**Procurement Essentials.**

**Tender Limits.**

The University of Huddersfield tender threshold is £25,000 (exclusive of VAT).

How to tender document can be found on the procurement web page [www.hud.ac.uk/procurement](http://www.hud.ac.uk/procurement)

**When the value of the tender exceeds the EU thresholds (see below) then an EU tender has to be done. You should never start or attempt an EU procurement without help and advice from the Central Procurement Team. Below is a simple guide to the different procedures for EU Procurement which will give a guide as to how long they may take to procure the goods, service or works, if you are not sure consult central procurement.**

**EU Tender limits**.

The University of Huddersfield is subject to the public procurement rules the thresholds are set by the EU commission and revised every 2 years

**Current Tender Thresholds**

Goods and Services £164,176

Works £4,104,394

Remember the tender value must include the whole life cost of the procurement not the initial purchase price.

**Types of EU Tender procedure and Timescales**

**Open procedure**

Under the new directives 2014/24/EU, it is mandatory to dispatch the contract notice electronically and to make contract documents available on-line from the publication date of the contract notice, however the new timescales will be 35 days. A further 5 days discount may be applied if the tenders can be received electronically by the contracting authority. Where a valid PIN (prior information notice) has been published the tender return timescale may be reduced to 15 days.

Additionally under the new directive, there is an accelerated version of the Open Procedure (in duly justified cases) which allows for a 15 day tender return timescale.

**Restricted Procedure**

Under the new directives the notice for restricted procedure must be dispatched electronically and the timescale is 30 days for tenderers to request the PQQ document. Where a PIN is used as a call for competition, as is permitted under the new directive the timescale for response remain at 30 days.

Once the PQQ is evaluated and suppliers are selected to go forward to the tender stage non successful suppliers must be informed. The tender period is 30 days, from which 5 days can be deducted for electronic receipt of tenders. Where a valid PIN notice has been published which is not a call for competition, the timescale may be shortened by 10 days to 20 days.

Under a justified accelerated procedure the minimum time for request to participate (PQQ Stage) is 15 days with a further 10 days for tender responses.

**Competitive Procedure with Negotiation**

The timescales for this are identical to those for the restricted procedure.

**Competitive Dialogue and Innovation Partnership Procedures**

Under these procedures the only prescribed minimum timescales is that for responses to a contract notice (a PIN cannot be used for a call for competition) which, as with other two stage procedures is 30 days.

If in doubt consult Procurement Services mistakes can be very costly.

**Award Criteria**

The Award Criteria must be published in the tender documentation including the weightings of each criteria. When doing EU Tenders this will also be included in the tender notice so must be available before the Contract can be advertised.

Once these have been published they cannot be changed and no criteria can be used twice so under a restricted or two tier tendering procedure you cannot use the same criteria in both stages of the tender process. Advice on this can be obtained from Procurement Services.

**Post Tender Negotiation**

This will be allowed provided the tenderers were told in the tender documents, however this is not to review or change of the specification or to negotiate on price it is merely to clarify the information submitted by the suppliers in their tender returns.

**Awarding the Contract**

Once the process is complete and a clear winner has been established and that the scoring/weightings follow the published criteria and is clearly auditable you can proceed to award by notifying central procurement of the winning company. Procurement Services will then inform the winning company via the Electronic tendering platform In-Tend and on acceptance by the winning bidder will send out rejection letters to all other tenderers.

When this award is following an EU Tendered procurement the University will enter into a 10 day stand still period (10 working Days) to allow any unsuccessful tenders to object this is known as the ALCATEL ruling.

Only after this period has passed may a contract or order be raised on the winning company.

**Quotations Procedure**

This covers all procurements which are greater than £3,000 and less than £25,000 (excluding VAT).

Where procurements fall into this financial band buyers are required to obtain a minimum of 3 written quotations on company letter headed paper. In extreme circumstances where there is only 2 companies then 2 would be acceptable.

These should be received with a return time given to the supplier at the time of the request and once evaluated filed with the order for audit purposes. E-mailed quotes must be on letterhead and hand written quotes will not be acceptable.

**Sole Suppliers**

In the event of a sole supplier situation which is above £3,000 the buyer must fill in a sole supplier form downloadable from the finance website [www.hud.ac.uk/finance](http://www.hud.ac.uk/finance).

This form should be filled in and reasons given for sole supplier status as well as how value for money has been obtained. The Buyer and Head of Department must sign the request before sending to Procurement Services.

Remember this form does not exempt the procurement from the EU Procurement Directives.

Procurement Services will then check the form and pass the form to the Director of Finance for authorisation.

If we are not convinced of sole supplier status we may return the request unauthorised.

This form will not exonerate the buyer from audit investigation and in the case of ERDF grants must be approved by them before any purchase takes place.

**New Suppliers**

To request a new supplier the requestor must fill in fully the new supplier form downloadable from the Finance website.

It is very important that when assessing the cost the requestor considers the potential spend with this supplier not just for the initial purpose unless this is a one off purchase. Where the value is above £3,000 and less than £25,000 3 written quotes should have been obtained and details of these should be put on the new supplier form.

Where the expenditure is above £25,000 the form should have details of the tender exercise and tender reference number.

Sole supplier status must be applied for before sending in the request to set up a new supplier.

These forms are audited on a regular basis and requestors are asked to ensure that all fields are complete.

Procurement Services reserve the right to reject any new supplier requests where the information is in complete or where suppliers already exist.

**Orders**

All goods, services and works contracts should be covered by an order or order numbers otherwise the procurement is null and void and the individual instigating the purchase will be liable for paying the supplier.

The only exceptions to this rule are goods or services procured using a University purchasing card or in an emergency scenario where the obtaining of the purchase order is prohibitive.

 Under no circumstance should students or unauthorised persons procure goods or services.

**Payment Terms**

The University terms and conditions of purchase state that all payments will be settled on 30days from the receipt of the invoice and the only exceptions to this is where the University would gain a commercial advantage from shortening these payment terms such as extra discount.

Any purchase wishing to offer a supplier terms other than the 30 days must consult Procurement Services.

The University is the only University to be a member of the government prompt payment scheme and we encourage all colleagues to support this by adhering to the payment terms agreed by the University.

**Payment Methods**

The University operates a highly successful purchasing card scheme and our preferred method of payment to suppliers is via purchase card. Cards are only issued at the request of the budget holder/ School Managers behest.

Our second method of payment is via BACS (Bank Automatic Clearing Services) these payments are done once a week by Purchase Ledger against invoices due for payment.

All foreign payments are done through Purchase Ledger using a third party service provider.

Emergency payments can be done through our bank in cases of urgency but they will attract a fee payable by the requesting department.

The University does not offer a cheque payment service.

**Invoices.**

All invoices should be addressed to Purchase Ledger part of Procurement Services without exception.

All invoices must have an order number generated via the Agresso finance system in order to be paid failure to adhere will result in delayed payments to suppliers.

Purchases made by purchasing card should ensure that the invoices clearly state card payment on the invoice and should be sent like all other invoices to purchase ledger.

Invoices can be e-mailed to purchase.invoice@hud.ac.uk.

Any invoices which are in correctly presented will be returned to the supplier.

**Term Contracts.**

The University makes use of a number of term contracts for commonly purchased commodities such as Stationery, Photocopiers, computer consumables, Furniture etc. Details of these contracts can be found on the procurement website.

**Purchasing Manual**

The purchasing manual governing all purchasing by the University can be found on the procurement website, it is there for reference purposes for anyone needing advice on how to do procurement which is legal and satisfies the financial rules of the University. If you are not sure of anything then please ask Procurement Services for advice and help.

**Recycling of surplus equipment**

All surplus equipment should be notified to procurement services at the disposer’s earliest convenience and they will arrange to assess and advertise the equipment around the University. If a new home is found procurement will arrange with Campus Support to re distribute the equipment on a free of charge basis.

However if no home is found the equipment will be recycled to a recycling outlet or will be disposed off through the Waste Disposal Strategy of the University and any costs incurred will be allocated to the School or Service disposing of the equipment.

No equipment must be disposed of without permission of Procurement Services.

**Petty Cash.**

The Director of Finance shall make available to departments such imprests as he or she considers necessary for the disbursements of petty cash expenses. However, it is important for security purposes that petty cash imprest floats are kept to a minimum.

Requisitions for reimbursements must be sent to the Director of Finance, together with appropriate receipts or vouchers, before the total amount held has been expended, in order to retain a working balance pending receipt of the amount claimed.

The member of staff granted a float is personally responsible for its safe-keeping. The petty cash box must be kept locked in a secure place in compliance with the requirements of the University’s insurers when not in use and will be subject to periodic checks by the dean or director or another person nominated by him or her.

Standard institution petty cash books are supplied by the Director of Finance and must be used for recording all imprest accounts.

At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and counter-signed by the dean or director.

**Use of Petty Cash**

The use of cash for purchasing goods is strictly prohibited. The only exception is where an emergency situation has arisen and in this case the use must be authorised by the keeper of petty cash. It is not acceptable for staff to spend their own monies and then be reimbursed from the petty cash float.

If staff use their own monies to acquire goods they must submit an expenses claim complete with receipts and reason why this route was used i.e.an emergency, which has to be authorised by the appropriate budget holder prior to the purchase.

Where possible people wishing to pay for goods should use where practicable the School /Service purchasing card.

**E Bay, Amazon and Paypal**

The use of Amazon is restricted to the purchase of books unless authorised by Central Procurement.

Staff should never lodge details of corporate purchasing cards with either Paypal or Amazon.

The use of Ebay for obtaining goods is also discouraged and alternative methods of supply should be followed if anyone requires assistance they should contact Central Procurement.

Where ever possible goods and services must be purchased from existing procurement arrangements set up by central procurement which offer a compliant and risk averse method of obtaining requirements.

The University does not recognise Paypal as a method of payment for goods and services and should be avoided at all costs.

**Corporate Purchasing Cards**

The University operates a very successful purchasing card programme through Barclaycard with a turnover in excess of £7 million.

Cards can only be obtained through Central Finance with the prior approval of the Departmental/School/Service budget holder.

Cards and card details must always be kept securely and under no circumstances must details of cards be kept by other than the card holder.

Card details should never be e-mailed to suppliers and or stored by suppliers.

For frequent travellers abroad who have the authorisation of their budget holder can apply for a Travel and Entertainment card from Central Procurement for use whilst on University Business.