



Procurement Procedure

Procedure Owner	Director of Finance	Procedure Author	Procurement Manager
Approved By	Board of Governors and Finance and General Purposes Committee	Date Approved	September 2023
Version	3.1	Date of Next Review	September 2024

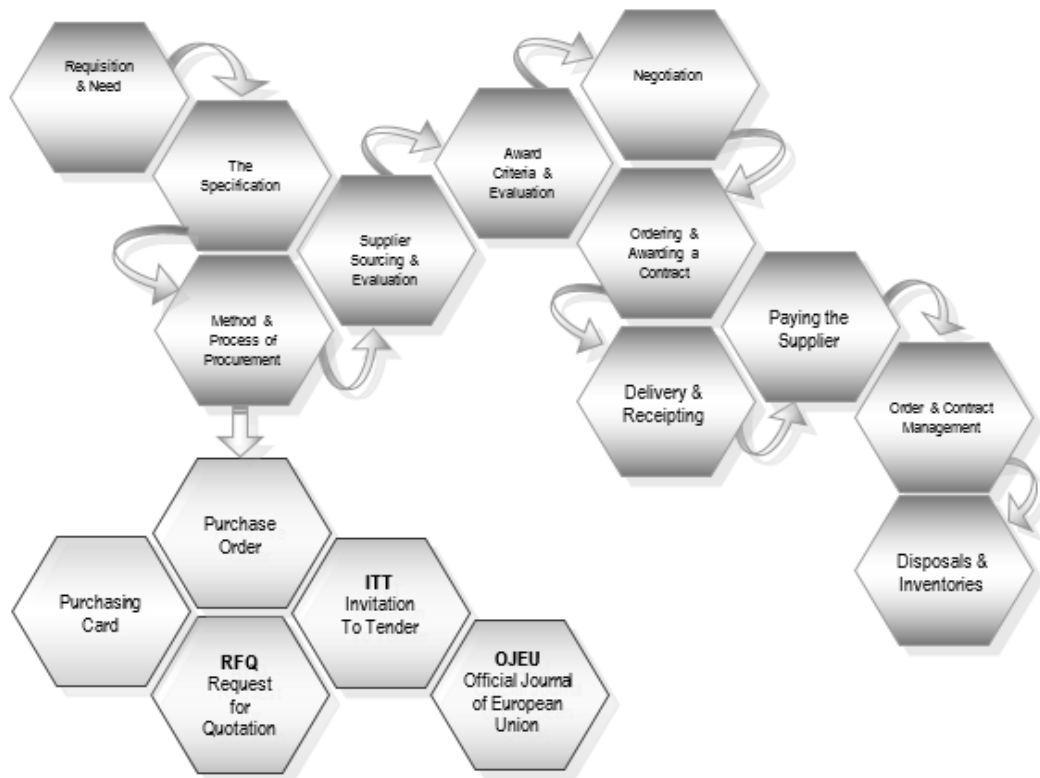
Version Number	Purpose/Change	Date
1	Creation of Procedure	
2	Procedure separated from Procurement Policy and updated into new template	October 2020
3.1	Procedure now in standard accessible template and review date added. Hyperlinks all updated and amended as required.	September 2023

Procurement Procedure

1. Introduction

- 1.1 All procurements, regardless of their value or complexity, follow a standard sequence of actions - the procurement cycle. The procurement cycle starts with identifying the need for a product or service through to payment, contract management and disposal. For low value, routine purchases the process is straightforward and the time spent on each stage can be minimal, however as the value, risk and/or profile of the requirement increases so does the complexity, formality, and the time to be spent at each stage of the procurement cycle.

1.2 Procurement Cycle





- 1.3 This procedure provides more detailed information on the procurement cycle, or by visiting the Procurement Journey [website](#).

2. The Requisition and Need

- 2.1 The purchasing process, regardless of value or complexity, commences with the identification of the requirement. There are many people throughout the University who may need to acquire goods or services to perform their particular function, but any requirement must ultimately be communicated to the appropriate local Procurement Coordinator or to the central Procurement Department who will advise the correct procurement route.
- 2.2 It is necessary to firstly ensure that the need is genuine or that it cannot be satisfied in some other way. Requisitioners and buyers should therefore seek validation of the need at the first stage.
- 2.3 Requisitioners are responsible for ensuring that enough time has been allowed for the procurement and delivery of the goods or services and for supplying an adequate and appropriate specification.
- 2.4 Requisitioners may include details outlining their preferred supplier(s), but the Procurement Coordinators/Procurement Department will be obliged to follow the relevant procurement process based on the order content and value.

3. The Specification (or Brief)

- 3.1 A specification is a 'statement describing the characteristics of the goods or services that the user wishes to acquire and consequently which the supplier is expected to provide'.
- 3.2 Generally, a formal specification is only prepared when the user requirement is complicated or challenging. Otherwise, a full description of the requirement is usually sufficient.



- 3.3 Where it is considered necessary, its purpose is to present suppliers with a clear, accurate and full description of the University's needs, thus enabling the suppliers to propose a solution to meet those needs. For simple procurements the specification may be straightforward and uncomplicated but for more complex procurements the brief will have to be sufficiently detailed containing the key requirements and outputs.
- 3.4 A good specification should have the following content:
 - 3.4.1 A clear title
 - 3.4.2 A full description of each element
 - 3.4.3 A further definition of each aspect of the requirement in one or two paragraphs.
 - 3.4.4 Details of the functional, performance and, where appropriate, technical characteristics required of the goods or services
 - 3.4.5 Details of any requirements in respect of delivery, installation, documentation, training, and maintenance
 - 3.4.6 Generic terms rather than specific supplier references or brand names. Reference should be made to the characteristics of a product. It is not permissible to specify a particular product brand
 - 3.4.7 Details of the need to comply with any legal obligations, quality standards and/or health and safety requirements
- 3.5 A good specification should take the following style:
 - 3.5.1 State the requirement completely, clearly, concisely, logically, and unambiguously, generally listing the most important elements first
 - 3.5.2 Focus on outputs required without being prescriptive as to the method the supplier should use to provide it (output specification)



- 3.5.3 Be sufficiently tight so that the product or service fits the user's needs, but not so explicit that it discourages the supplier from proposing innovative solutions that optimise Value For Money (VFM)
- 3.5.4 Contain enough information for potential suppliers to decide and cost the goods or services they will offer
- 3.5.5 Permit offered goods or services to be evaluated against the defined (and stated) evaluation criteria by examination, trial, test, or documentation
- 3.5.6 Provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user, and which may incorporate alternative technical solutions
- 3.5.7 Use simple language (do not expect the specification to be read by experts, write it so that a layman will understand) and define terms, symbols, and acronyms
- 3.5.8 Include service levels and a process for measuring ongoing performance
- 3.6 A good specification should NOT:
 - 3.6.1 Over-specify the requirements (more than is actually required)
 - 3.6.2 Contain features that directly or indirectly discriminate in favour of, or against, any supplier, product, process, or source. Discrimination on any grounds is improper and will not achieve the goal of value for money.
- 3.7 The Specification is a key procurement document. When one is appropriate, it forms the basis against which the successful supplier will be chosen and will become incorporated into the contract setting out what the supplier will deliver. It should therefore receive a final review before issuing to the relevant supplier base to ensure that:
 - 3.7.1 The requirements are complete and accurate
 - 3.7.2 All stakeholders' needs have been considered



3.7.3 Future developments have been considered

3.7.4 The requirement is deliverable

3.8 Further information on Specifications is available on the Procurement Journey [website](#). However, the specification for any procurement should reflect the requirements of the University and the circumstances of the procurement.

3.9 Sources of Information and Help

3.9.1 To achieve the desired outcome, preparation of a specification should involve close and continuous communication between all interested parties. Early consultation with relevant colleagues will help refine the specification to a level where all the necessary detail is included for the suppliers to understand and develop a solution to meet your requirements.

3.9.2 Developing the requirement will raise issues which your Procurement Coordinator may be able to assist with as they may have experience of procuring the particular goods or service and the knowledge to advise on the most appropriate type of specification – they may also have access to existing similar specifications.

4. Method and Process of Procurement

4.1 The Competitive Process

4.1.1 There is an inherent obligation to obtain value for money (VFM) in terms of the goods and services procured by the University and to demonstrate that what was offered by the selected supplier provided better VFM than offers from other potential suppliers. This can only reasonably be achieved by inviting competitive quotations (for lower value goods/services) or tenders (for higher value goods/services) in accordance with the thresholds outlined at 4.2.



4.1.2 Please note the above quotation/tender process is not necessary when an order is to be placed with a supplier who is already a contracted supplier, although you may have to run a mini competition between such suppliers on a framework agreement. Use of University, HE sectors, or national public sector contracts is strongly recommended where they are available and relevant (details of all such contracts are available within the APUC Buyers Portal – please contact Procurement for further guidance if required).

4.1.3 Quotation

4.1.3.1 A quotation (or request for quotation – RFQ) is a simple process using standard documentation to investigate the availability of suppliers for a required product and to identify the prices, delivery timescales etc for the product. This approach is appropriate to lower value purchases.

4.1.3.2 The supplier is asked to provide a written offer and the buyer selects the successful supplier by comparing offers. Selection in most circumstances will be based on the lowest cost.

4.1.3.3 There may exceptionally be a quotation preferred which is not the least expensive. There may be valid reasons for this selection, but an outcome of this type must be justified and documented in every case.

4.1.4 Tender

4.1.4.1 A tender (or invitation to tender – ITT) is a much more detailed and robust process used to investigate the suitability of suppliers for the product/service needed and to identify/evaluate the prices, quality, maintenance, support, and other relevant criteria. The offers must be evaluated against all the published criteria which shall be weighted according to their relative significance.



4.1.4.2 This approach is a more formal method of requesting quotations, resulting in a written response being submitted by the suppliers by a specific date. The process of supplier selection is tightly controlled so the evaluation is clearly seen to be impartial. This process is likely to result in a formal contract in line with the requirements of the [Contracts Policy](#).

4.1.4.3 Higher value procurements (>£50K for supplies and services, and £2M for works) are subject to competition/tender under Public Procurement Regulations. Any requirement covered by the legislation should always be referred to the [Procurement Department](#) for advice and action.

4.1.5 The Use of quotation and tender procedures serves two main purposes:

4.1.5.1 To endeavour to identify potential suppliers that are capable of supplying the required product/service:

4.1.5.2 to a quality that meets the needs of the user

4.1.5.3 at a price that represents value for money

4.1.5.4 at the time the goods or services are needed by the user

4.1.5.5 in a quantity that meets the needs of the users, and

4.1.5.6 to the location required by the user

4.1.6 To provide evidence of the user applying fair, open, transparent, and non-discriminatory methods of placing business with the suppliers used by the University. The procedures provide protection to the buyer carrying out the procurement process as well as to the University.

4.2 Quotation or Tender

4.2.1 The decision whether to request a quotation or to issue an invitation to tender will



depend upon the value of the goods and services being purchased. Thresholds are in place setting out the monetary value at which a buyer must issue an ITT rather than an RFQ. The threshold at which it becomes necessary to request a written rather than an oral quotation is also shown. In setting the thresholds we have attempted to balance the costs of formal tendering against the risks of not doing so for contracts of different values.

- 4.2.2 The estimated value of goods or services should be based on the total value of the contract, e.g., a 4-year contract worth £15,000 per year will have a contract value of £60,000 for the below purposes.



Estimated Value of Goods or Services	Quotation or Tender?
< £1000	Minimum of one quotation – written or verbal.
> £1000 but < £10,000	Minimum of two quotations (more where justified by market conditions). May be requested verbally but must be confirmed in writing.
>£10,000 but < £50,000	The enquiry should be specified in writing and at least three written quotations must be obtained. A formal tender may be more appropriate depending on market conditions and the nature of the requirement. The Procurement Department must be notified of the details and outcome of the process.
> £50,000 but < £178,000 (for supplies and services) > £2M but < £4.4M (for works contracts)	Formal tendering process must be followed. Procurement Department must always be involved.
> £178,000 (supplies and services) > £4.4M (works contracts)	These procurements exceed the threshold at which the EU Rules (prior to Brexit) apply and the Procurement Department must always manage the process.

4.2.2.1 In any given situation exceptional circumstances may occur. Where you genuinely believe an exception to policy should be made you must first contact the [Procurement Department](#).



4.3 Quotations

4.3.1 There are two ways of requesting quotations:

4.3.1.1 Oral enquiries - by phone or direct contact with a supplier for purchase values below the limit stated above. It is always preferable to obtain written confirmation of oral quotations. You should retain written records of oral quotations including the main points of any discussion.

4.3.1.2 Written enquiries – the standard [Invitation to Quote](#) should be used as the requirement clearly specified.

4.4 How Many Quotes?

4.4.1 Competition is important. There is, however, a limit to the time and resources available to process responses, thus limiting the number of quotes sought. It is, therefore, necessary for the buyer to come to a sensible compromise.

4.4.2 Where the University's procedures require two or more quotations, in order to receive two or three quotes back from suppliers you are advised to approach four or five suppliers in case not all respond.

4.5 Which Suppliers?

4.5.1 Suppliers may be identified by searching the PECOS supplier list or the register of suppliers on [Public Contracts Scotland \(PCS\)](#). This latter website also offers a 'Quick Quote' system to seek quotations from suppliers registered on the website – buyers will similarly need to register on the site if they wish to use Quick Quote. This is a simple process, but please contact any of the Procurement team if you need help registering.

4.5.2 Suppliers may alternatively be identified by other means such as internet searches, trade publications, local knowledge etc.

4.5.3 You should endeavour not to restrict your selection to the same or existing suppliers.



This will help suppliers who have not previously been invited to bid to gain access to opportunities and will also facilitate competition, encourage innovation, and ensure best value in future procurements.

4.6 What to Include?

4.6.1 Any enquiry, whether written or oral, will normally need to cover:

4.6.1.1 Specification of the requirement; quantity; required delivery (start) date; delivery address or place of work; reply-by date; price analysis request if considered appropriate e.g., breakdown of labour, material, and other cost elements; terms and conditions of contract.

4.6.2 Any quote which shows an abnormally low price out of context may be queried with the supplier to identify the reasons for this. If this is due to a mistake by the supplier, you should consult with the Procurement team for further advice.

4.6.3 If quotation responses are received with alternative Terms and Conditions of contract to those you are using in the Invitation to Quote, the supplier must be informed in writing that the Terms and Conditions of Contract as originally identified will apply to the requirement. If the supplier continues to challenge the Terms and Conditions, you should seek advice from the Procurement team or the University Solicitor.

4.6.4 With the exception of framework agreements, which ordinarily have pre-agreed terms and conditions, the University's standard terms and conditions should be used when awarding contracts to suppliers wherever possible as per the existing [Contracts Policy](#).

4.6.5 In the event that a supplier refuses to accept the University's standard terms and conditions and insists on using their own, then the supplier should be invited to highlight which conditions they refuse to accept. Where the supplier rejects the University's standard Terms and Conditions in their entirety (insisting on their own), Procurement



must be contacted to review the supplier's terms and conditions. Procurement will liaise with the supplier regarding any conditions which expose the University to an unacceptable level of risk and will highlight any specific conditions which either cause concern or require some form of specific activity to the requestor.

4.6.6 Note: It is possible that Procurement may advise not to contract with a supplier if the level of risk is deemed as being high.

4.7 Obtaining Best Value for Money

4.7.1 It may be possible to get suppliers to improve their offers by exploring the effects of changing demand volumes or timing, for example ask for a price breakdown and prices for different quantities, e.g., you could initially ask for a price for a quantity less than actually required and then ask the price for the desired quantity. You may also consider moving the demand time to suit the supplier's production schedule and ask about variations in payment terms.

4.8 Receiving Quotations

4.8.1 Quotation responses should be received through the Quick Quote option on Public Contracts Scotland where possible - this provides a secure receipt mechanism and a clear audit trail and is considered best practice. Please contact Procurement if you need any help with the Quick Quote process.

4.8.2 Where Quick Quote isn't used, you should retain the quotations on file and, for those over £10,000, you should also record the quotation responses received using the [Record of Quotations form](#).

4.9 Tender Procedures

4.9.1 Tendering is a formal procedure which results in the supplier submitting an electronically secure bid to the University. This bid is then evaluated alongside other bids by a team of



people against strictly controlled criteria. The evaluation team should consist of the user or representative of the user, the buyer, and where appropriate a technical expert. The size of the evaluation team and exact composition will vary depending on the specifics.

- 4.9.2 The procedure for seeking secure tenders is designed not only to obtain best value for money, but to protect the Buyer and the University in the event of any subsequent dispute or legal action by a disgruntled tenderer. The overriding principle is that all bidders must be given an equal opportunity to win the business. To this end, all invitations to tender for particular goods or services must be identical and must be distributed to the bidders using the same method at the same time.
- 4.9.3 If the tender value is significant, it is unlikely to be sufficient to simply select known suppliers to tender - it may be necessary to advertise the requirement to offer all potential suppliers an opportunity to participate. If the tender value exceeds £50,000, it becomes mandatory to advertise the requirement on Public Contracts Scotland – Procurement will be responsible for managing all such tenders.
- 4.9.4 There are two main forms of tendering:
 - 4.9.4.1 Open tendering – when open advertisements are posted, e.g., on the Public Contracts Scotland portal, and all qualifying suppliers responding to the tender notice are invited to participate. The University must assess the tenders from all tenderers against stated minimum standards and subsequently, if they meet the minimum standards, against the award criteria set out in the contract documents.
 - 4.9.4.2 Restricted tendering – where a shortlist of suppliers is drawn up following a pre-qualification exercise and those on the shortlist are invited to participate. The University must assess the tenders from all the shortlisted tenderers against the award criteria set out in the contract documents.



4.9.5 Large tendering exercises will often require a site visit/meeting with potential suppliers in order to clarify and discuss the requirements/specification in more detail before bids are submitted. No favourable treatment should be given to particular suppliers, and it is necessary to meet all potential suppliers/contractors so that they are given equal access to the same information.

4.10 Regulated Procurements

4.10.1 The University is required to tender for the provision of supplies, services, and works in line with the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016 where the contract value exceeds the threshold (£50,000 for supplies/services and £2M for works). The University is required to aggregate its consumption of supplies for the purposes of identifying Regulated Procurements therefore it is not possible to avoid regulations by placing a number of orders/contracts below the threshold value.

4.10.2 The Procurement Department must be contacted for advice and action on all tenders which are likely to exceed the Regulated Procurement thresholds.

4.11 Invitations to Tender (ITT)

4.11.1 All documents and correspondence from suppliers relating to tenders are confidential and must be treated accordingly. Information in a tender document must not be discussed with or disclosed to another tenderer. Equally, if there are any changes to the specification or other changes to the ITT, it is necessary to contact all potential tenderers and inform them of the changes.

4.11.2 The Freedom of Information (Scotland) Act 2002 provides a general right of access to recorded information held by a public authority and places two general duties on the University: to confirm or deny that it holds the information, and if it does hold the information, to give the person requesting it access to it. The Act provides that the above



general duties are subject to exemptions – some being absolute exemptions and some being exemptions which are to be subject to a public interest test.

4.12 ITT Documentation

4.12.1 The documentation which normally forms part of an invitation to tender is available from the Procurement Department. It will include:

4.12.1.1 A letter of invitation; tendering instructions and conditions; form of tender; conditions of contract; and a statement of requirements – see [Template ITT](#).

4.12.1.2 The contracting School/Department would be required to provide the statement of requirements (specification) and any other specification-related documents, e.g., drawings etc.

4.13 Timing

4.13.1 It is important that those invited to tender are allowed sufficient time to put together a comprehensive response. Where Procurement Regulations apply, all such procurements will be managed electronically on PCS and minimum periods are defined as below:

4.13.1.1 When calculating the time-limits, consideration should be given to the statutory “standstill” period of 10 days between notification of outcome and contract award, when unsuccessful tenderers may challenge the award decision.

4.13.2 For procurements other than those covered by the Public Procurement Regulations, the time allowed for suppliers to respond to a tender notice and ITT should take account of the complexity of the requirement and the time required to compile a tender response. Other points to consider include:

4.13.2.1 The required start date or delivery time

4.13.2.2 Whether time will be needed for supplier visits or presentations following the receipt of tenders



4.13.2.3 Whether time will be needed for post tender clarification

4.13.2.4 The need for sample inspection or testing

4.14 Bid Validity

4.14.1 Enquiries and ITTs should specify the length of validity period required by taking account of the time needed to complete the evaluation process and award a contract. Where the requested validity period becomes exceeded, bidders should be requested to re-validate their offers for a further stated period.

4.14.2 Validity times should be realistic but not excessive to avoid tenderers 'padding' their prices to compensate for unforeseen eventualities such as exchange rate fluctuations.

4.15 Receipt of Sealed Bids

4.15.1 On receiving hard-copy tender responses the recipient must record the date and time of receipt on the envelope and store the tender unopened in a secure place until the appointed date and time of its opening.

4.16 Modification or Withdrawal

4.16.1 Tenders may be modified or withdrawn by the supplier up to the deadline for opening. Modifications or withdrawals should be made in writing and a record kept of their receipt. Modifications should be received and treated in the same way as tender responses.



Tender Procedure	Time-Limits
Open Procedure	The minimum time-limit for the receipt of tenders is 35 days from the date on which the contract notice is issued. This can be reduced to 30 days by using electronic means to publish the Notice and by making the documents available online.
Restricted Procedure	The minimum time-limit for receipt of requests to tender is 30 days from the date on which the contract notice is issued. A further 30 days must then be given to shortlisted suppliers after issue of tender. These can be reduced to 30 and 25 days respectively by using electronic means to publish the Notice and by making the documents available online.

4.17 Extension of Closing Date

4.17.1 An extension of the closing date should only be authorised under exceptional circumstances. All potential suppliers should be notified of any extension and agreement sought from the user department. If on the date specified for receipt of tenders few have been received, telephone enquiries to suppliers should be made to ascertain whether the tenders concerned have been despatched.

4.18 Opening Tenders

4.18.1 Tenders should be opened as soon as possible after the stipulated deadline for receipt. Where tender submissions below £50K are invited in hard copy, the formal opening must be witnessed, as a minimum, by the Procurement Co-ordinator or a senior member of staff from the Contracting Department (see details below). A record must be kept using the [Tender Opening Record](#).



4.18.2 Where tender submissions are received electronically, the 'unlocking' of the mailbox will be carried out by a member of the Procurement team. The online unlocking process provides a full audit trail and is time-stamped by the system.

4.19 Late Tenders

4.19.1 Where low value hard-copy tenders are received after the closing date they are to be returned unopened to the supplier marked 'Too Late for Consideration' and covered by an explanatory letter. For higher-value regulated exercises PCS does not permit the submission of late electronic tenders and bidders are advised of such by the PCS system.

4.20 Notification of Outcome

4.20.1 On identification of a preferred supplier, a letter of intention to award (subject to any contractual/legal issues) should be issued to the relevant tenderer. All unsuccessful tenderers are also to be notified in writing as to the outcome of the written bids. We are obliged to give them full details of how the outcome was reached such as their score and 1 ranking the name and score of the successful supplier and the relative characteristics of the winning tender.

4.21 Purchase Order or Contract

4.21.1 On reaching full and final agreement, a purchase order with the University's Conditions of Contract should be issued or a formal contract, subject to the University's [Contracts Policy](#), should be duly signed by both parties.

5. Supplier Sourcing and Evaluation

5.1 Please note the supplier sourcing/evaluation process is not necessary when an order is to be placed with a supplier who is already a preferred supplier having been successful in a wider



University, Sector or National tender exercise. It is generally mandatory to use such existing public sector agreements which you can see detailed in the [RGU Contracts Register](#) or APUC Buyers Portal

5.2 RGU Supplier database

- 5.2.1 Suppliers who meet the University's selection criteria will already be registered on the University's Purchase Order System (PECOS). This will detail the suppliers who generally meet or exceed the financial, commercial, and qualitative requirements defined by the University. Many of these suppliers will have formal contracts, the details of which are available on the RGU Contracts Register. Others may have less formal contracting arrangements, but all will have been subject to the University's Supplier Set-Up process.
- 5.2.2 Purchase orders should only be placed with suppliers on the PECOS system and the addition of a new supplier should be an exceptional action if a suitable supplier already exists on the system. Sourcing of a new supplier should therefore only occur when, for some reason, the University wishes to make an enquiry to a supplier not registered on the database. This may be because there are insufficient appropriate suppliers on the supplier database or as a market testing exercise. If this results in the requisitioner/buyer seeking the introduction of a new supplier, the Procurement Department will process the application.

5.3 Supplier Sourcing

- 5.3.1 Sourcing is the process of identifying suppliers who have the capability, capacity, commitment, and financial viability to meet the requirements of the University.
- 5.3.2 The processes involved in the identification and evaluation of a potential supplier should establish whether or not it is prudent to deal with that particular organisation. If sourcing is carried out well the risk and implication of the failure of supply are reduced.



5.3.3 Rigorous supplier selection is important for high-risk/high spend areas because:

5.3.3.1 It enables a wider range of suppliers to be identified within each market, thus helping to ensure value for money.

5.3.3.2 It reduces the risk to the University of a supplier failing to meet contractual obligations.

5.3.4 It is rarely the case that a requirement can only be met by a single supplier. However, where this is believed to be the case, full details must be submitted to the Procurement Manager and Director of Finance who will consider the application. This procedure is referred to as a Non-Competitive Action (NCA).

5.4 Non-Competitive Action (NCA)

5.4.1 The University is required to comply with both national and international Procurement legislation as well as the wider principle of ensuring public funds are utilised appropriately in order to achieve value for money. Spending public funds without an objective competitive process that is fair, transparent, and non-discriminatory has the potential to breach the Public Contracts (Scotland) Regulations 2015 as well as individual research funding bodies' terms & conditions. This could expose the University and its employees to accusations of impropriety and ultimately a risk of financial loss in the form of:

5.4.1.1 Expenditure against a research grant being disallowed;

5.4.1.2 Inability to obtain future funding due to a downgrade in the University's Assurance Rating

5.4.1.3 A legal challenge on the basis of a breach in Procurement legislation or

5.4.1.4 Reputational damage as a result of any of the above.



- 5.4.2 The Non-Competitive Action (NCA) process is used in situations where it is impossible or impractical to undertake a competitive procurement process such as obtaining quotes or receiving tender responses from multiple suppliers for goods, services and works in excess of £10,000 in total contract value.
- 5.4.3 The NCA process must only be undertaken where all existing contracts and available framework agreements have been exhausted. There are two reasons for undertaking an NCA process:
- 5.4.3.1 Product/service is unique, and no other supplier can provide an equivalent that meets the user's requirements; or
- 5.4.3.2 Specific product/service is required for technical reasons to meet existing infrastructure/system or for reasons of continuity.
- 5.4.4 When selecting one of the above reasons it is the responsibility of the School/Department to provide sufficient evidence to support the option. Statements of fact must be supported on the [NCA form](#) along with evidence. For example, stating "There are no other suppliers that can provide product X" must be supported by evidence such as the research undertaken.
- 5.5 Note:
- 5.5.1 S. 23(2) of the Procurement Reform (Scotland) Act 2014 states that: "A contracting authority must publicise the award of a contract under a regulated procurement on the Public Contracts website". Therefore, a contract award notice will be published on the Public Contracts Scotland (PCS) website for ALL contracts above the Regulated threshold of £50,000. This includes contracts which have followed the Non-Competitive Action process.



- 5.5.2 Contracts below the Regulated threshold of £50,000 which are presented for award through the Non-Competitive Action process will require prior approval by the Procurement Manager, while those above £50,000 must also be approved by the Director of Finance.
- 5.5.3 Contracts above WTO GPA threshold which are presented for award through the Non-Competitive Action process will be passed to the University Principal & Vice-Chancellor for further approval prior to being returned to the relevant School/Dept.
- 5.5.4 A completed NCA form does not guarantee the University will be exempt from legal action or any punitive action taken by a grant provider.
- 5.5.5 For further information, an [NCA FAQs](#) document is available.

5.6 Identifying and evaluating possible suppliers

- 5.6.1 There are several ways of identifying potential suppliers to obtain competitive bids from for the required goods and services. The amount of effort (market research) spent on identifying potential suppliers will depend on the estimated value of what is required:
 - 5.6.1.1 Lower value – Public Contracts Scotland website, local knowledge, previous suppliers, trade journals, business directories, visits from sales representatives, peer group networks (e.g., procurement network)
 - 5.6.1.2 Higher value (over £50k) – the requirement must be advertised on the PCS website to ensure adequate visibility and accessibility.
 - 5.6.1.3 Where there is a need to prepare a short-list of suppliers from a longer list, this must be completed in a fair and transparent manner. In such cases, the University should publish any minimum standards required of suppliers (Open process, 14.9) or additionally seek relevant information in the form of a Pre-



Qualification Questionnaire (Restricted process, 14.9) which can then be scored and enable the formation of a legitimate shortlist. Any such shortlisting would generally only be required for formal tenders and the process would therefore be managed by the Procurement Office, utilising the European Single Procurement Document (ESPD)

5.7 Inclusion of supplier on the RGU Purchase Order System

5.7.1 A supplier must be approved for inclusion on the University's Purchase Order System before a purchase order can be raised. You should refer to the [Application Form](#) for guidance and the [Supplier Set Up Policy and Procedures](#).

5.8 Off-Payroll Working Through an Intermediary (IR35) Rules

5.8.1 It is the responsibility of the University to determine whether the off-payroll (IR35) rules apply to individual invoices. In cases where they do then the University will be responsible for paying the correct taxes and national insurance to HMRC.

5.8.2 The University also has a series of questions which are asked as part of the process to add new suppliers to the purchasing systems in order to determine if they are at risk of falling within the IR35 legislation.

5.8.3 The supplier/worker may end up being paid through the University Payroll system if the assessment determines that they are within the off-payroll (IR35) rules.

6. Award Criteria and Evaluation

6.1 A request for quotation or an invitation to tender will generally elicit a response from suppliers. This should be evaluated to assess the extent to which the response meets the requirements set out in the specification. The evaluation criteria set out how this will be achieved and should be developed in parallel with the specification to ensure all information needed for evaluation is



requested from the supplier and provided in a form that matches the award criteria.

6.2 Award Criteria

6.2.1 The award criteria enable the University to evaluate submissions in a fair and transparent way. The process of evaluation will be based on award criterion that demonstrates the most economically advantageous tender (MEAT).

6.2.2 Most Economically Advantageous Tender (MEAT)

6.2.2.1 In using MEAT criterion, it will be necessary to evaluate bids on a methodical model, that is and is seen to be, fair and transparent. As well as price (or whole-life cost), this method takes account of the qualitative, technical, functional, and other aspects of a tender submission.

6.2.2.2 There are a number of criteria that can be used, e.g., price (or whole-life cost); quality; technical merit; aesthetic and functional characteristics; methodology; after-sales service and technical support.

6.2.2.3 The RFQ, ITT and EU contract notice must indicate that the MEAT criterion will be used to award the contract.

6.3 Evaluation of Quotations

6.3.1 Quotations should be evaluated according to the criteria most relevant to the requirements identified in the specification. A record of the quotations and the outcome should be maintained as outlined at 4.8 Receiving Quotations.

6.4 Evaluation of Tenders

6.4.1 Tender evaluation should be carried out by the tendering team and should be seen to be systematic, thorough, and fair. Its purpose should be to achieve a strict comparison of values, taking account of individual strengths and weaknesses and variations from the specification provided.



The evaluation criteria should be developed in parallel with the specification, i.e., the most economically advantageous tender.

6.4.2 Tenders may be scored by stakeholders individually or they may jointly allocate scores to each tender. Decisions and reasoning must be recorded.

6.5 Tender Evaluation Methodology

6.5.1 There are a number of mathematical based systems that can be used to allocate scores on how a submission meets each stated criterion. The criteria are normally weighted, i.e., ranked in order of importance. These scores are then added together to give a final score for the submission. The contract is then awarded to the submission with the highest score.

6.5.2 The relative weighting of each criterion used to assess the submissions must be stated in the RFQ or ITT.

6.5.3 In practice, the tender document will contain a list of criteria against which each submission will be assessed. In its simplest form, marks are allocated out of 4 for each criterion, then added together and a total score obtained. It is more likely, however that there will be a preference or weighting given to each of the criteria. For example, in a consultancy requirement, it may be agreed that the quality criteria are more important than the actual price, and a weighting of 80:20 may be used for quality: price, i.e., the total quality scores are multiplied by 80% and the price scores by 20%.

6.5.3.1 Allocating Scores

Criteria	Supplier A	Supplier B	Supplier C	Supplier D
Quality Score	83	88	91	74
Relative Quality Score ¹	91.21	97.70	100	81.32
Financial (Price)	£10,500	£10,350	£11,750	£9,900
Relative Financial Score ²	94.28	95.65	84.25	100
Composite Technical ³ (Relative score*80%)	72.97	78.16	80.00	65.06
Composite Financial ³ (Relative score*20%)	18.86	19.13	16.85	20.00
Final Score ⁴	91.83	97.19	96.85	85.06

6.5.3.2 The highest quality score (Supplier C) is allocated 100 points and the others given a relative score using the formula (supplier's score/highest score) x 100 e.g., Supplier A is $(83/91) \times 100 = 91.21$.

6.5.3.3 The lowest price, Supplier D, is allocated 100 points and the others given a relative score using the formula (lowest prices/Supplier price) x 100, e.g., Supplier A is $(9900/10500) \times 100 = 94.28$.

6.5.3.4 The scores are then adjusted using the set weightings for quality and price, i.e., 80:20. So, again for Supplier A, the technical score is adjusted to $(91.21 \times 80\%) =$



72.97 and price score to $(94.28 \times 20\%) = 18.86$. These are added together, giving an overall score of 91.83.

6.5.3.5 The highest overall score was 97.19 for Supplier B and the recommendation would be to award the contract to Supplier B.

6.6 Evaluation Report

6.6.1 An evaluation report should be produced for all tender exercises, and indeed must be for all regulated procurements. It is the documentary evidence of the result of an assessment process whereby one or more competing providers' proposals proceed through to the final contractual stage of the procurement. The tender evaluation report produces the recommendation for the winning tenderer(s) to whom an award of contract should be made.

6.6.2 The evaluation report should contain comparative information between competing tenderers and show a comparison of each tenderer offering against the specification. The evaluation report should hold constructive, factual, and indisputable information that provides a sound basis for a debriefing meeting with any unsuccessful tenderers. Such information should also include a description of improvements which could have been made by the successful tenderer. The evaluation report should be based upon demonstrable evidence that is fair and equitable.

7. Negotiation

7.1 Purchasing Negotiation

7.1.1 Negotiation, in purchasing, is the art of arriving at a common understanding through bargaining with a supplier. Price is an important factor in the quest for value for money,



but other major objectives are to ensure that there is no misunderstanding between the buyer and supplier and that the supplier is fully aware of what is required. Failure to do so may cost time and money later.

- 7.1.2 The issues for negotiation may include: price; discounts; price variation clauses; payment terms; conditions of purchase; price guarantee clauses; due dates; guarantees and warranties; documentation requirements, quality assurance; inspection and testing procedures; freight rates or delivery charges; claims for shortages, damages, defects; cancellation arrangements, changes in specifications and quantities; transport and packaging.
- 7.1.3 The buyer/seller relationship should be based on mutual trust and understanding, and the principles of fair competitive bidding should be observed. Where negotiation is appropriate, thorough preparation should be undertaken before starting - if nothing else be sure to establish what are your minimum acceptable outcomes on each of the negotiable issues. It is important not to let a supplier know that he is likely to get an order and other staff who may routinely be in contact with a supplier during the negotiation stage should be so advised.
- 7.1.4 The responsibility levels for all staff involved in negotiation should be clearly defined and only those who have authority to commit to the outcome of a negotiation should do so.
- 7.1.5 Inexperienced buyers should not have responsibility for negotiating complex orders.
- 7.1.6 During any formal tender process, contact with potential suppliers should only be via the Procurement Department or the Procurement Co-ordinator responsible for the project.

7.2 Post Tender Negotiations

- 7.2.1 Post tender negotiation (PTN) is defined by the Treasury as: "Negotiation after receipt of formal bids or tenders and before the letting of contract(s) with those companies



submitting tender(s) offering the best value for money with a view to obtaining an improvement in content in circumstances which do not put the other tenderers at a disadvantage, distort competition or affect adversely trust in the competitive tendering process”.

- 7.2.2 PTN should not be used to conduct a ‘Dutch auction’ between the bidders, i.e., unfairly trading one tenderer off against another. The use of Dutch auctions will undermine the University’s credibility in the marketplace and its ability to gain value for money in the future. PTN should only be undertaken with the one or, perhaps, two bidders offering the best submissions under the stated award criteria. At all stages, the competing tenderers must be treated in an honest, fair, and ethical manner, whilst retaining the confidentiality of their bids.
- 7.2.3 A detailed record of the PTN process should be kept, recording the reasons for undertaking the negotiations, the content of the negotiations and the eventual outcome. These records will form part of the audit trail and may be subject to scrutiny by Audit and could be made public should there be a complaint from an unsuccessful tenderer.

7.3 Tenders

- 7.3.1 Under the procurement regulations, there is little scope for negotiation especially in respect of the open or restricted procedures. Great care must therefore be taken. In general, negotiations should only be undertaken with the preferred tenderer (i.e., the one you intend awarding the contract to). Only if there is a complete breakdown in the negotiations and the preferred tenderer no longer has that status, would you enter into negotiations with the next tenderer as scored (ranked) during the evaluation process.
- 7.3.2 In higher value procurements, PTN should only be undertaken, with the involvement or approval of the Director of Finance.



8. Ordering and Awarding a Contracts

8.1 Purchase Orders

8.1.1 Once the optimum supplier has been selected an order should be placed using PECOS.

8.1.2 A standard University purchase order will include or refer to the following by default:

8.1.2.1 Supplier's name and address

8.1.2.2 Order number

8.1.2.3 The requirement (include a specification if needed)

8.1.2.4 Price

8.1.2.5 Order date

8.1.2.6 Delivery address

8.1.2.7 Invoice address

8.1.2.8 Payment terms

8.1.2.9 General conditions of contract

8.1.3 You may wish to add the following:

8.1.3.1 Required delivery/completion date

8.1.3.2 Special packaging or installation requirements

8.1.3.3 Contact details

8.1.4 The order may be accompanied by a letter of acceptance referencing, where appropriate, all the quotation/tender documents and any clarifications or amendments.

8.1.5 Once the purchase order has been issued and accepted by the supplier, the contract is legally binding on both parties.



8.2 Contracts

- 8.2.1 Providing all the correct quotation/tender procedures have been followed and the contract has received formal sign-off from the University Solicitor, the Director of Finance, the Procurement Department, and the relevant Head of School/Department and also Business & Economic Development (if the contract involves Intellectual Property), the contract should ultimately be issued to the third party for signature. Once returned to the University, arrangements should be made for the Contract to be signed on behalf of the University by an authorised signatory, details of which can be found within the University Contracts Policy.
- 8.2.2 Once the contract documentation is signed by both parties, the contract is legally binding on both parties.
- 8.2.3 Contracts which are entered into must be recorded and documented within the APUC Hunter contract database.

8.3 Unsuccessful Bidders

- 8.3.1 Unsuccessful bidders should be informed of the outcome once the successful contractor has accepted the award. For tenders exceeding £50,000 (but less than the EU threshold), there is a requirement to provide the following details concerning the decision, e.g.
 - 8.3.1.1 the name of the winning tenderer
 - 8.3.1.2 the criteria used to award
 - 8.3.1.3 the scores allocated to the winning tender
 - 8.3.1.4 the scores allocated to the unsuccessful tender
- 8.3.2 For EU tenders, it is mandatory to provide, as a minimum, the above details in writing.



8.3.3 Tenderers may also request a de-briefing. There is no express requirement to provide a de-briefing for non-EU tenders, but it may be appropriate depending on the circumstances. For EU tenders, the Regulations require that the University responds to any such requests as soon as possible and certainly within 15 days of receipt of a written request.

On receipt of such a request, the University shall advise in some more detail:

8.3.3.1 the reasons for its rejection

8.3.3.2 for aspects regarding technical specifications, the reasons why the works, supplies or services offered do not best meet the performance or functional requirements

8.3.3.3 the characteristics and relative advantages of the tender selected

8.3.3.4 in the case of the successful tenderer, a description of any improvements the University considers the tenderer could have made to its tender.

8.3.4 For EU tenders, it is also necessary to observe a “standstill period” of 10 days between communicating the award decision to all tenderers and concluding the contract. This is to allow unsuccessful tenderers the opportunity for detailed debriefing and to decide whether they wish to mount a legal challenge to the award decision. If there is a legal challenge, the University must wait until the outcome of the proceedings before concluding the contract.

8.3.5 All regulated procurements must be managed throughout by the Procurement Department

8.4 De-briefing

8.4.1 Debriefing unsuccessful tenderers can be a time-consuming but important part of the tendering process and can have several benefits for both parties including:



- 8.4.1.1 Increased potential for improved value for money on future orders
- 8.4.1.2 The University establishes a reputation as a fair, honest, and ethical client
- 8.4.1.3 Suppliers receive some payback for the time and money spent preparing the tender
- 8.4.2 Debriefings should be carefully planned in advance and the weaknesses (and strengths) of the supplier's tender must be carefully set out. There must not be an opportunity for the supplier to re-enter negotiations.
- 8.4.3 Under no circumstances should such things as commercial terms or innovative ideas put forward by one tenderer be disclosed to another

9. Delivery and Receipting

9.1 Receiving Goods

- 9.1.1 The receipt of goods should be controlled in a way that allows the University to confirm the quality and quantity of goods before payment is made to the supplier.
- 9.1.2 Whenever a supplier delivers goods there will be a delivery advice note that details what has been delivered. Someone within the School or Department will, normally, be asked to sign for the goods. The signature is confirming that the goods delivered are correct and in good condition. If there is not an opportunity to check the delivery the delivery note should be signed 'Goods received unexamined by [name of recipient]'. The delivery should then be checked as soon as possible, and any discrepancies or other problems notified to the supplier immediately. If the Advice Note is missing, a duplicate should be requested from the supplier.
- 9.1.3 Any problems should generally be advised within 3 days. The advice note will usually state the number of days and give details of where to notify any problems.



The longer the delay in advising of any discrepancies, the more difficulty there may be in resolving the problem. Advice notes should be retained as they form part of the audit trail for the goods purchased and they may be required if there is a problem later.

- 9.1.4 A signed delivery advice note is proof that the goods or services were delivered to the University and that the supplier has fulfilled its obligations under the contract. If, for example, the goods were to be mislaid after they have been signed for, the University will be liable for their cost as the supplier will be deemed to have fulfilled the contract.

Where a dedicated goods receiving point is not practical, there may be some protection in stating in the order that the goods are to be delivered to a named person, especially if delivery is not into a manned store or the central Mailroom. In certain circumstances, direct delivery to the user/requisitioner may be required, e.g., receipt of chemicals into a chemical store.

- 9.1.5 The physical receipting and returning of goods should be recorded on the PECOS purchase-order system.

9.2 Troubleshooting

- 9.2.1 The buyer and the user(s) should be informed if there are any discrepancies between the goods received and the original purchase order. The person placing the order should be the first point of contact for resolving discrepancies by pursuing them with the supplier.

- 9.2.2 The following are examples of some of the most common problems encountered when receiving goods. Also listed are some suggested actions by the buyer:

9.2.2.1 The quantity delivered exceeds that ordered

9.2.2.2 Contact the supplier and arrange for the surplus to be collected or returned at the supplier's expense. Request a credit note to be sent by the supplier for the surplus being returned (if invoiced).



9.2.3 The actual quantity delivered is less than that stated on the supplier's advice note

9.2.3.1 Contact the supplier and arrange for the balance to be supplied. If not available, request a credit note from the supplier to correct the value of the initial invoice.

9.2.4 The incorrect goods have been supplied or have been rejected after inspection.

9.2.4.1 Contact the supplier to arrange for the return or disposal of the goods and for re-supply. Request a credit note from the supplier.

9.2.5 The delivery is significantly early when compared to a specified delivery date

9.2.5.1 Check with user to see if it is appropriate to accept an early delivery. If not, contact the supplier and arrange for the return of the goods. Request a credit note to cancel the invoice for goods being returned.

10. Payment

10.1 Payment of Invoices

10.1.1 The University has a clearly stated policy to make payment to suppliers within a given time period, normally only after the receipt of the correct goods and services. There is a legal requirement to pay suppliers within the time period agreed under the procurement contract. Where such terms have not been expressly stated, this is normally taken to be payment within 30 days of the invoice date. The supplier is entitled to charge interest on outstanding amounts due beyond the agreed payment period.

10.1.2 The payment period should start from the time the University receives the supplier's invoice after the satisfactory receipt of the goods or services. Any deviation from, or non-compliance with, the supplier's required payment period should be communicated to the supplier. Payment periods should be clearly communicated to suppliers in the contract documentation or purchase order. The University's General Conditions of Contract state



that payment is due 30 days after receipt of the invoice, provided the Goods/Services have been delivered and comply with the order/contract.

10.1.3 All supplier invoices should be delivered to the University Accounting Services section in Finance, who make weekly payments based on the invoice due date. If the invoice has missed the deadline for a particular week, it will be included in the following week's payment run. If this might result in late payment, buyers should contact their supplier to determine if a later payment date is acceptable. If not, they should contact Accounting Services staff who may be able to arrange an urgent payment.

10.1.4 Each order-related invoice should match the purchase order for price and quantity before being paid. If there is any discrepancy out with certain acceptable limits, the invoice will be 'Held'. Buyers must clear these mismatches on the finance system or resolve the matter with the supplier before the invoice can be released for payment.

10.1.5 Each non-order related invoice (for exempt goods/services) must be manually processed using a coding stamp and submitted to the Accounting Services Section. It will subsequently be entered on the finance system and require online authorisation by the appropriate budget holder.

10.2 Advance payments

10.2.1 There may be circumstances under which it can be advantageous or appropriate to make an earlier payment of part of the amount due, however Schools and Departments MUST seek advice from the Director of Finance on the possible use of pre-payments.

10.2.2 Making advance payments (for example, a 20% payment with order) can put the University's funds at risk and there is often very little chance of recovering the money if the supplier becomes subject to receivership or liquidation. Depending on the value, the best protection for the University may be to ask for a Banker's Guarantee to cover the requested amount.



The guarantee will remain valid until the supply of the goods or services has been completed and will ensure a full refund of monies paid in the event of non-performance of the contract. This will have a cost implication for the School/Department.

10.3 Progress related or stage payments.

10.3.1 Alternatively, it may be advantageous to make progress related payments that are linked to pre-determined milestones within, for example, larger projects such as building contracts. Here payment is tied to the demonstrable achievement of agreed milestones. These should be truly representative of progress being made by the supplier and the amounts agreed against the milestones should be a genuine reflection of the supplier's expenditure to the relevant point in the programme. The milestone descriptions and amounts should be agreed prior to awarding the contract.

10.4 Retentions

10.4.1 In some procurement exercises, it is standard practice to hold back a sum (retention) in order to ensure the contract's completion to the agreed standard. The value of the retention should be a significant amount (usually in the region of 10 - 15%) and held back until the buyer is satisfied with the goods, services or works provided.

11. Order and Contract Management

11.1 Managing and monitoring suppliers' performance

11.1.1 After the decision has been made on what to order from which supplier, it is important to manage the contract appropriately. The type and value of goods or services ordered will determine the level of monitoring and management needed.

11.1.2 Examples.

11.1.2.1 A call-off contract, e.g., stationery, chemicals, or PC's, will require regular



meetings, perhaps monthly at first and then quarterly, with the appointed supplier to ensure that orders are being fulfilled within the agreed terms. Where, for example, the management information shows that there is a significant increase in the expected level of business, there may be scope to investigate the possibility of improving the agreed terms.

- 11.1.2.2 The procurement of a major item of equipment - management and monitoring of this type of contract will include liaison with the supplier to ensure, in the first instance, that it will be installed and commissioned on the agreed date. Later, management could include reviewing maintenance visits, the equipment's performance etc. Where, for example, the volume of consumables is increasing, there may be scope to investigate the possibility of setting up a preferred-terms agreement, perhaps aggregating demand with other departments within the University or with other institutions, if no such agreement exists.
- 11.1.2.3 Service contracts can be the most challenging to manage and monitor especially where the service is intangible. Depending on the type of services, e.g., the provision of staff to work within the University, the contract should include a service level agreement that outlines the roles, expectations, and responsibilities of the parties to the agreement.
- 11.1.2.4 In other cases, such as the engagement of consultants, the project specification can be difficult to define in terms of the expected time and/or resources to complete the required task. In such cases, it is especially important that the engagement is managed as it is very easy for this type of requirement to overrun available budgets. This tends to happen where 'another little bit of work is added' and a relatively small commission snowballs out of control. Remember, the approach of the consultancy will often be to win the work (via



some competitive process) and then to attract as much additional work as possible.

11.1.3 Management and monitoring of a contract should be a two-way process. It is not simply about you overseeing how the supplier is performing. It can also be about what you, and the University, are doing. Where there is an agreed service level agreement between the parties to a contract this will form an important part of the contract management process.

11.1.4 A review of a call-off contract may highlight a high number of relatively low value orders. This may suggest that the departments using the arrangement should consider looking to see if they could plan their orders better. For example, raising orders on a weekly or fortnightly basis rather than when a need arises. Of course, this may not always be possible, however, in general a little forethought can lead to fewer orders which, in turn (when the supplier can see that there is a degree of planning) may lead to reduced prices. Where there are delivery charges, a reduction in the number of orders will reduce this cost element.

11.1.5 Management and monitoring should, therefore, be about the sharing of information to the benefit of both the University and the supplier.

11.2 Service Level Agreements (SLA)

11.2.1 A service level agreement (SLA) is a formal document that defines a working relationship between parties to a service contract. The standing of the SLA depends on whether the service is being provided by an internal (In-house School/Department) or an external (Bought-in) service provider.

11.2.2 When the services are provided by an in-house provider, the SLA takes the place of a contract. SLAs are typically used where there is internal charging for the provision of the in-house service or where the service is so critical to the end user that a formal written



agreement is the most appropriate means of ensuring that the requirement is met.

- 11.2.3 Where the services are bought in from an external supplier, there will be a formal contractual arrangement between the University and the service provider. The SLA is used to provide the day-to-day working detail needed to support the contract. It is the starting point and basis for contract monitoring and management and often the trigger for corrective action that could prevent a more serious contractual situation arising.
- 11.2.4 The content of an SLA should be agreed between the service provider and the School/Department within the context of the University's administrative, financial, safety and environmental procedures and regulations and, of course, take into account the needs and opinions of end users. The amount of detail in the SLA is for agreement between both parties.
- 11.2.5 Performance must be monitored against the standards set in the SLA to ensure that quality levels are maintained, and costs must be kept within target to enable accurate budgeting, and to prevent the overspend of allocations.

11.3 Problems

- 11.3.1 Where problems do arise, these should be dealt with promptly and in an open manner. Sometimes a problem to one party may simply be caused by a misunderstanding on the part of the other. For example, you may prefer to have a delivery on a Monday, and this is attracting a delivery charge. It may be that the supplier has to send out a van specifically to make the delivery to your department because they do not normally make deliveries to your area on a Monday. Having discussed the problem, you may decide that you can take delivery on a Tuesday when there is a van in the area, and you save the additional delivery charge and make delivery scheduling easier for the supplier.

11.4 RGU Contract & Supplier Management Procedure



11.4.1 Please note that a more detailed procedure concerning contract and supplier management is available from the Procurement Department.

12. Inventories and Disposals

- 12.1 Equipment belonging to the University which becomes surplus to requirements can be disposed of in a number of ways: by sale; by part exchange; by transfer to another department; or by donation. Scrapping equipment should only be an option if the prior alternatives have been exhausted.
- 12.2 Initial application to dispose of items which are held on the School or Department equipment inventory must be authorised by the appropriate Primary Budget Holder. In this respect, an [Application Form](#) should be completed and submitted to the Procurement Department.
- 12.3 Please note that this procedure excludes IT equipment, the arrangements for disposal of which are available from IT Services.
- 12.4 It is important that the disposal is managed in a manner which satisfies audit requirements and the University's financial regulations. Particular care must be taken to ensure that the equipment does not constitute a danger to the buyer (e.g., electrically unsound, or contains hazardous items or substances). With these provisos, the aim should be to dispose of the equipment in the manner which is most economically advantageous to the University.
- 12.5 When an item of equipment is being replaced every effort should be made to include part-exchange as part of the purchase contract. Even where it is clear that the old item has no commercial value it will probably be cheaper to arrange for the supplier of the new equipment to remove the old equipment at no cost to the University.
- 12.6 Wherever possible, efforts should be made to realise some return on all surplus items, irrespective of their value. The sale of high value items (i.e., sales proceeds, excluding VAT, in excess of £1000) requires competitive offers to be obtained. This may be achieved by advising



other HE institutions that the equipment is for sale (by arrangement with the Procurement Department), or by inviting written offers from other interested parties.

- 12.7 If the equipment which is being disposed of was purchased using Government capital funds, please contact Financial Services for guidance before taking any action to dispose of the equipment as Funding Council consent may be required.
- 12.8 A full audit trail of the sale of the equipment must be kept by the School or Department and details of the sale recorded in the equipment inventory. This should include:
- 12.8.1 The number of offers received.
 - 12.8.2 The sums offered by the respective bidders
 - 12.8.3 The decisions taken, together with eventual outcome.
- 12.9 In the event that no satisfactory offers are received, and the equipment is scrapped or donated, documents should be retained for audit purposes to demonstrate that best efforts were used to try to obtain the maximum financial return to the University, and details of the disposal recorded in the equipment inventory maintained by the School or Department.
- 12.10 All goods disposed of by sale are to be sold 'as seen' and the buyer is to be responsible for removal. As soon as a bid is accepted, a [Form of Agreement](#) must be completed and submitted to the Procurement Department.
- 12.11 Note: where an asset disposal results in the goods leaving the University, the sale is subject to VAT which must be included in the bid value. Guidance can be sought, if required, from the Taxation and Special Projects Accountant within Financial Services.
- 12.12 Upon receipt of the Form of Agreement, a University invoice will then be raised against the purchaser, on payment of which the equipment may be uplifted at a date set by arrangement with the school or department in questions. The equipment must not be released without obtaining confirmation from Financial Services that payment in full has been received.



13. Review

13.1 This policy will be reviewed every three years required.