



PROCUREMENT POLICY

and

GUIDE TO PROCEDURES

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Procurement Policy and Guide to Procedures

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Procurement Policy

SECTION 1: POLICY

Context

The University of Aberdeen **Procurement Strategy**, incorporating the requirements of institutional and national regulations as well as collaborative initiatives, was approved by the University Management Group and published in January 2009. This established the general direction for procurement activity up to 2014 and included seven main objectives, one of which was to update and re-issue the University procurement policy, the original having been published in 2002 (revisions having been made to the online version).

Up to the adoption of the EU Regulations into UK law in 1991, the demands on those involved in purchasing had primarily been centred on obtaining lowest costs. Although the main principles and tendering procedures have remained substantially unchanged, revisions made to the regulatory environment have impacted significantly on public sector commercial operations, and while the need to obtain best value is just as important today, considerable procurement effort in recent years has been focused on dealing with the many legislative changes.

Purpose

The Procurement Strategy may be found on the University's Procurement web-page. The new **Procurement Policy** (which follows) develops the strategic institutional approach to procurement within the regulatory frameworks and sets out procedural standards. The **Guide to Procedures** which follows this translates the Policy into the detailed actions and processes required to maintain a cost-effective (and legally compliant) institutional procurement operation and is aimed at all staff involved in buying goods and services on behalf of the University, including management staff responsible for authorising these transactions. The documents will be accessible from the Procurement web-page (www.abdn.ac.uk/procurement). Following any significant change to legislation or policy, information will continue to be sent out by Procurement to staff with operational buying responsibilities (and line managers when appropriate) in the form of a "Procurement Update", and revisions will be made from time to time to the relevant sections of the online Policy document, and recorded as latest updates.

Policy Statement

The University of Aberdeen is a leading Scottish research and teaching institution with considerable social and financial influence, and a UK contracting authority with commercial activities locally, regionally, nationally and internationally. The University aspires to improve its international profile and must accordingly ensure that its business practices not only stand up to scrutiny in terms of the UK regulatory environment, but are exemplary in a global context.

This University is committed to obtaining value for money in all of its transactions, and in conducting its daily business staff must always consider the institution's wider responsibilities in terms of legal, moral, social, economic and environmental impact.

Heads of College, School and Section retain operational responsibility for procurement activities, however every member of staff obtaining goods and services on behalf of the University does so with public funds. Staff, therefore, have a duty to ensure that they obtain the best deals available and that, as a minimum, their actions comply with UK and/or Scottish legislation, the Financial and Procurement Regulations of the University of Aberdeen, and the Code of Ethics for staff with purchasing responsibilities. They must be able to demonstrate this by the maintenance of proper records.

This policy applies to all procurement transactions of the University of Aberdeen, regardless of the source of funds.

(This complete Guide and other helpful notes are available on the Procurement web- page: www.abdn.ac.uk/procurement .)

Current Regulatory Environment

This document is designed to assist staff to comply with current legislation, policies and regulations and those relevant to procurement are listed below.

Legislative Environment

Public Contract (Scotland) Regulations 2006

Public Contracts and Utilities Contracts (Scotland) Amendment Regulations 2009
(Remedies Directive)

Freedom of Information Act 2002

The Bribery Act 2010 (guidance added to web-page)

Scottish Government Suppliers' Charter

Scottish Sustainable Procurement Action Plan

Institutional Policies

Equality and Diversity Policy Statement (2006)

Sustainability and Social Responsibility

Code of Ethics (Procurement, 2010)

University of Aberdeen Financial Regulations

Procurement Guidance

The following notes have been added to the Procurement web-page:

Procurement Strategy;

EU Regulations (Public Contracts (Scotland) Regulations);

Code of Ethics;

Sustainable Approach to Procurement;

Whole Life Costing;

Pre-qualification/Vendor Questionnaire;

How to Tender.

Supplier Guidance

A Supplier's Guide to Procurement has been added to the Procurement web-page.

SECTION 2: PREFACE

Guide to Procedures

A number of revisions have been made to the Procurement Procedures. For ease of reference the significant updates are listed and summarised below.

New Requirement: Details of orders and contracts of £25,000 and above are to be published on a publicly accessible portal in order to meet Government requirements for more transparency in public procurement. In terms of procedure, this will be achieved by using the Public Contracts Scotland portal on www.publiccontractsscotland.gov.uk until further notice. Please contact Procurement for further information.

New Requirement: The questions detailed in the institutional “Sustainability Test” are to be addressed for all goods and services valued at £25,000 and over (www.abdn.ac.uk/procurement/sustainable-approach). This is to promote a sustainable approach in all University contracts and was an audit recommendation.

New Requirement: To enable the University to maintain a record of current contractual commitments, Schools and Sections are to enter details of all contracts from £25,000 to £100,000 for goods and services to the University Register of Contracts. Access to this database is via the Procurement web-page, www.abdn.ac.uk/procurement.

Establishing a Supplier on the Finance System

Introducing a new firm to the finance and procurement systems should be an exceptional action, and only when it has been confirmed that no supplier existing on the EPS/Pecos or the COA 5.2 (Cedar/ABS) systems can provide what is required.

There are two routes to adding a supplier to the University database:

- *Payments to Individuals:* A number of services are provided by individuals rather than by companies, partnerships or sole traders, and HMRC has a continuing interest in how the University makes these payments.

For guidance and access to the appropriate forms, please see the “Other Payments” form at:

www.abdn.ac.uk/finance/finance-systems/the-finance-system/forms/other-payments

- *Payments to suppliers:* you may bring a supplier on to the University order and payment systems by accessing the Procurement web-page: www.abdn.ac.uk/procurement/supplier to find the Supplier Information Form and the Completion Guide, then submitting a completed form.

The Bribery Act 2010

A guidance note on the implications of the new legislation has been added as Appendix B to the Procedures. The University of Aberdeen General Conditions of Purchase have been amended to include a clause on the Bribery Act (a full copy of the Conditions of Purchase has been attached as Appendix A).

Performance Management

A new section on managing suppliers’ performance against orders and contracts has been added and may be found on page 17.

SECTION 2: PROCUREMENT

2.1 Role of Procurement

Procurement provides the central purchasing and contract management service to the University. The Procurement team seek to advance the understanding and use of best procurement practice in the University of Aberdeen and work with colleagues to achieve value for money in all University transactions. The current objectives of this group fall within the following main headings:

1. To establish and maintain an effective, operational procurement structure and facilitate the management and recording of the University's contractual agreements by nominated staff.

2. To source or deliver appropriate training for all staff involved in procurement.

3. To develop and maintain responsible and effective procurement strategies (such as those to promote sustainability, equal opportunities, use of small and medium enterprises etc.). Updated policy and procedural guidance on implementing the strategies are to be published.

4. To maximise the use of cost-efficient procurement systems and processes by leading their development and implementation and supporting initiatives led by others.

5. To optimise the University's contractual position by:
 - a. Managing tender exercises to obtain best value for high cost, specialist or cross-functional requirements (or any other requirement on demand) by advising on contract strategy or managing the complete process.

 - b. Reviewing institutional non-staff costs to identify contract opportunities and improve value for money.

6. To contribute to national, sectorial and regional procurement initiatives.

7. To progress the development of, then report regularly on, Key Performance Indicators to benchmark institutional procurement activity and compare these to objective, relevant indicators.

2.2 Procurement Contacts

Details of the team members and information on their areas of responsibility may be found on the Procurement web-page www.abdn.ac.uk/procurement (click on “About Us”, then “Meet the Team”).

There are presently seven members of the Procurement team (September 2011):

Demie Hall: Procurement Assistant:
(demie.hall@abdn.ac.uk, King’s ext. 4467)

Linda Leslie: Procurement Assistant
(l.leslie@abdn.ac.uk, King’s ext.4467)

(the above are job-share positions)

Mark Goode: Supplier Administrator
(m.goode@abdn.ac.uk, King’s ext.2824)

Awo Frimpong: Contracts Officer
(a.frimpong@abdn.ac.uk, King’s ext.4057)

Kamariah Ismail: Contracts Officer
(k.ismail@abdn.ac.uk, King’s ext.2010)

Helene Duncan: Contracts Manager
(h.duncan@abdn.ac.uk, King’s ext.3521)

Gary McKinnon: Head of Procurement
(g.mckinnon@abdn.ac.uk, King’s ext. 2821)

SECTION 3: RESPONSIBILITIES OF COLLEGES, SCHOOLS AND SECTIONS

Section 2 provided details of the central Procurement team with links to their areas of responsibility. Operational responsibility for the procurement of goods and services rests with the Heads of Colleges, Schools and Sections. There has to be a clear definition within Schools and Sections of:

- Who may request goods or services to be bought;
- Who is to do the ordering;
- Who is to authorise the transactions – which is linked to -
- The delegated authority structure for purchases below £100,000 (which is the limit for Heads of Schools and Sections), and
- Who will be the receiver of the goods or services,

and this must be in accordance with the **Financial Authorities Structure** (Section 4 follows).

The Financial Authorities Structure is in place to ensure that procurement of goods and services is overseen by staff at an appropriate level.

The Higher Financial Authorities apply to purchases of £100,000 and above. Below this, however, it is the responsibility of each Head of School or Section to establish signing authorities appropriate to the size and operation of their group. It is required that senior staff approve all transactions of £25,000 and above, and that all purchases of £25,000 and above are subjected to formal tendering procedures. This includes advertising a contract notice on a widely accessible portal and making a record of any contract on the University Register of Contracts.

There is also a need for a **separation of duties**, which requires that a member of staff actioning goods receipts against an order is not the same person who authorised the purchase.

As a general rule, within each physical location or natural grouping of departments, purchasing duties should be consolidated as far as possible, with buyers nominated to cover the requirements of a number of sections or schools.

The departmental and institutional benefits of this approach should be: generation of fewer orders and invoices, greater discounts, development of in-house expertise and a better over-view of supplies operations. Institutionally there will be fewer but more capable staff placing orders, improved co-ordination of orders and deliveries, reduction in the number of suppliers used, rationalisation of customer account (and discount) structures and a smaller group to communicate purchasing information to, and programme development activities for. We are also required to reduce the number of staff authorised to place orders to improve our financial control and meet objectives set by the Audit Committee.

SECTION 4: FINANCIAL AUTHORITIES

There are three linked, internal arrangements to facilitate delegation of financial authority. (A full explanation of authority requirements is detailed in Note 6: “Expenditure”, of the Financial Regulations for the University of Aberdeen, which may be obtained from the Finance section or viewed on the web site: www.abdn.ac.uk/finance/finregs).

4.1 Register of authorised signatories

4.2 Database of Budget Holders

4.3 Financial authorities structure

4.1 Register of Authorised Signatories

The Director of Finance is responsible for maintaining a register of authorised signatories. This is a physical record of the University’s budget structures and authorisation limits for staff, complete with samples of signatures. Any changes to these authorities must be notified to the Finance Section immediately. Heads of Schools and Sections must supply the Finance Section with specimen signatures of those authorised to make payments from School or Section budgets.

(New forms may be obtained from website: <http://www.abdn.ac.uk/finance/cedar/forms.shtml>)

4.2 Database of Budget Holders

The information contained in the Register of Authorised Signatories reflects the budget authorities held within the finance management system. The complicated financial structures of core funds, research grants and contracts are held in the system, as are delegated levels of access and authority relating to activity against these. This provides the ability to apply a system-based restriction to the authorisation of requisitions/orders against budgets which are above delegated limits or beyond existing funds.

4.3 Higher Financial Authorities Structure

Above the levels of authority in place to enable Schools and Sections to transact daily business there is a further control structure. This is to ensure that all major purchases of goods and services are authorised by the University’s senior management at an appropriate level.

SECTION 4: FINANCIAL AUTHORITIES (continued)

Orders and contracts must be authorised in accordance with the table of values below:

Below £25,000	-	Authority levels may be set by Head of School or Section (online authorisation)
From £25,000 up to £100,000	-	Must be endorsed by Head of School or Section (online authorisation)
From £100,000 up to £250,000	-	To be signed by the appropriate Head of College or the University Secretary
From £250,000 upwards	-	Must be signed by the Principal or the Senior Vice-Principal (or a deputising Vice-Principal)

Notes:

In addition to the above, any transaction of £100,000 value and over requires the approval of the **Director of Finance** to ensure that adequate funding arrangements are in place (online authorisation).

Heads of School and Section, and Budget Holders are not authorised to commit the University to expenditure without first reserving sufficient funds to meet the purchase cost. In practice this means that purchase orders cannot be placed beyond the budget allocations approved by the Operating Board (extract from note 6.02: Authorities, detailed in the Financial Regulations).

The **Head of Procurement** is to be consulted on every purchase transaction of £100,000 value and above to agree the optimum procurement strategy before proceeding.

For all transactions there is a need for a **separation of duties** which requires that a member of staff actioning goods receipts against an order is not the same person who authorised the purchase.

N.B. New Requirement: Details of orders and contracts of £25,000 and above are to be published on a publicly accessible portal in order to meet Government requirements for more transparency in public procurement. In terms of procedure, this will be achieved by using the Public Contracts Scotland portal on www.publiccontractsscotland.gov.uk. Please contact Procurement for further information.

N.B. New Requirement: In order to maintain a record of current contractual commitments, all contracts for goods and services of £25,000 and over are to be entered to the University Register of Contracts.

It is not permitted for staff to divide large orders into smaller lots in order to avoid having to obtain a proper level of authorisation.

SECTION 5: PURCHASING PROCEDURE

The normal transaction stages for an external purchase order are as follows:

□ 5.1 Requisitioner

1. Obtains quotations
2. Selects preferred supplier and prepares bid summary for orders for goods and services over £5000 in value. This is not necessary when the order is to be placed with a supplier who holds a University, Consortium or National Agreement, so this should be confirmed first.
3. Inputs requisition to finance and purchasing system (ePS/Pecos if available, alternatively COA/Cedar if not)
4. Note that purchases below £40 (for a single purchase) may be made with Petty Cash when necessary

□ 5.2 Authoriser

5. Reviews purchase requisition details
6. Examines bid summary (for orders over £5000)
7. Authorises requisition

□ 5.3 SFP/DFP (School, Section or Departmental Finance Person)/Buyer

8. Final responsibility for placing order
9. Ensures that competitive quotes have been obtained
10. For orders over £5000, a bid summary to be obtained (or created) and held on order file. If this is a “new” supplier, this will be £5000 over a one year period
11. Agrees appropriate terms and conditions
12. Inputs order to finance system
13. Obtains further authorisation as required

□ 5.4 Stores or Goods Receiver

14. Receives delivery
15. Checks delivery
16. Passes goods to requisitioner (or consignee detailed on order)
17. Inputs Goods Receipt to finance system

Within schools and sections the allocation of these duties may vary or be delegated differently to take account of stores facilities or shared purchasing responsibilities.

As the Requisitioner and SFP/DFP have more procurement-related duties and may potentially make a greater contribution to achievement of best value for money within a school or section, more detailed guidance on their tasks (in the sequence of the notes above) may be found on the following pages.

□ **5.5 Further guidance for Requisitioners**

The following notes follow the sequence detailed in the preceding section, providing more information on each stage of the transaction.

Note 1: Obtaining quotations:

- It is important for the requisitioner or the buyer to “test the market” by obtaining competitive quotes. Please note that it is not necessary to obtain alternative quotations when the goods are to come from an established contract, but you may have to run a further competition between suppliers on a framework agreement.
- The recommended number of quotations is detailed in section 7: **Financial Thresholds**.
- Always check whether the goods or services you require are available from an existing contract or not. Use of University, Consortium or National agreements is **mandatory** where they are available.

Details of National and Inter-regional Contracts may be found on the UK Universities contract repository (www.gem.ac.uk). When you’ve entered this portal, register as an institutional user (under the University of Aberdeen) in order to access HE contract information. All registrations are verified by Procurement.

The University is a member of the Centre of Expertise for Higher and Further Education, APUC (Advanced Procurement for Universities and Colleges Ltd), and you may access their portal at: www.apuc-scot.ac.uk.

(Section 6 contains a brief product guide of items in general use available from contracted suppliers.)

The information contained within these web-sites is commercially confidential and must not be discussed with, copied or communicated in any form to any third-party outside the HE sector.

- Supplier names may be obtained from the EPS/Pecos system, COA/Cedar finance management system, colleagues, general directories (yellow pages), specialist directories (Procurement retain commercial directories), or from web pages.
- The introduction of a new supplier should be an exceptional action. Establishing and maintaining a new supplier on the University database is costly and unnecessary if a supplier already exists on the system. All new supplier set-ups are examined by Procurement before being passed to Systems Administration. Please see note 2 below on “Establishing a Supplier on the Finance System”.
- When suppliers send in forms to open credit accounts with their firms, these usually involve acceptance of the suppliers’ conditions of sale. As some of these have been found to involve waiving the University’s statutory rights, these applications are to be made by Procurement on behalf of the University. Please send the forms to Procurement in the Finance Section (procurement@abdn.ac.uk).

SECTION 5: PURCHASING PROCEDURE (continued)

- Higher value tendering projects may have to be advertised in local or national press or portals or the European Journal (see Section 8 on Public Contract Regulations – the “EU Regulations”).

N.B. New Requirement: The University is now required to advertise all requirements of £25,000 and above on the Public Contracts Scotland portal and this is a task for the SFP/DFP or the nominated lead buyer. Please see: www.publiccontractsscotland.gov.uk (the “Quick Quotes” facility may be used). Please contact Procurement for registration and advice.

Use of this portal is mandatory for all transactions above £25,000 in value, and the Procurement team will be responsible for advertising all higher value tender exercises of £100,000 and above.

- Enquiries for equipment should include “whole-life” cost elements such as warranties, post-warranty servicing, operating costs, cost of consumables etc.. There is a guidance note on how to apply the Whole Life approach on the Procurement web-page.
- **N.B. New Requirement** The questions detailed in the institutional “Sustainability Test” are to be addressed for all goods and services valued at £25,000 and over: (www.abdn.ac.uk/procurement/sustainable-approach)
- Advice and assistance on any procurement matter is always available from Procurement.
- Procurement **must** be consulted on any purchase with a total value of £100,000 or above (with the exception of building work controlled by Estates).

Note 2: Selecting a supplier:

- Selection in most circumstances will be based on best value or lowest cost.
- There may exceptionally be a quotation preferred which is **not** the least expensive. There may be valid reasons for this selection such as demonstrable best value; lowest total cost taking into account maintenance costs or building work; compatibility; closest fit to technical performance requirement etc. A selection not based on lowest cost **must** be justified and documented in **every** case.
- Establishing a Supplier on the Finance System.
Introducing a new firm to the finance and procurement systems should be an exceptional action, and only when it has been confirmed that no supplier existing on the EPS/Pecos or the COA 5.2 (Cedar) systems can provide what is required.

There are two routes to adding a supplier to the University database:

- *Payments to Individuals:* a number of services are provided by individuals rather than by companies, partnerships or sole traders, and HMRC has a continuing interest in how the University makes these payments.

SECTION 5: PURCHASING PROCEDURE (continued)

For guidance and access to the appropriate forms, please see the “Other Payments” form at:

www.abdn.ac.uk/finance/finance-systems/the-finance-system/forms/other-payments .

- *Payments to suppliers:* you may bring a supplier on to the University order and payment systems by accessing the Procurement web-page: www.abdn.ac.uk/procurement/supplier to find the Supplier Information Form and the Completion Guide, then submitting a completed form.
- All quotations must be retained for audit purposes and a bid summary (or record of selection) completed for every order above the value of £5000 (and **every** order where the lowest quote was not selected). Ideally the quotes and bid summaries would be retained with the order file copy or an equivalent electronic record. Please note that this step is not necessary if the supplier has a current contract.
- Sample **bid summary forms** may be obtained from Procurement (templates follow as Appendices 3 and 4).

Note 3: Requisition input:

- Full details of the input requirements are available behind the Finance and Procurement section web-page: www.abdn.ac.uk/finance/finance-systems/the-finance-system/how-to-guides .

Note 4: Purchases below £40

- There is a significant administrative resource cost (estimated at over £40) involved in processing an order from requisition to payment. Because of this a Minimum Order Value of £40 for any single item has been established. Purchases below this value are to be held with a view to consolidating with other requirements, or, as a last resort, be made using departmental Petty Cash.

Notes 5 – 7 relate to Authorisation of Requisitions. There are two sets of system guides available for the Finance-related systems and both of these are available behind the Finance web-page, at www.abdn.ac.uk/finance/finance-systems :

- one set, “How-to Guides for the EPS Service” assists users with the electronic ordering system (EPS/Pecos), and the other,
- “How-to Guide E5.1” provides helpful information on the Cedar/COA finance system.

Note 8: Final responsibility for placing order

- In a normal School or Section structure the SFP/DFP has the final responsibility for checking and issuing the order. They may or may not have delegated *budget* authority but they will have authority to place orders or contracts with suppliers, and this authority (in the absence of alternative School or Section arrangements) may extend to agreeing purchase contracts up to £100,000 in value (above this the Head of Procurement must be consulted). Their duties must be taken seriously.
- It is their responsibility to ensure that all of the preparatory work has been completed and that a proper record of the procurement is made. This establishes a clear audit trail.

SECTION 5: PURCHASING PROCEDURE (continued)

- **N.B. NEW REQUIREMENT:** The DFP or SFP must also publish details relating to all purchases over £25,000 on the Public Contracts Scotland portal, or, if there is a lead buyer identified to do this on behalf of their Section, School or College, the information must be passed to them for action.

Note 9: Ensures that competitive quotes have been obtained

- It is the SFP/DFP who must ensure that there has been an appropriate approach to the market and an adequate number of quotations received **in advance** of the order being processed and authorised. (see Section 7: Financial Thresholds for Quotations and Tenders). This should be achieved either by inviting alternative quotes or by not releasing the order until the requisitioner has obtained these. If it is not possible to do so (perhaps because of a sole supplier situation) a record must be made of the reasons and retained with the order file.

Note 10: For orders of £5000 and over a bid summary is to be obtained (or created)

- Quotations should be held on the order file – and behind a bid summary if the order value is £5000 or over (except when goods or services are being drawn from an existing contract). Please note that if this is a “new” supplier, the £5000 and over relates to estimated annual expenditure. Examples of two Bid Summary forms are attached as Appendix C.
- Use of the finance/e-procurement system authorisation process ensures that requisitions/orders are viewed by staff with budget responsibility and that there are adequate funds in place. Any alternative requisition or authorisation procedure will not complete this necessary check and will not comply with University financial regulations or procurement policy and procedures.

Note 11: Agree appropriate terms and conditions

- Unless goods or services are being obtained from an existing contract (in which case the terms and conditions are pre-agreed) it is strongly advised that, as a minimum, a University purchase order is used for every transaction. The electronic purchase orders raised in EPS/Pecos have direct links to a copy of the University of Aberdeen General Conditions of Purchase (see Appendix A). The orders issued from the Cedar/COA finance system are printed on order forms which have these Conditions of Purchase printed on the rear of each page and these are to be used as the basis for any sale and purchase transaction.
- If a negotiated deal conflicts with any of the printed terms and it is desirable that these additional terms will prevail, a clause to this effect is to be written on the face of the order (either using Order/Header or Line Text within the EPS or Cedar Ordering Procedures).
- If you are sending an order to confirm a requirement you have already advised by telephone, email, scan or fax, **please** mark it as a confirmation, otherwise it is likely to be duplicated.

SECTION 5: PURCHASING PROCEDURE (continued)

- **Please note that by ordering by telephone or fax when there is no current supply agreement in place, you are accepting the supplier's terms of sale. Always issue an order with the terms and conditions attached.**
- A full explanation of best purchasing practices has been loaded behind the Procurement web-page. Please see:

www.abdn.ac.uk/procurement/uploads/files/Updates/BESTPRACTICESEP08.doc

Note 12 relates to input and print of the purchase order. This procedure is explained in detail in the Finance System "How to..." Guides behind the Finance and Procurement web-page.

Note 13: Obtains further authorisation as required (following input/print of order – see note 12)

- Once the order has been printed, if the value is above the DFP/Buyer's authority level, the DFP is to arrange for any further authorisation required (see Section 4, Note 3: Higher Financial Authorities Structure) to comply with the structure of delegated signatories within their School or Section, or the higher level approvals needed for major purchases. This may be achieved by having the signatories manually endorse the order before it is issued to the supplier (it is recommended that copies are kept to demonstrate that full authorisation was in place).
- Dealing regularly with orders for a range of goods and services, the DFP/Buyer or lead buyer should normally be able to advise on preferred suppliers, which firms hold existing contracts and their normal ordering routines. These members of staff should try to keep their commercial knowledge current and valid by visiting the University, Consortium and National purchasing web-sites regularly.

These are: www.abdn.ac.uk/procurement (University)

www.apuc-scot.ac.uk (Consortium)

www.gem.ac.uk (National, UK)

If the DFP/Buyer is in any doubt about the proper application of procedures in a particular situation, it is their responsibility to obtain information to their complete satisfaction before the order is issued. If there is any question relating to the policy or procedures then guidance may always be obtained by calling Procurement (King's extension 27-4467) or emailing procurement@abdn.ac.uk.

Performance Management

Something that all of us involved in HE procurement can improve on is managing, monitoring and improving performance against orders and contracts. Where supplier management is concerned, proportionality is important: more effort will need to be focussed on critical supplies than orders for routine goods, but managing the quality of supplier performance is always important.

- *If a buyer issues an order for a purchase of less than £25,000 in value, then they are responsible for ensuring that the supplier delivers or performs in accordance with their written instructions.*
 - i. Delivery dates should be monitored and if a supplier consistently misses them there should be a dialogue to identify if there is a problem, or, if none exists, action should be taken by the buyer to progress chase the deliveries if the dates are critical.
 - ii. Condition of goods on receipt should be inspected to ensure that they are received in good condition and meet the order requirements.
 - iii. Delivery paperwork should be reviewed for accuracy and completeness before goods receipting the order, and part-deliveries noted and raised with the supplier.
 - iv. If there are invoice mis-matches which need manual intervention to correct, then this issue should be raised with the firm as they are not supplying against agreed prices.
 - v. If the supplier regularly receives orders, the buyer should request regular – at least annual – review meetings to discuss what elements of the supplier performance can be improved, or what costs savings might be available by, for instance, consolidating orders and deliveries, or switching to alternative products with similar qualities etc.
- *For Contracts (£25,000 and over) staff are advised to involve the Lead Buyer for their area who will have an understanding of contract legislation, and may call in Procurement to assist at any time. The aims are fundamentally the same as those for orders: we want to ensure that the supplier at least meets the conditions of contract, and pursue improvements. The Lead Buyers have access to the APUC Supplier and Framework Agreement Management (SAFAM) website (www.contractmanage.apuc-scot.ac.uk) which contains details of all contracts that APUC members may use, *but also allows these key staff to enter feedback on the performance of our suppliers who hold consolidated contracts; the contract managers at APUC will then act on these reports from the Lead Buyers.**
- *Contracts of £100,000 and above will be managed by Procurement, however as Procurement is centrally based, they are dependent on performance information coming from the requisitioning School or Section. Please closely monitor how well a supplier or contractor is meeting its commitments and provide feedback to Procurement.*

When the order or contract is a call-off from a collaborative contract or a frame agreement, it is important that information is fed back to the contract manager for a particular contract, and this is often a member of staff at the HE/FE Centre for Procurement Excellence, APUC (Advanced Procurement for Universities and Colleges), or someone on a national working party.

The Supplier and Framework Agreement Manager software system has been developed to provide a portal for contract users to feed back information on supplier performance that will be picked up by the contract manager. Access to this is via the APUC web-page or www.contractmanage.apuc-scot.ac.uk. Lead Buyers should contact the APUC Helpdesk (helpdesk@apuc-scot.ac.uk) to obtain registration information.

SECTION 6: GUIDE TO PURCHASE OF GENERAL COMMODITIES

There is a range of items available from University, Consortium or National Agreements and there are over one hundred contracts available from the APUC Contract Database. Full details of these are contained within the GEM Contracts Repository (www.gem.ac.uk) and APUC (www.apuc-scot.gov.uk) web-pages. Some of the more common items are detailed below.

Vehicles:

As a general rule vehicles should not be bought by the University as they are not considered a cost efficient capital investment. From year 4/5 of ownership, vehicles become generally unreliable and a financial liability: it is an established institutional practice to lease them as described here.

Short-term hire (one year or less) vehicles should be obtained from any one of the companies with HE national deals (see web-site: www.gem.ac.uk under Institutional User, then enter "vehicle lease hire" in the commodity box). At present (September 2011) the contracted firms are:

Arnold Clark
Ford Rentals
Budget
Enterprise

Longer term vehicle requirements must be acquired through the University's frame agreement with contract hire suppliers by contacting Procurement (King's ext: 2010). Award of this contract followed a full tendering exercise through the European Journal: it features a prescribed level of service, maintenance and vehicle service costs, allowance for "wear and tear" repairs and consumables, and payment of Road Tax, and good prices are guaranteed.

In terms of the Public Contracts Regulations, Schools and Sections are not considered "discrete operational units" and are legally bound to use the framework contract.

Stationery, Computer Consumables and Paper:

As our total annual expenditure on these commodities is in excess of £400,000 there is a requirement to use the supplier who qualified by tender. The present contract is with Supplies Team. All orders for Stationery, Computer Consumables and paper (for quantities of less than 100 reams) are to be placed through the Supplies Team electronic market-place (a punch-out site on the EPS/Pecos system).

Use of this contracted supplier is mandatory. Up-to-date details will be maintained on the Procurement web-site.

Bulk Paper for Copying or Printing:

Bulk paper orders are classed as those for over 100 reams. To place an order it is necessary to raise an internal order through the EPS/Pecos system via the Procurement site; this generates a purchase order that Procurement will process for you. Please note that ALL orders for bulk paper must go through the Procurement catalogue as we cannot accept any non-catalogue orders.

Donald Murray Paper is our current paper supplier under a UK Public Sector contract, and this provides us with best value for a re-cycled paper.

SECTION 6: GUIDE TO PURCHASE OF GENERAL COMMODITIES (continued)

At least 75% of the fibre in the EP4 branded paper is made from recovered paper, and both product and packaging are fully recyclable. Use of this contract is mandatory.

Please note: With new MFD installations it is probable that this arrangement shall be changed by the end of 2012. Any revisions will be circulated and updated on the University intranet.

Multi-function Devices: Copiers, Printers and Scanners

The University has a large number of multi-function devices (MFDs) which can print, copy and scan. Our supplies are drawn from a national agreement, and the contract is centrally managed by our Directorate of IT (DIT). Our incumbent supplier is Ricoh UK and service or support calls are managed by the DIT Helpdesk, ext 3636: please call them if you experience persistent problems with your machine or wish to discuss the service with someone.

Use of this supplier is mandatory. Please contact the Directorate of IT.

Desk Top PCs and Laptops:

The University spends significant sums on computing hardware in order to maintain a high level of IT facility for staff and students. Supplies of PCs are drawn from a collaborative agreement and this is managed by the Directorate of IT (ext 3368).

Departments and sections may not order PCs from any other source. The Directorate of IT must first be consulted.

Hotel Accommodation:

University staff may use a UK public sector agreement to obtain hotel accommodation. Information on the arrangement with Expotel is available on the Procurement portal (www.abdn.ac.uk/procurement), under "Info Point, Business Related Offers", which gives contact details and guidance. There is no cost to the institution for the booking service and prices can often be 50% less than the normal "rack-rate".

This is a very useful site for UK and international hotel and conference accommodation and it is recommended to you.

Business Travel:

Carlson Wagonlit Travel has been appointed Business Travel Agents to the University. No other firm has qualified by tender and been selected to supply these services. As the University spends over £1M per year on business travel, it is essential that these services are subjected to a competitive procedure which complies with the Public Contracts Regulations.

CWT Contact Details: telephone no: 020 3353 0277,
email: uoa.city.uk@contactcwt.com

Business travel must be obtained from our contract travel agent. (These arrangements are liable to be revised before 2012.)

For full details of other contracts available (lab supplies, protective clothing, chemicals etc.) please log into the GEM contract repository on www.gem.ac.uk or the APUC Contracts page on www.apuc-scot.gov.uk.

SECTION 7: FINANCIAL THRESHOLDS FOR QUOTATIONS AND TENDERS

7.1 Definition

The definitions of “quotations” and “tenders” vary from institution to institution. The interpretation used for the purposes of this guide is that “quotation” is the relatively straightforward exercise of seeking price and delivery details for goods or services which are easily specified. A “tender” is the more formal and detailed exercise of obtaining sealed bids for goods or services where the value is high, or the specification is detailed or complex, or where special terms and conditions apply.

Information and sample documents relating to the University’s tendering procedures follow in section 9, titled “**Tendering Procedures**”.

7.2 Thresholds

The MINIMUM number of written or verbal quotes required, or the level at which full tendering procedures are necessary are detailed below. Whenever possible these must be adhered to.

Under £1,000	1 quotation, written or verbal
£1,000 up to £5,000	2 written quotations
£5,000 up to £25,000	3 written quotations
£25,000 and above	4 <u>tenders</u>
£100,000 and above	Procurement <u>must</u> be consulted

Other important thresholds:

- Below £40:** If it is not possible to consolidate with the next order, use Petty Cash for your purchase.
- £5,000:** All orders for goods or services above the value of £5000 require a bid summary (detailing 3 written quotations) or record of selection to be completed and retained with the purchase order *except when the supplier holds a current contract*. Please note that if a new supplier is being added to the University system, the £5000 and over rule applies to the expected spend with a supplier in one year.
- £25,000** **New Requirement:** The Scottish Government requires that public sector orders and contracts for goods and services of £25,000 and above are published on a publicly accessible database to improve the transparency of public expenditure (Public Contracts Scotland portal). In addition, University Regulations require all purchases of this value and above to be subjected to a formal tendering procedure.

SECTION 7: FINANCIAL THRESHOLDS FOR QUOTATIONS AND TENDERS

- £25,000** **New Requirement:** In order to align procurement procedures with University Policy all requirements for goods and services of this value and above are to be subjected to a “Sustainability Test”. This is a simple, internal check-list to ensure that originators have considered the wider impact that their purchase may have. The Sustainability Test and helpful guidance may be found at: www.abdn.ac.uk/procurement/sustainable-approach .
- £25,000** **New Requirement:** To enable the University to maintain and monitor current institutional contractual commitments, details of all contracts for goods and services over £25,000 are to be entered to the University Register of Contracts. Lead Buyers in each College and Section have been given training and a guidance manual.
- £173,000:** All orders for goods or services, regardless of the source of funding, require to be tendered in accordance with the Public Contracts Regulations (see Section 8 which follows). This figure will be valid to 31 December 2013, and the threshold for public works is higher than this. Any changes to the Public Contracts thresholds will be circulated and recorded in updates to the Procurement web-page.
- ALL:** Orders placed which are not based on the least expensive quote require a written justification to be held on file.

SECTION 8: PUBLIC CONTRACTS (SCOTLAND) REGULATIONS

(Commonly referred to as the “EU Regulations”)

The note that follows is the most recent of the biennial updates issued to DFPs, SFPs and Heads of School and Section. (Up-to-date guidance will be maintained on the Procurement web-site.)

Summary of Regulations and Timescales

This note is intended as an update for staff who acquire equipment or services valued at over £150,000 to provide them with a brief description of the current EU/UK legislation and to guide them through the procedures. The process needs to be properly planned with adequate time allowed for it.

Background

The European Directives were first introduced into UK law as the Public Supply (and Services) Contracts Regulations on 21 December 1991. These were amended in 1995 and further revised before being published in Scotland as the Public Contracts (Scotland) Regulations in 2006. The University has an obligation to comply with the regulations, proceedings as a result of any breach of this duty are assigned to the Court of Session in Scotland, and more serious cases are referred to the European Court of Justice. The value threshold above which contracts for supplies and services have to be advertised is **£173,934** and this rate shall remain valid until 31st December 2013.

Responsibilities

It is the responsibility of the University Procurement section to manage the tendering procedure for contracts in accordance with these Regulations. It is important for Heads of Colleges and Schools, and Directors of Sections, to ensure that there is a strategy in place to comply with the prescribed tendering periods, and be aware that quotations received before the notices have been advertised must be set aside.

Please note that the “Remedies Directive” which came into force in December 2009 provides more comprehensive legal entitlements for suppliers in terms of their treatment in the course of a tendering process, with more significant penalties for contracting authorities which don’t comply.

*These regulations apply to **all** procurement transactions within the public sector, regardless of the source of funding.*

Procedures

There are four tendering options within the Regulations. The Negotiated Procedure and the Competitive Dialogue are not described here as they generally relate to property or works contracts and are not applicable in most circumstances.

Both of the following procedures require a contract notice to be advertised in a supplement to the Official Journal of the European Union (OJEU), and an award notice to be similarly advertised once a contract award has been made.

Open Procedure

The date for receipt of tenders shall be not less than **52 days** from the date of despatch of the notice, but if the premises have to be inspected and meetings or presentations arranged, then allowance has to be made for these. We have to provide full tender papers in response to requests within 4 days.

SECTION 8: PUBLIC CONTRACTS (SCOTLAND) REGULATIONS
(continued)

Our recommendation would normally be against using this process for two reasons: the prescribed response time means that the contract documents should be prepared before the notice is sent; the procedure is indeed “open”, and we have to provide papers to any party who requests them, and then consider and document our reasons for rejection of all unsuccessful offers to supply.

Restricted Procedure

This is generally the most suitable of the four options available to the University. The benefit of the Restricted Procedure is that it allows for a pre-qualification process, meaning that applications to tender have to contain details of relevant experience, technical ability, financial stability etc., and these may be used to select suitable potential suppliers to receive tender papers. This considerably reduces the tender analysis and recording which is required.

The date fixed for receipt of requests to tender shall be not less than **37 days** from date of despatch of the notice. This is followed by a date for receipt of tenders not less than **40 days** from despatch of invitations. In addition, the suppliers are afforded an opportunity to challenge any award made and are allowed **10 days** (the “mandatory standstill period”) following announcement of selection. Excluding any time needed to consider the submissions, the minimum process time therefore amounts to **87 days**.

Within the Regulations it is possible to reduce process times by using electronic means to publish our contract notices and make our documents available. Procurement has access to systems to do this and the schedule may be brought down to **30 days** for the notice to be advertised and **35 days** for the tenderers to submit. With the mandatory standstill remaining this takes the total minimum process time to **75 days**.

Time

It is common for buyers to underestimate the time needed to consider the applications to tender at the first stage and then the tender documents when they have been received. Depending on the complexity of the supply, we recommend that a minimum of 7-10 days is scheduled for reviewing the pre-qualification documents as sufficient time has also to be allowed for these to receive a full financial analysis by an accountant.

Tenders over £100k should be considered by a panel which includes the departmental client, their line manager, the accountant for their College or Section, a member of the Procurement team and possibly a technical adviser. Following this review a fully reasoned de-selection note will have to be prepared for each of the unsuccessful firms as well as the letter of appointment for the winning supplier, so, as a guide, at least 14 days should be allowed for this stage.

Even with the shorter periods allowed for an electronic exchange of documents it can be seen that the minimum period you should schedule for an over-threshold tender exercise would be 100 days. For a complex tender which might involve site-visits, meetings, presentations or demonstrations, 120 days might be a reasonable programme time.

SECTION 8: PUBLIC CONTRACTS (SCOTLAND) REGULATIONS
(continued)

How to Get Started

If specification documents are prepared and sent to Procurement, with a brief generic description of your requirements *and* the criteria to be used for selection, then the notice can be fully completed and sent electronically to the Commission within hours. If you would like to have a blank form so you may see the sort of information required, please contact Procurement on ext 4467 (King's) or email procurement@abdn.ac.uk.

Gary McKinnon, Head of Procurement
16 January 2012

Guidance on Tendering for goods and services is available from the Procurement web-page:
www.abdn.ac.uk/procurement).

SECTION 9: TENDERING PROCEDURES

This section has been split into four for ease of reference:

- 9.1 Introduction and Guidance on Tendering
- 9.2 Procurement related to funding applications
- 9.3 Standard Tender Documents – explanatory note
- 9.4 Examples of Tender and Contract Documents

9.1 Introduction and Guidance on Tendering

This section provides guidance on managing a tendering exercise and includes examples of standard tender papers. These documents are available for downloading from the Procurement web-page: www.abdn.ac.uk/procurement and must be modified (particularly the contact details) for use in a tender exercise. The simple form of contract which is included as an example is more appropriate for the purchase of goods than for services. As service contracts can take many forms it is generally preferable to write a bespoke contract to fit an individual requirement. Procurement retains model contracts which may be used for the procurement of services such as hiring a consultant. *Contracts for goods or services estimated to be worth £25,000 and above must be subjected to a formal tendering exercise, and be publicly advertised.*

Always use central Procurement to manage a tender exercise if you have not used a formal procedure before, or have limited experience of public sector tendering. They provide a free resource, will assist you to improve your skills if you wish to operate more independently, or they will handle the complete administration up to letting of contracts if required. Please remember that the team best equipped to obtain value for money within any market is one combining both technical knowledge and commercial skills.

The aims of a formal tendering exercise are to subject the proposed supply to a competitive bidding process in order to obtain best value for the University, and ensure that procedures used in the expenditure of public funds are sufficiently fair, impartial, transparent and robust enough to stand up to the closest scrutiny of outside parties (such as funding bodies or auditors) or legal challenges.

With these objectives in mind it is important that we operate within a set of tendering rules. As well as the formal instructions which are issued for potential suppliers to follow, it is important for our procedures to comply with principles of good commercial practice. The following are offered as guidelines for procurements valued between £25,000 and £100,000. For purchases valued at £100,000 and over, there is detailed guidance available behind the Procurement portal. (www.abdn.ac.uk/procurement under the “Tendering” key).

(NB: There is reference throughout this section to “Tender Managers”; this is the general title given here to any Lead Buyer, SFP or DFP who has been nominated to carry out a tender exercise.)

SECTION 9: TENDERING PROCEDURES (continued)

Overview

The following is guidance on good practice for tenders between £25,000 and £100,000.

Tender Stages

1. [Research the Requirement](#)
2. [Budget Prices](#) including an estimate of running costs (and there may be an additional stage here when funds are sought from a research or funding body)
3. [Specification of Requirements](#)
4. [Contract Notices](#) Advertise a Contract Notice and request applications to tender; *N.B. from here, Commercial Confidentiality applies; all communications are to be formal.*
5. [Considering the Applications](#)
6. [Issue Invitations to Tender](#)
7. [Receive and Review Offers](#)
8. [Select the Winning Tender](#)
9. [Notice of Selection](#) Issue the notice of selection to the firm chosen *and to* the rejected Tenderers
10. [Tender Clarification](#) Tender clarification (and possibly full and final quote if required) and agreement on applicable terms
11. [Award Letter and Agreement](#)

This is a straightforward tender procedure but it must be followed methodically, and each stage is to be fully recorded in order to deal with legal challenges and information requests and provide an audit trail. Each of these stages is expanded below with a description of best practice at every step of the process.

As most of our requirements are for goods and equipment, the guide is designed primarily for those rather than services. Although the process is generally the same, service contracts may be more complex and involve issues such as TUPE legislation, so please involve Procurement at the earliest opportunity in order to develop an acquisition strategy for these.

1. Research the Requirement

What do you want to buy?

Can you satisfy your requirement by sharing, borrowing or using second-hand equipment, or purchasing jointly with another user?

Can the product or service be obtained from an existing, collaborative agreement? (see www.gem.ac.uk or www.apuc-scot.gov.uk for portals displaying all HE contracts.)

If new equipment is required, develop a generic description that explains what you want and please do research the market to discover what is available, identify suppliers which might have a suitable product, and it is also useful to establish supplier contact details.

Please note that for all purchases valued at £25,000 and over it is now mandatory to address all of the questions in the University's Sustainability Test, which can be accessed at: www.abdn.ac.uk/procurement/sustainable-approach . The completed Test is to be held with the contract file.

2. Budget Prices

What will the estimated cost be?

Please ask firms for budget prices, but don't settle on a particular item or supplier or get into detailed discussions with your favourite firm. For acquisitions over £25k you will have to go to tender anyway and all quotations received before this will have to be set aside: it is also likely that the quotes received will be out-of date by the time funding becomes available.

At this stage it is reasonable also to request a general statement of the approximate running costs of the equipment over its expected life (this is dealt with in more detail in the section on Specification of Requirements that follows).

The information received from this stage should be sufficient for applications to funding bodies.

3. Specification of Requirements

What to include in the description of your requirement

When funding has become available we have to make a more formal approach to the market. A model Specification will include a brief overview of the University of Aberdeen and its activities; a section on the background to the requirement; a description of the present range of equipment or services used, then a detailed description of what is needed and how it will be used.

SECTION 9: TENDERING PROCEDURES (continued)

The specification should also include your **award criteria** and **the weightings** of the criteria. These will be the things which are important to you and which will allow you to make your final decision. They might include price, proposed maintenance and technical support, experience, references and delivery lead time. The award criteria normally total 100%, with higher ratings attached to the most important criteria, for example, Price = 35%, Functionality = 35%, Quality of Output = 15%, Ease of Use = 10%, Maintenance and Support = 5%. Please note that if there are sub-elements of any of the selection criteria (ie. Functionality may be broken down into component elements), it is required that these elements are also documented and allocated a weighted score.

There are two main elements to the specification itself: a brand-less, generic statement of need accompanied by a request for a “whole-life costing” for equipment offered.

3.1 The Specification should describe the important features of the equipment and might express your requirement in terms of:

- The application: where and how the equipment will be used and what for;
- Minimum required performance: volumes, speed, magnification, data to be produced etc.;
- Inputs and outputs;
- Results expected;
- Quality requirements;
- Ease of use;
- Operator requirement;
- Upgradeability;
- Physical limitations: weight and dimensions, mobility, access, floor strength, building requirements (such as for room modifications or shielding);
- Compliance with prescribed standards;
- An opportunity for the tenderer to include an alternative offer which might include joint research, use of the University as a reference site, a novel approach, application of new technology or ex-demonstration equipment etc..

3.2 The “Whole-Life Costing” will reveal the true cost of ownership and provide a proper basis for comparison between competitive quotations; it is not unknown for a supplier to quote a low capital cost to secure the business, then uplift the cost of maintenance services to increase their margin.

SECTION 9: TENDERING PROCEDURES (continued)

Consideration should be given to:

- Capital purchase price;
- Delivery date (does this meet your timescale?);
- Delivery to site and insurances;
- Rigging into position;
- Installation;
- Testing;
- Training for operation and local maintenance (both on and off-site);
- Number of operators required;
- Expected life of the equipment in a normal working environment;
- Anticipated running costs over the expected life, including an estimate of annual costs for utilities in a similar operation and cost of replacements and wearing parts (with a guarantee that these will remain available);
- Product life and upgradeability – when will the model offered cease to be produced and what is the approach to upgrading?
- Warranties and extended warranties;
- Post-warranty service and maintenance proposals for the life of the equipment (if this is not known then request that details for a five-year period be included);
- WEEE: Waste electrical and electronic equipment legislation requires manufacturers to participate in a scheme for removal at end of economic life. Request costs associated with the supplier/manufacturer meeting their responsibilities within the regulations;
- End of life replacement or disposal: what options are available when the equipment is no longer required, and what are the costs involved?

Please note that Procurement or your Tender Manager will need time to review your specification and prepare the Invitation to Tender documents; five days might be a reasonable time for this work.

4. Contract Notices

How will you let suppliers know that there is a requirement?

All University of Aberdeen tenders valued at £25k and over are to have contract notices published on a public information service (Public Contracts Scotland) by Lead Buyers to ensure that they receive appropriate visibility and give potential suppliers access to our tender processes. Lead Buyers are to confirm that there are funds available before publishing a contract notice.

SECTION 9: TENDERING PROCEDURES (continued)

Once the notices are in the public domain it is permitted to alert any firm you wish to be included to the details contained in the notices (you will have noted their contact details at the “Research the Requirement” stage).

It is mandatory that all tenders over £173,934 (excluding VAT) are advertised in the supplement to the Official Journal of the European Union, and Procurement will deal with these.

The general approach requiring suppliers to qualify to tender (see Option 1 below) is one that should be used as a “best practice”. An alternative, “open” approach, where all interested suppliers may submit a tender, follows as Option 2: “Open Tenders”, and both processes are described in detail below.

>>>Option 1: Qualification

The procedure may take approximately 28 days and is as follows:

- 4.1 Contact is to be made with Procurement to arrange for the Lead Buyer to have “publisher” access to the Public Contracts Scotland portal.
- 4.2 The information required for the advert:
 - Title of the notice – this is a short statement of the goods and/or services required.
 - A more detailed description is also required (usually just a few lines) to provide a general summary of what you wish to purchase.
 - The place where the goods and/or services will be delivered/performed.
 - Estimated value of the contract over the whole contract period excluding VAT (this should include whole-life costings such as post-warranty servicing etc).
 - The required start date/delivery date.
 - Period of contract – more relevant for services, or long-term supply contracts.
 - Qualification Criteria (criteria for short-listing firms through to the next stage).
 - Interested parties will be asked to provide some financial, economic, legal and technical information as standard (i.e. last 3 years audited accounts, details of their main business over the last 3 years etc). However, the client department may have additional requirements that will help them to select suitable firms to tender, e.g. the tenderer’s approach to sustainability, or policies on diversity and equality, corporate responsibility and health and safety, experience of HE Sector, references, particular accreditations, membership of professional associations etc..

The request for this information is normally in the form of a Pre-qualification Questionnaire (PQQ) which is made available electronically to interested firms. Procurement has a standard template which can be modified to suit your particular requirement. (Please see: www.abdn.ac.uk/procurement/vendorquestionnaire).

SECTION 9: TENDERING PROCEDURES (continued)

- It is important that the “qualification” criteria are not the same as “selection criteria”, and in fact it is mandatory that information that determines a supplier’s suitability in terms of financial standing, technical capability and capacity may only be requested at the qualification stage.
- 4.3 Once this information has been input the notice can be placed. **Please note** that funding for the procurement must be confirmed before a contract notice is put in the public domain. Following publication all communications are to be formal, and via the “Tender Manager”. General details from internal meetings, the number of participants, how the exercise is progressing etc. are all Commercially Confidential and not to be shared with third parties.

The Restricted procedure is a two-stage process; suppliers apply to tender, then we invite those we feel are qualified to submit tenders. The first stage is to request applications to tender from interested suppliers along with any supporting information such as audited accounts etc. We have to allow a reasonable period for the suppliers to respond, and we suggest that this is at **least 10 days** from the date the advert is placed for suppliers to provide their qualifying information. The full specification of requirements should be ready to be issued to the suppliers selected to progress to the next stage.

5. Considering the Applications

How do we decide who to invite to tender?

- 5.1 After the minimum 10 day period, the Tender Manager should have received the applications and supporting information from the suppliers interested in participating. They should open them and record the information provided against a checklist (for completeness of response) for each supplier. The checklists and the applications should then be used by the tender manager and the requisitioner to identify which suppliers might be short-listed through to the next stage.
- 5.2 The applications are to be examined for details of experience and technical capacity, and if references have been requested then these should be followed up and the responses documented. It is important to record which of the suppliers have been rejected and the reasoning behind this, and which will go forward to the next stage of the process.
- 5.3 The applications, accompanied by a supporting narrative explaining the reasons for the decisions, should then be retained by the Tender Manager. The public sector legislation currently in place facilitates supplier challenges to decisions made, even at this stage, so care has to be taken with the rejection process.
- 5.4 The Tender Manager will request that a University Accountant checks the short-listed suppliers’ audited accounts to establish their financial stability (financial evaluation). Each set of accounts will take approximately two hours for the accountant to review and report on, and their findings will be reported back to the Tender Manager before Invitations to Tender are issued to the selected suppliers.

SECTION 9: TENDERING PROCEDURES (continued)

It's difficult to estimate how long this particular part of the process will take because it depends on the number of applications received, how many suppliers are short-listed and the availability of the client department, project team and the accountants to undertake this work. However, we recommend that you allow **at least one week**.

6. Issue Invitations to Tender

Invitations and time allowed

The Tender Manager will then issue the Invitations to Tender along with all of the tender documentation, including the specification of requirements, and this will include a date for receipt of tenders which should be not less than 14 days from despatch of the invitations. Rejection letters will also be issued to those suppliers who have not been short-listed.

Once these tendering steps have passed, please progress to Stage 7, Receive and Review Offers.

>>>Option 2: "Open" Tenders

This is a single stage procedure where a notice is posted complete with a specification and any firm can submit a tender, so the qualifying information (on financial viability, capability and capacity) will be considered in a single exercise along with the technical and price quotes. This may take 21 days and the process is as follows:

- 6.1 Contact is to be made with Procurement to arrange for the Lead Buyer to have "publisher" access to the Public Contracts Scotland portal.
- 6.2 A contract notice is to be published on the Public Contracts Scotland ("Quick Quotes" is available to use) portal with a link to a set of Invitation to Tender documents containing information as detailed in the Option 2, Qualification note 4.2 above, but also including the full requirement specification and an abbreviated Pre-qualification Questionnaire and the Selection Criteria.
- 6.3 A closing date for receipt of tenders should be set and this should allow 21 days from publication of the contract notice for the potential tenderers to respond.

(N.B. As there has been no qualification stage, on receipt of the tenders the College or Section accountant will have to confirm the financial viability of the firms which have responded following client selection.)

Please now progress to Stage 7, Receive and Review Offers.

7. Receive and Review Offers

Tender Opening Ceremony

After the 14 day minimum period the tender submissions should have been received by the Tender Manager and a representative from the client department should attend to witness the formal opening of them, and prepare a Record of Tenders; this may be done electronically by "unlocking" the PCS electronic mailbox. The tenders will then be carefully reviewed and scored against the award criteria by the Project Team, or jointly between the Tender Manager and the requisitioner.

After tenders are received, in a formal tender exercise we may not enter into negotiations with any firm. Contact with the tenderers is to remain formal, and communications are to be through the Tender Manager. We are permitted to seek clarification on submissions before award so there is a clear understanding of the offers, and after the contract has been awarded in order to refine the requirement only; this process must not be used to materially change the specification in order to negotiate a reduced price. Time must also be allowed for this process both pre- and post-award.

8. Select the Winning Tender

Fairness and Transparency

It is important to decide in advance how the selection will proceed: tenders may be scored by stakeholders individually, who then discuss and agree the final scoring, or they may jointly allocate scores to each tender. Decisions and reasoning must be recorded.

The simplest way to assess each of the tenders is to rate them against the weightings allocated to the selection criteria (see Specification of Requirements). As an example, if “Equipment Performance” carried a total weighting of 40%, then the firm which offered the best option in terms of the performance specification should receive a score equal or close to the maximum for this, with the firm in second place receiving a lower score dependent on how their performance was rated in relation to the spec. By methodically working through the criteria for each tender submitted, the end result should be a set of total scores for the suppliers expressed as percentages, leading to a logical and transparent selection. When it comes to prices Procurement use a standard formula to allocate scores.

Note: We may not use any reason that was not detailed within the selection criteria to either make an award or reject any submission.

The scores allocated are to be recorded along with narrative detailing the reasoning behind the decisions, and the results are to be retained by the Tender Manager.

9. Notice of Selection

Final Hurdle

We have an obligation to inform all of the Tenderers of the decisions made, and give them full details of how they were reached, such as their overall score, ranking, why they weren’t selected, the name and score of the successful supplier, and the characteristics of the winning tender.

A letter of our intention to award is accordingly to be issued by the Tender Manager; the unsuccessful firms are afforded an opportunity to challenge any award made, and are to be allowed to do so following announcement of selection. It is very common to receive requests for further information at this stage, and we must do our best to accommodate them: the alternative might be that these will be received as Freedom of Information Requests, or even legal challenges, so provided the information is not considered commercially confidential (and in the public sector very little is) details should generally be released, but this must always be treated as a formal matter, and all communications should be through the Tender Manager.

Procurement can always offer guidance on how to deal with challenges.

After this period is over, and as long as we don't receive any challenges, we can begin discussing and agreeing the terms and conditions of contract with the successful supplier.

10. Tender Clarification

How to Conclude the Agreement

Once tenders are in we must continue to communicate formally with the supplier. If there is a dialogue resulting in **minor** changes to the requirement or the offer, one clear way of concluding matters is for the Tender Manager to obtain a final confirmation of the requirement from the requisitioner, then request a Full and Final Offer from the supplier incorporating all of the **minor** revisions. Please note that we are not permitted to alter the specification in any significant or material way, or enter into negotiations with the successful firm in order to achieve a lower price.

In parallel with this the Tender Manager should be negotiating the contract terms and conditions that will apply to the deal with the supplier. As a general rule we should never accept a supplier's terms as the basis for agreement, and it is normal for them to receive a draft contract along with the Invitation to Tender documents.

11. Award Letter and Agreement

The Tender Manager should send a copy of the supplier's final offer to the requisitioner for comment. When the terms are finally agreed with the supplier, the Tender Manager will confirm that funding is in place before sending the contract documentation/purchase order out. The Client, School or Section will normally raise the purchase order using the nominated budget code (note that the firm may have to be set up as a new supplier, if so, a Supplier Set-up Form must be sent to them for completion and return).

If the contract is a relatively straightforward sale and purchase, then a normal EPS/Pecos or Cedar/COA purchase order may be used, as long as there is a clear reference to the tender provided by the supplier, along with any special clauses that need to be included. More complex transactions will need a contract document to be written by the Tender Manager.

There are templates available for each stage of the tendering process; Procurement hold a range of alternative contract documents and can assist at any stage of the tendering process.

9.2 Hints and Tips on Preparation, Inviting and Receiving Offers

Preparation

- **Plan the process.** Agree what the significant dates will be and who will be involved at each stage. You should invite a senior member of staff from outwith your department to witness the opening of tenders, whether these are hard-copy or electronic. The higher the value of the tender, the wider the involvement of stake-holders you will require.
- Establish a means of **recording the tendering process from start to finish.** It is recommended that departments maintain a register of all tendering exercises; the Lead Buyer for your College or Section will have to enter details to the University Register of Contracts that they are required to maintain (access through the Procurement web-page, via University Register of Contracts button on the left).

An example of a tender recording form is included in this Guide (See Record of Tender within this section 9 on page 21, Example 7: Standard Tender Documents).

- **Allow sufficient time and resource to manage the process.** Some complex tender exercises can take 40 to 60 hours of work to complete and it is not possible to cut corners.
- **Properly explore the market.** In most situations it is best to ensure that all possible suppliers are given an opportunity to bid. Decide whether it is necessary to invite applications, advertise the contract notice locally, nationally, in specialist publications or in the European Journal.
- **Decide on an “open” or “restricted” process.** Is it necessary to invite firms to qualify to tender (restricted) or will you issue tender papers to anyone who applies for them?
- **Keep a record** of all of the suppliers who have applied to tender or who have been invited to tender.

Inviting Tenders

- Using the examples provided in Section 9.3 as the basis, **prepare and issue the tender documents.**
- **Allow adequate time for the suppliers to respond properly.** This will obviously vary with the complexity of the specification, but an absolute minimum of two weeks is recommended.

SECTION 9: TENDERING PROCEDURES (continued)

- Make sure that adequate funds are available! Before a contract notice is issued and a complicated tender exercise commences, please confirm that the staff member needing the supply has funding, and ideally a budget code, in place. Having University staff and suppliers spend hours preparing documents for a project which might expire through lack of funds is wasteful, and likely to impact on future tender responses.
- **Once you have issued a formal notice** of anything – including deadlines for receipt of tenders – you have an obligation to **ensure that it is rigidly adhered to** by all parties.
- **Treat all potential suppliers equally.**
- **Control the channels of communication.** Some firms will try to gain advantage over others by discussing the tender with you or your colleagues in order to gauge areas of particular interest, or even just to establish contact to talk in general about the tender. Give clear instructions to tenderers on who their contacts are. Keep communications formal.
- **If valid questions are received** from one firm before the tenders have closed, circulate the questions and your detailed responses to all of those in receipt of invitations to tender in the form of a **“pre-tender circular”**. This can be easily managed using the Public Contracts Scotland Question and Answer (Q + A) facility on their portal.

Tender Receipt

- **You will have fixed a time for receipt of tenders.** As all tender invitation and response documents are to be sent and received using the Public Contracts Scotland (PCS) portal, no late tenders will be allowed. Ensure that your instructions to tenderers carry clear advice and warnings about allowing adequate time to upload their offers to the system.
- When opening the tenders **invite a senior member of staff** (preferably from another department) to witness the process. Record details of the tenders received.
- **Post-tender negotiation should be limited and time-bound.** Once the specification and offer have been finalised, request a full and final offer which includes all of the revisions to obviate any misunderstanding of what is contained in the offer.
- It is not just **professional courtesy to brief unsuccessful suppliers** of the outcome of the tender exercise: it is actually a requirement to do so.
- **Always record the selection process** leading to the award and include the criteria used. This is a formal record which may be used in the event of a challenge from an aggrieved supplier.

9.3 Procurement related to funding applications over £25,000:

- For a number of good reasons, some of which are listed below, initial quotations obtained to support a funding application for equipment should be treated as indicators of price only. At this stage the enquiries and quotes are generally informal.
- It is sensible to include whole-life cost factors in the original enquiry. The purchase price otherwise may not give a true indication of best value over the life of the equipment, and funding bodies generally prefer to have costs for elements such as extended warranties and maintenance built into the original equation, rather than deal with new applications for ancillary funds at a later date.
- If the award process takes 6 – 9 months, the original quotes are unlikely to remain valid, the technology may have moved on, the model quoted for may have been superseded, the prices might have dropped (electronics, IT) or a competitor may have developed a better product. No commitment should be made at this stage.
- The equipment may be consolidated into a larger tender with other goods to be ordered from the same supplier, resulting in improved terms.
- **Once it is agreed that funds will be made available**, set aside the quotes which provided the budget prices. We must not be seen to have any form of agreement in place prior to the commencement of a tendering exercise.
- Start a new and formal tendering process. Even if there is an outstanding product on the market which fully meets your requirements, by subjecting the supply to a competitive process it is very probable that better terms, or added value items such as training, extended warranty periods, delivery, installation and commissioning will be obtained at little or no additional cost.

9.4 Standard Tender Documents – Explanatory Note

On the following pages are examples of tender documents in a standard format. These should be used only as “model” documents to be modified to suit individual projects. Now that we have moved away from traditional, paper-based procedures, when the documents have been prepared, they are to be electronically loaded into the Public Contracts Scotland database for suppliers to access.

Following the tendering exercise the Tender Manager should be in a position to confirm agreement with the supplier by issuing a purchase order using the EPS/Pecos or COA/Cedar system, or a contract.

If you had not already provided a draft contract with your invitation to tender, you should be in a position to design a contract to suit your particular project. It is recommended that you incorporate in this all of the documents submitted by the successful tenderer in response to the invitation to tender, including all post-tender communications which will have a bearing on what is to be supplied. At the end of this section is an example of a short form of contract which you may use to “wrap around” the offer documents.

If a more complex transaction (perhaps involving: construction work; installation, commissioning and acceptance procedures, or needing careful use of indemnity or consequential loss clauses) has to be properly expressed in order to optimise the University’s position, then other forms of model contract are available from Procurement. It would not be good practice to accept standard terms and conditions of sale in a transaction which might expose the University to a significant financial risk. If you are in any doubt, please call Procurement on King’s ext 4467 or email procurement@abdn.ac.uk.

Before a bespoke contract is issued the transaction must be processed through the normal requisition /authorisation/purchase order routines within the finance system. This creates a financial commitment against the correct budget, ensures that adequate funds are available and provides an appropriate level of authorisation prior to the formal agreement being issued to the supplier. The system order number is to be highlighted within the agreement as the contract reference so that invoices may be dealt with in the normal way by Accounts Payable.

List of the Invitation to Tender (ITT) Documents (Examples follow on page 40)

(When completed, documents 1 – 5 are to be uploaded to the Public Contracts Scotland portal.)

❑ Example 1: Pre-qualification Questionnaire (Supplier Appraisal Form)

This may be found behind the Procurement web-page at: www.abdn.ac.uk/procurement. The form **isn't** attached here as it is being amended and the revised version will be maintained on the Procurement web-page. This is to be used in a pre-qualification process or be issued in an abbreviated form with the tender documents. For major purchases it is recommended that a qualified accountant examines the financial submissions before moving to final selection.

❑ Example 2: Invitation to Tender

A letter such as this with details of enclosures should be loaded so it is available to potential suppliers.

❑ Example 3: Instructions to Tenderers

This page is to be sent to ensure that there is a clear understanding of what the potential suppliers are required to do, and gives all tenderers the same set of basic rules to operate to.

❑ Example 4: Form of Tender

This is a formal declaration of offer intended to be certified and returned by tenderers. In order to simplify comparison of bids a “schedule of requirements” may be appended to this form. This is just a means of breaking the tender into the component parts of the supply and expressing this in a tabular form (a matrix) with the intention of standardising the offer format.

❑ Example 5: Simple Contract

This may be used for the purchase of goods or services which require a clear definition of terms which may differ from those detailed in the General Conditions of Purchase of the University of Aberdeen.

❑ Example 6: Record of Tender

Use as a check-list to record each stage of the tendering exercise.

If you have little or no experience of managing a formal tendering exercise please do not use these documents without contacting the Procurement (Kings ext 4467) for advice or assistance.

9.5 Examples of Tender and Contract Documents

□ Example 1: Supplier Appraisal Form/PQQ

The Supplier Appraisal Form is often referred to as a “Pre-qualification Questionnaire” or “Vendor Questionnaire”.

Please note that the current version of this form is now maintained behind the Procurement web-page: www.abdn.ac.uk/procurement . In the left column there is a button labelled “Vendor Questionnaire”.

This form is under construction at the moment, but the most up-to-date version will always be available behind the Procurement web-page.

Note for Information

In 2012 the Scottish Government is planning to open a supplier database to the whole public sector in Scotland. This will contain background and qualification information in a central repository that suppliers will maintain: this should significantly simplify the qualification to tender process for buyers and suppliers.

Following the issue of a contract notice, public sector contracting authorities should be able to draw down standard qualification documents for any firm registering an interest in tendering, and the tendering firms will merely have to keep their details current and valid on a single site, instead of having to complete a new questionnaire every time, each in a different format. There will still be a requirement to obtain supplier information specifically related to non-standard requirements, ie qualification information may be available for experienced builders, but if we have a need for a data centre to be built, we would wish to limit the responses to those with a successful track record in this area.

SECTION 9: TENDERING PROCEDURES (continued)

□ **Example 2: Invitation to Tender**

date

TENDER FOR :

Dear Sirs

Invitation to Tender

The University of Aberdeen invites offers for the supply of a #

Your tender must be submitted in compliance with the following documents which accompany this invitation to tender:-

1. Instructions to Tenderers
2. Form of Tender (including Certificate of Tender)
3. Specification of Requirements for a #
4. Contract Documents

It is the responsibility of tenderers to ensure that offers are received (#where?) by 10.30hrs on (#day and date?). Tenders received after this time shall not be considered, and the Public Contracts Scotland portal will remove access to this tender exercise following the date and time set for close of tenders.

It is not necessary to acknowledge receipt of this Invitation to Tender as there will be a record of contact retained on the Public Contracts Scotland portal.

Yours faithfully

(NAME AND TITLE)

University of Aberdeen

Tender for:

page 1/2

INSTRUCTIONS TO TENDERERS

1. Form of Tender

- 1.1 Tenders must be submitted with the enclosed Form of Tender, and must be supplemented by all other information and authorities requested in these Tender Documents.
- 1.2 Tenderers should note that all attachments and appendices to the Form of Tender shall, upon award of Contract, be deemed part of the Contract.

2. Submission of Tenders

- 2.1 Tenders must be submitted electronically using the Public Contracts Scotland (PCS) portal only. Tender guidance to submitting a response is provided on the PCS website and there is also a Frequently Asked Questions sheet which you should read. If you are experiencing technical problems with the PCS portal then you should contact the website Support Desk; contact details can be found by following the “contact us” option on the left side of the menu at: <http://www.publiccontractsscotland.gov.uk/default.aspx> .
- 2.2 The Tender **must not arrive later than ##**. You must allow adequate time to upload your submission and not leave it to the last minute, because large documents can take some time to upload, and you also may encounter compatibility issues.
- 2.3 The Tender shall be valid for acceptance for a period of 90 days from the date fixed for receipt of Tenders.

3. Award and Preparation Costs

- 3.1 The University reserves the right to award the contract for goods and services as detailed in this invitation as it sees fit, and may reject any or all of the Tenders received with no obligation to disclose its reasons.
- 3.2 The cost of Tender preparation shall be borne in full by the Tenderer, who shall have no recourse to the University for this or any related expense.

4. Currency, VAT and Summation

- 4.1 The currency of the Contract shall be UK Pounds, and costings shall be prepared on this basis.
- 4.2 All sums entered in the Tender are to be exclusive of VAT.
- 4.3 All costs which may be directly or indirectly related to the satisfactory completion of the Contract and for which remuneration would be sought shall be clearly detailed and summarised in your tender, or in accompanying paperwork. No other additional charges which could reasonably have been anticipated shall be accepted.

5. Delivery and Installation

- 5.1 The University is working to a target of site installation before ###.
- 5.2 This date may become critical and influence our selection; please consider this when calculating lead times. Please include a detailed schedule which you will implement in order to meet the delivery/site installation requirement.
- 5.3 Installation and acceptance protocols and procedures are to be provided.
- 5.4 Your offer must include all delivery and on-site installation costs including adequate insurances.

6. Proposed Sub-contractors

- 6.1 Details of proposed sub-contractors must be supplied, with associated worksopes.

7. Fitness for Purpose

7.1 The Tenderer shall be deemed to have reasonable knowledge of and satisfied itself as to the nature of the University's requirement, and any conditions which may affect its tender to supply, in order that the goods and related services offered shall be fit for purpose (see note 12, Contact for Queries).

8. Training and Documentation

- 8.1 Details of on/off-site training required for full local operation to be included, together with proposals relating to how this should be funded.
- 8.2 Please detail user manuals and servicing documentation that will be provided to the University at no charge.

9. Equipment Lifetime Factors

- 9.1 A commitment is required that the tenderer will support this equipment throughout its lifetime. An estimate of the expected life of this product in normal working use is required.
- 9.2 Details of maintenance, servicing and breakdown costs including extended warranties are to be included.
- 9.3 Please include a list of consumables and parts liable to wear, their current costs, and the expected annual costs in normal working use.

10. Alternative Proposals

- 10.1 You may wish to submit Alternative Proposals which include preferential costings based on a closer association of partner organisations, an innovative approach to the supply or alternative means of delivering best value for money.
- 10.2 Alternative Proposals must be clearly marked so, and be submitted as a separate Appendix to your main tender.

11. Change in Status of Tenderer

- 11.1 In the event that after the date of this Invitation to Tender and prior to the award of any Contract, the status or identity or circumstances of the Tenderer is changed in any material way, including but not limited to merger, amalgamation, take-over or any other reorganisation, change of name, or involvement in any action relating to receivership, liquidation, bankruptcy, winding-up or similar action, such change will be notified to the University immediately. Failure to comply with this may result in Tenderers being disqualified, or in the event of any award of Contract shall be deemed to be in breach of Contract.

12. Contact for Queries

- 12.1 All questions relating to the Tender Documents must be addressed through the PCS Online Question and Answer facility only. Answers to technical queries shall be circulated as necessary.
- 12.2 The authorised contact for this Tender is **###NAME##** and in no circumstances should the substance of these documents be discussed with any other member of the University without the specific written agreement of the authorised contact.

Please note : The University of Aberdeen reserves the right to refuse a Tender which has not been submitted in accordance with the instructions detailed here.

□ **Example 4:** **Form of Tender** (for the tenderers to complete and return)

Form of Tender

page 1/2

#SUBSTITUTE WITH CONTACT DETAILS#

**The University of Aberdeen
Kings College
Aberdeen
AB24 3FX**

For the attention of ###

Dear Sirs

Tender for :

Having carefully examined the subject Invitation to Tender dated # and the documents detailed therein:-

1. We confirm that we have fully satisfied ourselves as to the nature of the requirements of the University.
2. We hereby offer to supply the goods and related services in accordance with your Invitation to Tender and its enclosures as follows:
 - 2.1 Instructions to Tenderers
 - 2.2 Form of Tender (including Certificate of Tender)
 - 2.3 Specification of Requirements for a #
3. In the event that our Tender is accepted we undertake to execute a formal contract with the University of Aberdeen embodying all of the terms and conditions contained within this offer. Unless and until a formal agreement is executed, this Tender together with the University's written acceptance shall constitute a binding Contract between us.
4. We agree to abide by our Tender for a period of 90 days fixed from the lodgement date of tenders, and it shall be binding upon us at any time before expiration of that period.
5. We understand that you are not bound to accept the lowest or any Tender received, nor assign a reason for the rejection of any Tender. We accept that any costs incurred in Tender preparation are for our own account.
6. We understand that this shall be deemed to be our only and final offer, and unsolicited re-tenders shall not be considered.
7. We confirm that the person whose signature is appended to this Tender is a duly authorised signatory of our Company and has full and formal legal authority to sign this Tender on behalf of our Company.
8. We understand that if our Tender is accepted we shall be reimbursed for the goods and services in accordance with the terms and conditions of the Contract to be executed between us.

9. Certificate of Tender

We certify that this is a bona fide Tender, intended to be competitive, and that we have not fixed or adjusted the amount of the Tender in accordance with any other person, body or association.

10. Authorisation

Signed : _____
Name (Print) : _____
Title : _____
For and on behalf of : _____
Date : _____

Full address, including postal code, to which all communications relating to this Tender should be despatched:

Telephone Number : _____

Facsimile Number : _____

11. List of Documents Included with Form of Tender:

□ **Example 5: Simple Contract**

CONTRACT

For the supply of

Between

The University of Aberdeen

and

Date:

Contract Reference:

Section 1: FORM OF AGREEMENT

Contract for the Supply of:

AGREEMENT made as of this _____ day of _____ 20##, by and between # having its principal office at # (hereinafter called the "Contractor"), and the **University of Aberdeen**, having its principal office at King's College, Aberdeen, AB24 3FX (hereinafter called the "University").

The Contractor wishes to provide a # to the University, and the University wishes to purchase a # from the Contractor, all as more particularly described in the documents incorporated here.

It is hereby agreed as follows:

The Contract shall incorporate:

- Section 1: Form of Agreement
- Section 2: Articles of Agreement and Price
- Section 3: Specification of Requirements
- Section 4: #(The University General Conditions of Purchase or specific contract terms)

All of which shall be read as one document.

In case of conflicting statements the order of precedence is:

- This Contract
- The University of Aberdeen General Conditions of Purchase
- The Contractor's response to the invitation to tender

The Contractor's representative shall be #, telephone number: #, email address: #.

The University's representative shall be # telephone number: 01224 27#, email address #.

The Contractor shall provide the Supplies to the University in accordance with Section 2: Articles of Agreement and Price.

The University shall pay the Contractor the price in accordance with section 4: Remuneration Schedule

Signed for and witnessed on behalf of the Contractor **Signed for and witnessed on behalf of** the University of Aberdeen

Signed: _____

Signed: _____

Witness: _____

Witness: _____

at: _____

at: _____

Date: _____

Date: _____

Section 2: Articles of Agreement and Price

1. Items to be Supplied

The items to be supplied are those listed as Items # of Appendix A to the Form of Tender submitted by the Contractor on # (a copy of which is attached to this Section as Annex A).

2. Price

The Price shall be # as detailed in Clause # of Appendix A to the Form of Tender submitted by the Contractor, that is £#. The Price is Carriage and Insurance Paid to the delivery address detailed.

3. Delivery

a. Delivery of all items shall be made to the following address:

#

b. Delivery is required by #. Time is of the essence.

4. Installation

The Contractor shall provide all reasonable instructions, assistance and training to enable the University to install and set up the items in working order immediately after delivery. There shall be no charge made by the Contractor for this service.

5. Warranty and Maintenance Arrangements

a. The manufacturer's warranty shall apply to all items for a period of 12 months from the date of installation.

b. For a period of # months following expiry of the manufacturer's warranty the Contractor shall provide an additional warranty covering [labour and travel costs?] and providing [two service visits?] in each 12 month period. The cost of this warranty and service is included in the Price.

c. With effect from the expiry of the additional warranty and service referred to in note 5b the Contractor shall offer the University an annual maintenance contract on the terms set out in Annex 2 to this section at a cost of £# a year. Payment shall be made within 30 days of receipt of a valid invoice following each service visit. This offer shall remain open and continuous for not less than # years from the date of expiry of the extended warranty and service referred to in note 5b.

6. Value Added Tax

The prices contained herein shall **exclude** Value Added Tax. The University will pay VAT/claim exemption in accordance with UK Government regulations.

7. Terms and Conditions (including Payment)

All other Terms and Conditions set out in Section 4 – University of Aberdeen General Conditions of Purchase shall apply to this Contract, except that any terms or conditions contained in Section 1 – Form of Agreement, or in Section 2 – Articles of Agreement and Price, which differ from those in Section 4 shall take precedence.

Annex 1 to Section 2: Articles of Agreement and Price

(This is the Form of Tender and the Offer provided by the Supplier selected)

(Blank page – Supplier tender to be inserted)

Annex 2 to Section 2: Articles of Agreement and Price

(Maintenance/Service Agreements etc.)

(Blank page – supplier maintenance offer to be incorporated in contract).

• **Example 6: RECORD OF TENDER**

PROJECT TITLE: _____ REFERENCE: _____

REQUISITIONER NAME:

TENDER MANAGER:

SCHOOL/SECTION/DEPT:

- IS THE ESTIMATED VALUE OF CONTRACT LESS THAN £100,000?
(Procurement must be consulted on all tenders of £100k and above)
- IS THE ESTIMATED VALUE OF CONTRACT £156,000 OR OVER?
(All contracts above this threshold must be tendered – by Procurement– in accordance with the Public Contracts Regulations).
- SPECIFICATION OF REQUIREMENTS DRAWN UP INCLUDING WHOLE-LIFE COST ELEMENTS?
- SUSTAINABILITY TEST FORM COMPLETED YES / NO
- ADVERTISEMENT OF TENDER NOTICE? DATE: __ / __ / __
- INVITATIONS TO TENDER ISSUED DATE: __ / __ / __
- NUMBER OF INVITATIONS ISSUED
- DATE SET FOR RECEIPT OF TENDERS
- NUMBER OF TENDERS RECEIVED
- NUMBER OF LATE TENDERS
- SUPPLIERS SHORTLISTED. HOW MANY?
- PRESENTATION / SITE VISITS ARRANGED? YES / NO
- AGREEMENT ON SELECTION
- BID SUMMARY / RECORD OF SELECTION COMPLETED
- CONTRACT AWARDED DATE: __ / __ / __
- UNSUCCESSFUL TENDERS ADVISED OF CONTRACT AWARD
- COMMITMENT ENTERED TO SYSTEM: ORDER NO: _____

SIGNATURE OF TENDER MANAGER

INPUT TO CONTRACTS REGISTER: DATE __ / __ / __

University of Aberdeen

GENERAL CONDITIONS OF PURCHASE

These General Conditions of Purchase are incorporated as an inherent part of this Purchase Order and must be accepted as the basis of this agreement to sell and purchase. They may not be varied, except as described below, and conditions published in any form by the person, firm or company to whom the Purchase Order is addressed shall neither annul nor alter them unless specifically agreed in writing by an authorised officer of the University of Aberdeen.

1. Definitions:

“We”, “Us” and “Our” means the University of Aberdeen.

“You” and “Your” means the person, firm or company to whom the Purchase Order is addressed and any employees, sub-contractors or agents.

“Goods” means the articles, works and services described in the Contract.

“Packaging” means any type of package including but not limited to bags, cases, carboys, cylinders, drums, pallets and tank wagons.

“Purchase Order” means our authorised Purchase Order having these General Conditions of Purchase on its reverse or attached to it or referring to these General Conditions of Purchase on its face.

“Order Amendment” means our authorised Order Amendment or series of Order Amendments each having precedence over any earlier Order Amendments.

“Contract” has the meaning given in note 2 below.

“Price” has the meaning given in note 3 below.

“Sale of Goods Act 1979” shall mean the Sale of Goods Act 1979 as amended by the Sale and Supply of Goods Act 1994.

“Supply of Goods and Services Act 1982” shall mean the Supply of Goods and Services Act 1982 as amended by the Sale and Supply of Goods Act 1994.

2. The Contract is for the sale and purchase of Goods in accordance with the Contract. The Contract shall comprise (in order of precedence): any Order Amendments; the Purchase Order; these General Conditions of Purchase, and any other document referred to on the Purchase Order. The Contract shall not include any of Your conditions of sale, notwithstanding reference to them in any document.

3. Price: You will sell to Us the Goods for the firm and fixed Price stated in the Contract. The Price shall be the Total Goods Value including all protection, painting, Packaging, marking, storage, insurance, delivery, installation and commissioning (unless specifically stated otherwise) but excluding VAT.

4. Payment of Accounts: Subject to satisfactory delivery of the Goods and accuracy of invoice, We shall endeavour to make payment 30 days after the receipt of a valid invoice. We shall not be held responsible for delays in payment caused by Your failure to comply with invoicing instructions.

5. Delivery:

Date: It is an essential condition of this Contract that deliveries are made between 9 a.m. and 5 p.m. on normal working days (unless otherwise specified in the Purchase Order) and that delivery dates are strictly adhered to.

Marking: All Goods are to be labelled with our Purchase Order number. In addition items such as spare parts are to be marked with the maker’s part number and our inventory number when provided.

Advice Note: All deliveries shall be accompanied by an advice note clearly displaying:

i) the Purchase Order number;

ii) the delivery address **and consignee** detailed on the Purchase Order;

iii) details of all Goods supplied (including University inventory numbers when provided).

6. Packaging: The Goods shall be packed or protected in a manner suitable for safe transport, offloading and delivery to the prescribed delivery point, and materials used should be from a sustainable source and/or recyclable. Unless otherwise agreed, it is Your responsibility to remove all packaging waste following delivery or at the first opportunity thereafter, or on instruction from Us. We shall not be liable for the carriage and handling costs for return of the Packaging, nor for any loss or damage in transit.

7. Instructions: You shall ensure that the Goods are accompanied by full written information about the use(s) for which the Goods have been designed and tested and any conditions necessary to ensure the Goods will be safe and without risk to health when properly handled, stored, used and transported.

8. Quality and Description: The Goods shall:

- i) conform in every respect with the provisions of the Contract;
- ii) be capable of all standards of performance specified in the Contract;
- iii) be fit for any purpose made known to You expressly or by implication;
- iv) be new (unless otherwise specified in the Purchase Order) and be of sound materials and good workmanship;
- v) correspond with their description or any samples, patterns, drawings, plans or specifications detailed in the Contract;
- vi) be of satisfactory quality;
- vii) unless specifically required under the Contract contain no asbestos;
- viii) comply with current legislation.

9. Safety and Hazardous Goods: You shall observe all legal requirements of the United Kingdom, European Union and any relevant international agreements in relation to health, safety and environment and in particular to the marking of hazardous Goods, the provision of data sheets for hazardous materials and all provisions relating to food.

10. Warranty: It is expressly agreed between us that

- i) During the period of twelve months (or for the period of Your warranty, whichever is the greater) after the date of delivery, or the supply of service (or commissioning if appropriate) You shall, with all possible speed and without cost to Us, repair, replace or rectify the Goods or any part thereof found to be defective due to faulty materials, workmanship or design, or to any act or omission by You.
- ii) Repairs or replacements will themselves be subject to this warranty which will commence from the date the repairs or replacements have been accepted by Us.
- iii) You will ensure that when the Goods are units of equipment that compatible spares are available for a period of at least seven years from the date of delivery. Sufficient notice shall be given by You of Your intention to cease supply of these spares to enable us to purchase these if required.

11. Ownership of Results: For Contracts involving design or development work:

- i) All rights in the results of work arising out of or deriving from this Contract, including inventions, designs, copyright and knowledge shall be Our property and We shall have the sole right to determine whether any letters patent, registered design, trademark and other protection shall be sought.
- ii) You shall promptly communicate to Us all such results and shall if requested and at Our expense do all things necessary to enable Us to obtain letters patent, registered designs or other protection for such results in all territories and to assign the same to Us or Our nominee.
- iii) You shall ensure that all technical information arising out of or deriving from this Contract is held in strict confidence.

12. Infringement of Patents: With the exception of Goods made to Our design or instructions You warrant that neither the Goods nor Our use of them will infringe any patent, registered design, trademark, copyright or other protected right and undertake to indemnify Us against all claims, losses, damages, costs (including legal costs), expenses and liabilities of every kind for, or arising out of, any alleged infringement of any such right.

13. Title and Risk: You shall bear all risks of loss or damage to the Goods until they have been delivered in accordance with the Purchase Order and shall ensure You hold adequate insurance. Title in the Goods shall pass to Us:

- i) when the Goods have been delivered but without prejudice to our right of rejection under this Contract, and
- ii) if We make any advance or stage payment, at the time such payment is made, in which case You must as soon as possible mark and record the Goods as Our property.

14. Acceptance: We shall have the right to reject the Goods in whole or in part whether or not paid for in full or in part within a reasonable time of delivery if they do not conform with the requirements of this Contract. It is agreed that We may exercise the right of rejection notwithstanding any provision contained in section 15B or section 30 (subsection 2D) of the Sale of Goods Act 1979. We shall give You a reasonable opportunity

to replace the Goods with those that conform with this Contract, after which time We shall be entitled to cancel the Purchase Order and obtain the Goods elsewhere.

In the event of cancellation under this condition you shall promptly reimburse any monies paid under the Contract without any retention whatsoever. Cancellation of the Purchase Order under this condition shall not affect any other rights We may have. You must collect all rejected Goods within a reasonable time of rejection or they shall be returned to You at Your risk and expense.

15. Indemnity and Insurance:

i) You shall indemnify Us against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever which We might incur either at common law or by statute in respect of personal injury to or death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of Ours or of any other person for whom We are responsible) which shall have occurred in connection with any work executed by You under this Contract or shall be alleged to be attributable to some defect in the Goods.

ii) This Purchase Order is issued on condition that (without prejudice to the generality of condition 14) You will indemnify Us against all loss, costs, claims, demands, expenses and liabilities whatsoever which We may incur either at common law or by statute (other than as a result of any default or neglect of Ours or of any person for whom We are responsible) in respect of personal injury to or death of any of Your employees, agents, sub-contractors or other representatives while on Our premises whether or not such persons are at the time acting in the course of their employment.

iii) You will indemnify Us against any and all loss, costs, expenses and liabilities caused to Us whether directly or as a result of the action, claim or demand of any third party by reason of any breach by You of these conditions or of any terms or obligations on your part implied by the Sale of Goods Act 1979, by the Supply of Goods and Services Act 1982 or by any other statutory provision relevant to the Contract or to Goods or work covered thereby. This indemnity shall not be prejudiced or waived by any exercise of our rights under condition 14.

iv) You shall hold sufficient insurance cover with a reputable insurer to fulfil your insurance obligations for the duration of this Contract including public liability insurance cover. You shall effect insurance against all those risks arising from your indemnity in condition 14.

16. WEEE: Under the terms of the Waste Electrical and Electronic Regulations 2006, it is Your responsibility to take back equipment purchased after 13 Aug 2005 which falls within the scope of this legislation.

ALL electrical and electronic items are to have a plasticised label attached and clearly marked with: 1. Your name and address 2. Name of manufacturer 3. Order number 4. Supply date 5. Delivery address.

17. Matters beyond Control: If either party is prevented from performing its obligations under this Contract by circumstances beyond their reasonable control, such performance shall be suspended, and if it cannot be completed within a reasonable time then the Contract may be cancelled by either party.

18. Insolvency: If You become apparently insolvent within the meaning of section 7 of the Bankruptcy (Scotland) Act 1985, or being a company make an arrangement with Your creditors, or have an administrative receiver or administrator appointed or commence to be wound up We may without replacing or reducing any of Our rights terminate the Contract with immediate effect by written notice to You or any person or organisation in whom the Contract may have been vested.

19. Cancellation: In addition to Our other rights of cancellation under this Contract We may cancel the Purchase Order and any Order Amendment thereto at any time by sending you a notice of termination or cancellation. You will comply with any instructions that We may issue with regard to the Goods. If You submit a termination claim then We shall pay to You the cost of any commitments, liabilities or expenditure which may reasonably be considered a consequence of this Contract at the time of termination and not recoverable by re-work, re-sale or auction. The total of all payments due to You under this Contract shall not exceed the Price. If You fail to submit a termination claim within three months of Our notice of termination then We shall have no further liability under the Contract.

20. Assignment and Sub-letting: You shall not assign or sub-let any of your commitments under the Contract without Our prior written agreement. Such consent, if granted, shall not relieve You of any liability or obligation.

21. Bribery Act 2010: You are required to take all reasonable steps to exclude bribery from Your transactions with buyers and suppliers. In connection with this or any other contract You shall not give, provide or offer to Our staff or agents, or any second-tier supplier to Us, any loan, fee, reward, gift or any emolument or advantage whatsoever, or We shall, without prejudice to any other rights We may possess, be at liberty to terminate this and any other contract, and to recover from You any loss or damage resulting from such termination. When required You must be prepared to provide details of Your policy relating to bribery, and how this is implemented and monitored within Your organisation.

22. Freedom of Information: We are under a statutory obligation to disclose information in compliance with the Freedom of Information Act (Scotland) 2002. You may identify information contained within any of your communications to Us which You consider secret and not for release to anyone other than Us and incorporate a confidentiality clause within Your submissions, however, You must be aware that We, being a public contracting authority, may not be in a position to restrict publication of this information in the event of a Freedom of Information request or challenge. When requested, You must assist Us to comply with any request for disclosure of information and will be required to by law.

23. Non-observance of Conditions: If you breach or fail to observe any provision of this Contract We may issue You with a written notice of such breach or non-observance requesting that You take corrective action. If You fail to take appropriate action within a reasonable period We shall have the right to give You written notice terminating the Contract with immediate effect.

24. Law: The Purchase Order Contract is subject to the Law of Scotland. All disputes arising out of the Purchase Order Contract shall be subject to the exclusive jurisdiction of the Scottish Courts.

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procurement update

...the latest on University purchasing

Appendix B

The Bribery Act: July 2011

The Bribery Act 2010 is UK-wide legislation, sponsored by the UK Ministry of Justice, which came into force on 1 July 2011.

This Update has not been circulated around University staff, as a guidance note, subject: "Bribery Act 2010 – Implications for Universities and Staff" had already been issued as an email by the Secretary to the University on 19 July 2011, and an extract from this is included below. This Update will be held on the Procurement web-page under Latest News for the foreseeable future.

Staff should be aware that the Bribery Act applies to those in a position to influence University business decisions, and that we all have a duty to ensure that no-one, however unwittingly, breaks the law by accepting over-generous gifts or hospitality. Individuals may be found personally liable, and a new corporate offence of *failure to prevent bribery* has been created.

You should note that the University of Aberdeen **has a zero tolerance to bribery**.

The Bribery Act 2010 – Implications for Universities and Staff (extract from staff guidance)

Definition of Bribery

Bribery is generally defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly, or to reward that person for having done so.

While it may not seem obvious that higher education institutions could be vulnerable to bribery, there are areas where there might be a risk. The Guidelines issued by the government to accompany the Act have made clear that *bona fide* hospitality or similar business expenditure that is *reasonable and proportionate* will not be caught by the Act. However, any facilitation payments to induce officials to perform functions which they are otherwise obligated to perform are always considered a bribe. An offence can occur outwith the UK, and could also occur through someone who is providing services for the University, such as an overseas agent or a contractor.

If a member of staff or agent of the University offered or accepted a bribe, they would be personally criminally liable. The University would deal with the matter through staff disciplinary proceedings. The University would be at risk of committing the strict liability offence if it could not demonstrate adequate procedures to prevent bribery.

Further Guidance is available:

- University of Aberdeen Procurement Code of Ethics – see the web-page: www.abdn.ac.uk/procurement
- The Bribery Act 2010, Quick Start Guide: www.justice.gov.uk/guidance/making-and-reviewing-the-law/bribery.htm

G.McKinnon, Procurement
19 October 2011

BID SUMMARY (A)

EQUIPMENT/PROJECT

NAME/TOWN	Unit Price Details	Total Cost
SUPPLIER (1)		
SUPPLIER (2)		
SUPPLIER (3)		
SUPPLIER (4)		
SUPPLIER (5)		

SUPPLIER RECOMMENDED: _____
NOTES-

AUTHORISED BY (SIGNATURE):

<i>Specification</i>	<i>Suppliers</i>	<i>Comments</i>
TOTAL		
<i>Recommended Supplier :</i>	<i>Recommended by :</i> <i>Date :</i>	<i>Authorised by :</i> <i>Name (print) :</i> <i>Date :</i>

Title	Procurement Policy and Guide to Procedures
Author / Creator	Gary McKinnon, Head of Procurement
Owner	Director of Finance
Date published / approved	January 2012 (University Management Group)
Version	1
Review date	September 2016
Audience	All staff and suppliers to the University
Related	Procurement Strategy
Subject / Description	Describes the institutional approach to procurement and sets out procedural standards
Equality Impact Assessment	-
Section	Procurement (Finance and Procurement)
Theme	Finance