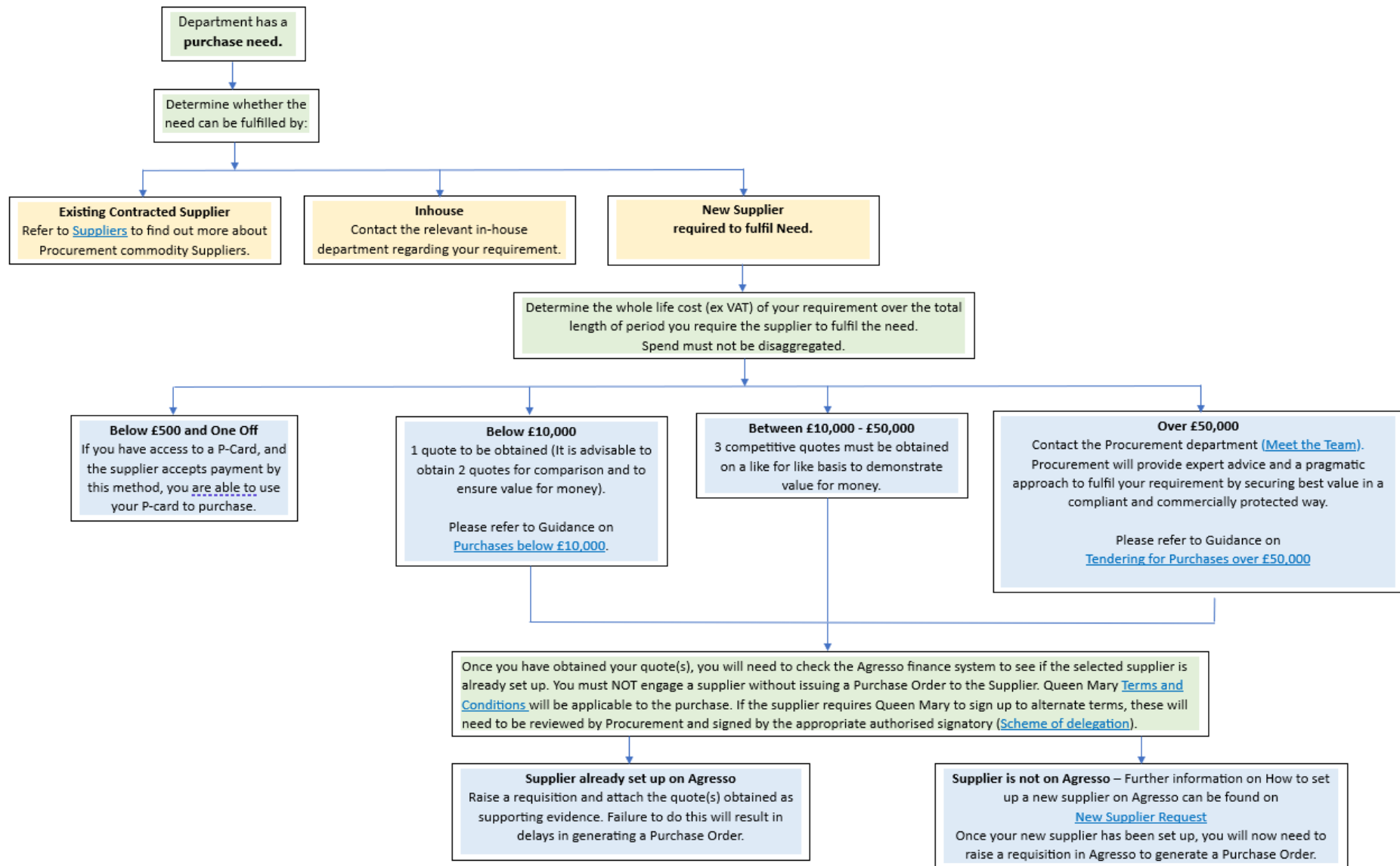
Queen Mary's Code of Ethics is that of the Chartered Institute of Procurement and Supply and is stated below:

- **Declaration of interest** - any personal interest which may affect or be seen by others to affect a member's impartiality in any matter relevant to his or her duties should be declared.
- **Confidentiality and accuracy of information** - the confidentiality of information received in the course of duty should be respected and should never be used for personal gain. Information given in the course of duty should be honest and clear.
- **Competition** - the nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.
- **Business gifts** - business gifts, other than items of very small intrinsic value such as business diaries or calendars, should never be accepted.
- **Hospitality** - the recipient should not allow him or herself to be influenced or be perceived by others to have been influenced in making a business decision as a consequence of accepting hospitality. The frequency and scale of hospitality accepted should be managed openly and with care and should not be greater than the member's employer is able to reciprocate.

The Bribery Act 2010 came into force on 1 July 2011, and applies to all staff working at all levels and grades for Queen Mary, including consultants, agency staff, volunteers, interns, agents, sponsors, or any other person associated Queen Mary wherever situated, and applies to both home and overseas. Queen Mary has a zero-tolerance policy towards bribery and corruption and is committed to the highest level of openness, integrity and accountability.

A copy of the Queen Mary Anti-Bribery Policy can be found on the Policy Zone at <http://www.arcs.qmul.ac.uk/policy/index.html> under 'Legal and Compliance' section. You must read this policy before any involvement in Procurement activity for Queen Mary.

## 4. How to Buy Flowchart



## 5. Who to Buy from

The Buyer shall check if the goods or services required are covered by a contract, on the Procurement Intranet at:

<http://qm-web.finance.qmul.ac.uk/purchasing/suppliers/>

If the goods or services required are not available from the 'Suppliers' list above, then buyers are welcome to find a suitable supplier on the open market. However, care should be taken to follow the necessary procurement path as detailed in Section 3 of the procedures "How to Buy Flowchart".

### **Please Note:**

**Suppliers found listed on the Unit 4 Agresso Finance System are not necessarily 'approved' or 'preferred' suppliers. Only procurement's intranet 'suppliers' guide will list these and should be consulted first before orders are placed.**

## 6. How to buy

### 6.1 Making a purchase

All departments and staff shall comply with these procedures throughout the procurement process.

Authority must be gained in accordance with these procedures before Queen Mary is committed to expenditure.

Given the nature and size of Estates-based Capital procurement, there is a separate governance procedure that needs to be followed (please see **Appendix A**)

### 6.2 Mechanisms for making a purchase

There are two accepted mechanisms for purchasing goods and services:

#### 6.2.1 Queen Mary Purchase Order

Buyers must use the Unit 4 Agresso Purchase Order system to buy goods and services (except where it is more practical to use a Purchasing Card).

Once the goods or services required have been identified and a cost obtained – either direct from a supplier, or through a competitive quotation or tendering process, a Purchase Order request (requisition) should be made on the Agresso system.

**Please Note:** At this point, no commitment to buy should be made to the supplier in question.



The purchase order request is then verified by an approver, unless the value is within a buyer's sign off budget in which case a verifier will not be involved, and a Purchase Order form is generated.

This purchase order can then be issued to the supplier.

**Please Note:** This is done automatically when ordering via the eMarketplace.

**Again, orders for goods and services must never be placed prior to receiving the purchase order from Agresso. Suppliers must quote the Purchase Order Number on invoices when submitted them to Queen Mary. Upon successful delivery of the goods or completion of the service, the goods or services should be receipted on Agresso. Both these actions will aid prompt payment.**

Failure to follow the "Purchase to Pay" process in the correct order poses the following risks:

- Financial commitments and accruals against budgets not being properly recorded and thus understating spend.
- Inadequate or no commercial protection in Queen Mary's dealings with suppliers by not presenting them with our written requirement, confirmed price and our terms and conditions of business prior to the supplier undertaking the task.

### **6.2.2 Purchasing card**

This method covers typically low value, ad-hoc expenditure, and can be treated as a complement to the mandated use of the Unit 4 Agresso Finance system (below).

Full details on who can be issued with a Purchasing Card, how to obtain one and rules and regulations, please read the Purchasing Procedures.

<https://www.qmul.ac.uk/finance/intranet/purchasing-cards/>

### **6.3 General**

Queen Mary's terms and conditions of contract shall be used for all purchases unless the prior written authority of the Head of Procurement has been obtained. In the case of Purchase Orders, the mandatory use of Queen Mary Terms and Conditions is stipulated as standard.

Aggregation of requirements, a reduction of the number of suppliers used and the use of call off contracts/orders shall be considered as a means of reducing the high administrative costs of raising and processing large numbers of small value orders.

## **6.4 Health and Safety**

All purchases shall comply with relevant Health and Safety Policy which is available at: [http://qm-web.safety.qmul.ac.uk/policy/docs/p\\_healthsafety.pdf](http://qm-web.safety.qmul.ac.uk/policy/docs/p_healthsafety.pdf)

## **6.5 VAT**

When making purchases for items which are zero-rated for VAT, the appropriate 'VAT Relief Form' must be applied for at the time of ordering the goods. It cannot be issued retrospectively via the system.

The forms are available from the Finance Department webpage should you need to complete manually:

<http://qm-web.finance.qmul.ac.uk/financeforms/index.html>

## **6.6 Purchases below £10,000**

It is always advisable to obtain at least two quotations, but this is not a mandatory requirement at this level. Departments are nevertheless obliged to seek value for money and agree specification, terms of delivery, payment and if applicable maintenance/warranty.

## **6.7 Purchases between £10,000 and £50,000**

In cases where it has not been possible to use a contract or framework agreement, at least three written quotations must be sought, which may be in the form of a formal written quotation or email. Emails shall be kept on file either as hard copy or electronically. Quotations shall be kept on file and referenced to the Purchase Order number. A current priced supplier's catalogue, either in hard copy or web-based form may be used in lieu of a written quotation.

All quotations must be added to Agresso requisitions for audit clarity and to provide context to approvers.

## **6.8 Purchases over £50,000**

- 6.8.1** All purchasing activity where the aggregated contract value is greater than £50,000 must be discussed with Procurement in the first instance and prior to any commitment being made with suppliers. (Unless if a lower threshold is required by a grant funding body).
- 6.8.2** Upon receiving a requirement from a client, Procurement will consider all routes to market and identify the best value option in collaboration with the client. This will be appraised on the basis of value for money, practicality and the existence of suitable pre-tendered frameworks that are endorsed by Procurement.

The possibilities would be to:

- Access a competitively tendered framework
- Carry out a Tender exercise

A few of the criteria's considered include:

- Capability and capacity to deliver the goods/ services
- Business probity
- Financial health
- Health and Safety
- Sustainability
- Equality

**6.8.3** All activity that includes a competitive exercise will be carried out using the e- tendering system, currently Bravo Solution, which is administered by Procurement. This is to ensure transparency, fairness, and a fully auditable process is carried out in line with legislation and best practice.

**6.8.4** Procurement's client will be responsible for the production of a suitable set of requirements/ Specification that can be appropriately tested in the market. Procurement will support and advise as required to ensure the end objective is met.

**6.8.5** The following will be agreed between Procurement and its client before the competitive process takes place:

- The evaluation scoring mechanism for the Tender
- The evaluation team
- The method by which suppliers will be selected to participate
- Authority to sign off award
- Timelines for process

**6.8.6** Suppliers considered for the competitive process will be pre-checked by procurement to ensure their technical and financial suitability.

**6.8.7** All communications with tenderers during the competitive process will be managed by Procurement via the e-tendering portal. Procurement will liaise with the client to ensure accurate responses are provided to all tenderers.

**6.8.8** Procurement will provide detailed information required for the evaluation and will carry out moderation to ensure compliance, transparency and fairness.

**6.8.9** Suitable feedback will be offered to unsuccessful bidders. This process will be managed by Procurement with the involvement of the client as appropriate.

**6.8.10** All competitive exercises will be undertaken using Queen Mary terms and conditions unless Procurement consider them to be inappropriate for the exercise.

**6.8.11** Procurement will be responsible for ensuring a suitable contract of engagement is in place.

## **7. Requesting and evaluating quotations**

### **7.1 General principles**

It is Queen Mary policy to obtain supplies, equipment and services which represent and demonstrate value for money. This assessment includes value for money for quality and delivery requirements and price and in accordance with sound business practice, taking due account of relevant ethical and environmental standards.

By using contracted suppliers found on the 'How to Buy' guide, the buyer can be assured that a rigorous tendering and vetting process ensures Queen Mary is buying from companies who meet these standards.

If the buyer has to use a non-contracted supplier then they must ensure the supplier can meet such standards and that the goods or services being bought present good value to Queen Mary.

### **7.2 Requesting quotations (for purchases of under £50k)**

To ensure consistency, the Buyer should:

- Check the specification for completeness and discuss and clarify with the originator if necessary.
- Invite the required number of suitable companies to quote, or more if you wish.

It is not good practice when enquiring or negotiating with potential suppliers to reveal other competitors prices/quotes. It is also recommended that the buyer should not reveal the budget available. Suppliers who fail to win contracts and request feedback should be told of the reasons they were unsuccessful.

It is advisable to state that Queen Mary will seek to do business under its own terms and conditions, a link to which can be provided (see below).

### **7.3 Terms and Conditions**

These can be found here:

<https://www.qmul.ac.uk/finance/intranet/purchasing/tc/>

## **7.4 Evaluating quotations (for purchases of under £50k)**

The aim of evaluating quotations is to consider the key elements in order to arrive at the best overall solution for Queen Mary.

The Buyer shall ensure that:

- Quotations that meet the specification should be considered for acceptance. Of these, the one offering best value for money should be accepted.
- The evaluation of quotations may consider a range of factors and their relative importance to Queen Mary, or perhaps be based purely around best price offered. Should you require assistance please contact the Procurement.

## **8. Notes on Terms of Payment**

Queen Mary policy is to pay correct invoices within 30 days of the receipt of the invoice. This policy may only be waived by the prior agreement of the Head of Procurement. All invoices should be forwarded by the supplier directly to Accounts Payable for prompt payment as per the details provided on the purchase order.

Queen Mary will not normally pay for goods in advance with the exception of items bought using a Purchasing Card. Cases where this is proving difficult to achieve shall be discussed with Procurement prior to commitment.

## **9. Contract Management – Buyer’s Responsibilities**

### **9.1 General**

Supplier performance on all contracts should be measured and recorded in order to identify issues or project slippage before there is a significant impact. Any disputes that may occur should initially be taken up with the supplier, but if the problem remains unresolved then please contact Procurement immediately for assistance.

### **9.2 Expiring contracts**

When contracts and framework agreements raised by Queen Mary are within six to eight months of expiry, then Procurement will, in conjunction with appropriate buyers, consider whether a new arrangement is required. If it is, then it shall be treated as a new requirement and be handled in accordance with these procedures.

It is the responsibility of the buyer to ensure contracts do not overrun their contractual term and to ensure sufficient notice is given to Procurement to manage any tender exercise.

## **10. Insurance**

Insurance queries should be referred to Queen Mary's Insurance Manager, who is within Management Accounts team in the Finance Directorate.

The below link will provide some information:

<http://qm-web.finance.qmul.ac.uk/sections/insurance/>

## **11. Document Retention**

Copies of all quotations and tenders and any subsequent correspondence relevant to any purchasing activity must be kept safe and secure for 6 years after the end of the contract - which is normally the date of acceptance of the goods or services.

Electronic or scanned versions of hardcopies can be attached to Agresso requisitions, and it is advisable to keep these stored on secure Queen Mary drives by way of recordkeeping.

Hardcopies of quotations are not mandatory but if kept should be done so securely and after 6 years destroyed by confidential means.

## Appendix A

### **Estates, and Facilities, Capital Projects and Maintenance Governance Process (For all purchases over £50,000)**

To ensure that a clear, common path is followed, supporting the procurement of goods, works and services on behalf of Estates and Facilities, Capital Projects, a governance process is in place as an addition to current Procurement regulations, designed to underpin all planned expenditure from this area.

The governance panel who meet weekly to oversee Estates governance, comprises of:

- The Assistant Director of Estates and Facilities, Capital Projects
- The Assistant Director of Estates and Facilities, Maintenance
- The Director of Procurement or Head of Procurement and/ or
- The Category Manager – Estates

Applications to commit Queen Mary funds will be presented to the panel by the appropriate Project Manager.

#### **The process is as follows:**

- All requests for expenditure must be presented in person to the governance panel prior to any commitment having been made to any service provider. E mail notification will not be accepted.
- Such requests will include, the approval of tender lists, awards, and proposed single tender actions.
- The form and content of the application should be agreed with the Assistant Director of Estates, and Facilities, Capital Projects prior to presentation to the governance panel.
- Only once the proposed expenditure and the route to market has been presented and approved by the panel and a governance reference has been issued, can the procurement process commence, or any awards be made.
- When a tendering process has been selected as the best route to market, (it is mandatory for all procurements over £50,000) it will be the PM's responsibility to ensure that Procurement receive all documents and drawings to be issued to the bidders.
- All purchases with an aggregate value of over £50,000 will be tendered via Bravo Solutions.
- Service providers will only be drawn from approved Lists or current frameworks, although some projects with a value of over £5m may be issued to a wider market.

- The PM and Procurement will agree a return date of tenders and confirm the evaluation criteria to be advertised. Any scoring ratios and the basis for the award should also be confirmed by the panel.
- During the tender process, all communications with bidders should only be conducted through the Bravo portal. No attempt should be made to communicate directly with bidders, until Procurement have made the award, advised the unsuccessful bidders, and observed any agreed standstill periods.
- No information relating to any award or tender return may be released to any internal or external contacts until the returns have been ratified by the QS, and a formal award made through Bravo.
- All awards must be presented to and approved by the governance panel before any contractual commitment can be made to the winning bidder.
- Other than the debrief issued by procurement, commercial details relating to tender returns must never be released to or discussed with any of the bidders on the project at any stage.
- Procurement will only release the tender returns to the PM and QS assigned to the project and others nominated by the PM, information should not be released to any party (internal or external).
- A copy of the contract, signed by the contractor and the college, must be passed to procurement as soon, as possible after the award.
- The governance number issued for all approved expenditure must be recorded on subsequent purchase requisitions relating to the goods, works or service.

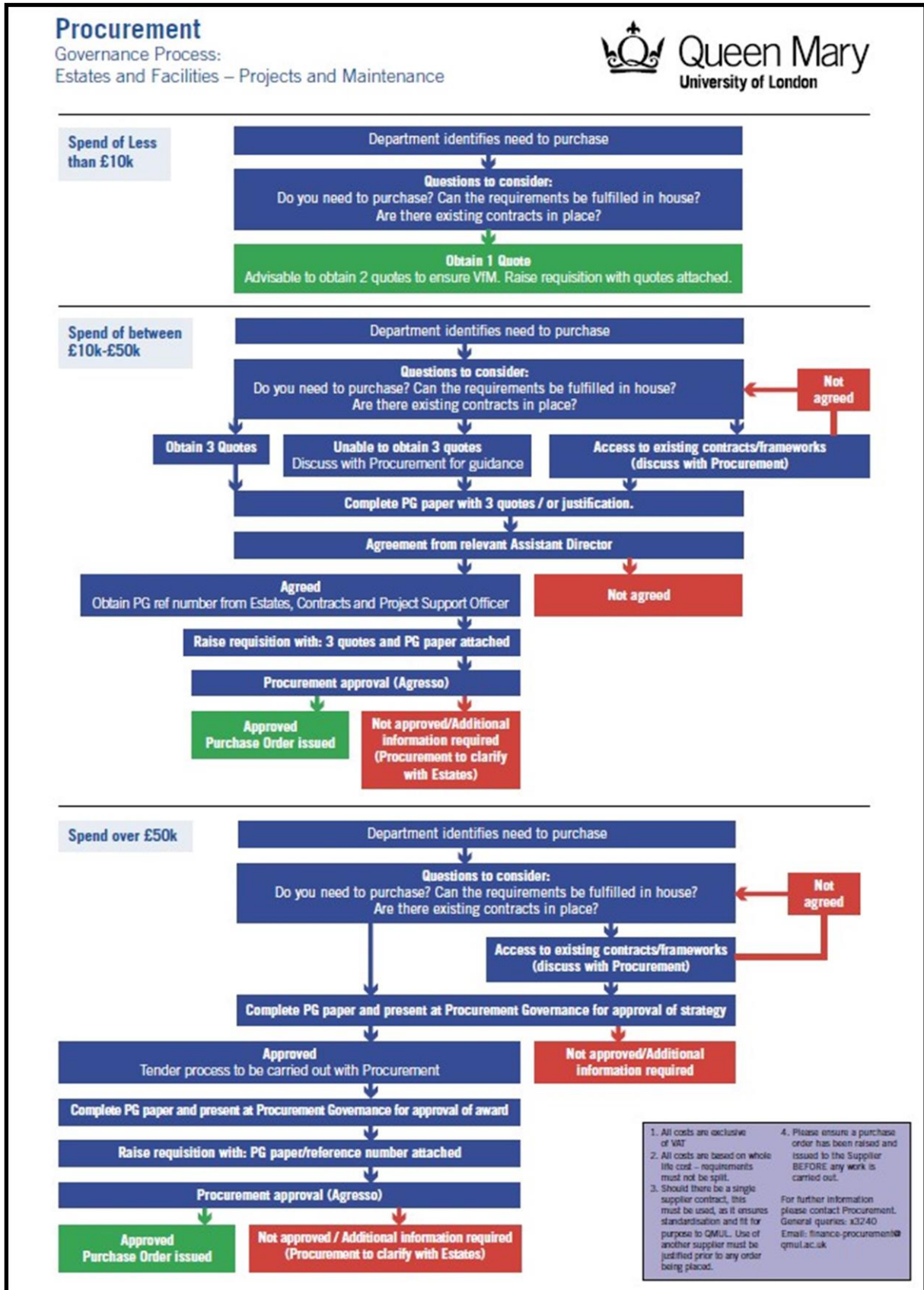
**Note 1** - This process is designed to run in conjunction with the Capital Projects Process and Governance structure (PWG / ESB)

**Note 2** - No contract or purchase order should be made until the Estates Strategy Board has approved the funds and Procurement Governance has approved the award.

**Note 3** – For all expenditure less than £10,000, obtaining at least two quotations is preferable but not mandatory. However, PMs must ensure they seek value for money for each transaction.



The below flowchart details the governance process to be followed for all Estates and Facilities, Projects and Maintenance spend.



## Further Information

Should you require any further information or guidance please contact Procurement team via email at [Finance-procurement@qmul.ac.uk](mailto:Finance-procurement@qmul.ac.uk) or a member of the procurement team directly. The Procurement team member's details can be found at <http://qmul.ac.uk/web/finance.qmul.ac.uk/purchasing/team/index.html>