Procurement Policy
2026-2027

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1. Introduction

1.1 This document sets out the policy of USP College (the college) regarding the purchasing of goods and services including capital projects, consultancy and professional services.

1.2 As a public sector entity bound by the requirements of public sector procurement and managing public money rules, adherence to the guidance contained within this policy document and its associated attachments will ensure that the user complies with the rules and regulations set within the college's Financial Regulations and other applicable statute or external pronouncements.

1.3 The college recognises its environmental and social responsibilities and will also seek to apply these throughout any procurement process.

1.4 Application

a. The policy document is for the benefit of senior post-holders and all other staff to whom this policy document could relate.

b. Under this policy all purchasing should be based on good practice, facilitating a decentralised but co-ordinated system of purchasing as a mechanism for obtaining value for money, whilst ensuring compliance with relevant procurement directives.

c. This policy document should be read in conjunction with the Financial Regulations and associated Appendices therein.

1.5 Interpretation

a. Further guidance on the use or interpretation of this policy may be obtained from the Chief Finance Officer or the Finance Manager.

1.6 Legal requirements

a. Compliance with the Procurement Act 2023 and tender thresholds.

2. Purpose and Scope

2.1 Purpose

The purpose of this policy is to provide an organisational framework for the procurement of all Goods, Services and Works by the college (and its subsidiary company). This Policy is designed to ensure that the college obtains Value for Money whilst ensuring the required level of quality, risk management and compliance.

This policy will support the college's key strategic objectives as set out in the Strategic Plan with particular reference made to:

a. Strategic Partnerships: Enablers of Growth and Impact
   i. Build deep relationships with academic organisations, employers, and stakeholders
   ii. Strategic Alliance with Coventry University Group
   iii. Sector Boards and employer engagement

b. Technology That Boosts Human Potential
   i. Create super-agency for students and staff
   ii. Innovation Labs and XR Studios investment
   iii. Guardrails, not fences approach to AI and technology

c. Developing Future-Ready Learners & Adaptive Curriculum
   i. USP Meta-Skills (metacognition and emotional intelligence)
   ii. Industry-responsive curriculum aligned with IS8/LSIP
   iii. Student CPD Days, Sector Boards, Career Packaged Qualifications

d. Our People: Building an Agile, New Culture
   i. Everyone is a Leader culture
   ii. Innovation Labs for experimentation
   iii. Calculated risk-taking and continuous improvement

2.2 Scope

a. The college will create and maintain suitable Procurement Procedures that set out the manner in which the college will seek to achieve their procurement objectives, and prescribing how they will manage and control those activities.

b. The policy applies to all employees, agency/temporary workers, volunteers or those with significant control or influence. A breach of the Procurement Policy can lead to disciplinary action.

c. This policy applies to the Corporation, and all wholly owned subsidiary undertakings.

3. Aims and Objectives

This policy aims to empower budget holders to procure goods, services and works efficiently, effectively and economically through:

a. **Transparency:** All procurement processes will be conducted openly and transparently to foster trust and accountability.

b. **Fairness:** All suppliers will be treated equitably, with no discrimination or favouritism in the procurement process.

c. **Value for Money:** Procurement decisions will focus on achieving the best possible outcome for the college in terms of quality, cost, and sustainability.

d. **Accountability:** Staff who procure goods and services are accountable for their procurement decisions and actions in accordance with this policy.

e. **Compliance:** Adhering to all relevant legislation including the updated Procurement Act 2023, the Freedom of Information Act, the Anti-Bribery Act, the Modern Slavery Act.

4. Responsibilities

4.1 The responsibility for procurement and achieving value for money sits with governors, managers and staff, not just restricted to those with resource or financial responsibilities.

4.2 The Chief Finance Officer is responsible for administering and enforcing the Procurement Policy supported by the Finance Manager and Finance Business Partner.

4.2 The Finance Manager and Finance Business Partner will ensure all procurement activities align with the approved budget and capital plan.

4.3 Budget Holders are responsible for:

i. Maximising Value for Money for their area of budget responsibility.

ii. Ensuring compliance with the college's Procurement Policy and Procedures for their area of budget responsibility.

iii. Liaising with the Finance Team to ensure procurement activities in the area are conducted effectively and efficiently.

iv. Once procured, ensuring that Suppliers are performance-managed against Contracts for their area of budget responsibility.

4.4 All college staff involved in procurement activity are responsible for compliance with the college's Procurement Policy and Procedures.

4.5 The college requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the best possible cost consistent with quality, delivery requirements, sustainability and the impact on the environment (the college's 'Carbon Footprint'), and in accordance with sound business practice.

5. Policy Statement

5.1 Ethical standards

a. To maintain the highest ethical standards across the college, members of staff involved in procurement will:

   i. Abide by the college's Fraud, Corruption and Bribery Response Policy

   ii. Abide by the College's Code of Conduct as well as the policy on accepting gifts and hospitality.

5.2 Separation of duties

a. To ensure propriety, members of staff will perform different roles. These roles should never be carried out by the same person. The three key roles are therefore:

   i. The Budget Manager who ensures that the proposed purchase fully complies with the college's Procurement Procedures.

   ii. The member of staff who authorises the invoice for payment; and

   iii. The member of staff who pays the invoice (Finance Office).

5.3 Duties under Equality Act 2010

a. The Public Sector Equality Duty (PSED) under the Equality Act 2010 states that (as a public authority) the college must, in the exercise of its functions (including procurement) have due regard to the need to:

   i. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act.

   ii. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

   iii. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

b. The relevant protected characteristics covered by the PSED are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation. The PSED also covers marriage and civil partnerships, with regard to section a) in employment.

6. Linked Documents

a. Financial Regulations
b. Budget Setting Procedure
c. Staff Expenses Policy
d. Gifts and Hospitality Policy
e. Treasury Management Policy
f. Capital Assets Policy
g. Fraud, Corruption and Bribery Response Policy

7. The Procurement & I.T Strategy Group

7.1 The Procurement, Property & IT Strategy Group (PPITSG) is a working group that meets at appropriate times during the financial year (generally every three months). The group reviews and agrees procurement strategy and updates, and where appropriate will make recommendations to the Senior Management Team (SMT) in relation to key college purchasing.

8. Value for Money & Sustainable Procurement

8.1 It is a requirement of the *Financial Memorandum* that the Governing Body of the college is responsible for delivering value for money from public funds and sustainable procurement. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding agency, the National Audit Office, the Public Accounts Committee or other relevant bodies.

8.2 Internal audit is to have regard to value for money in its programme of work. This will be used to enable the Risk & Audit Committee to refer to value for money in its annual report.

8.3 The college is fully committed to improving the economy, efficiency, and effectiveness of all its activities. All procurement of goods works and services will be based on best value principles. Having due regard to priority, regularity and the college's legal obligations.

8.4 The college has implemented a Value for Money & Benchmarking Assessment Form. This form is to be completed periodically (annually or when large scale projects are planned) as a basis for assessment of long-standing suppliers of USP College. The aim is to demonstrate Value for Money in order to continue with the services of a long-standing supplier. However, it is recognised that in certain circumstances it may not be practicable to change suppliers (e.g. due to the specialised nature of the work/service).

8.5 The college will consider all reasonable procurement options and any suitable hybrid/alternatives, to ensure best value is secured from all procurement of goods, works and services.

8.6 Whenever Budget Holders are considering the purchase of goods or services they must ensure that the use of that supply is wholly for the benefit of the college, that they have considered:

a. If the need can be met in house
b. Whether the proposed purchase offers good Value for Money
c. Whether the expenditure is an appropriate use of their allocated budget and college resources
d. If the expenditure is from sustainable resource

8.7 The college must be able to provide auditable evidence of Budget Holders research into alternative suppliers, to ensure that the Value for Money of any expenditure is considered, three quotes must be obtained by the Budget Holder for all eligible expenditure. In situations where only one supplier can be used to make a purchase and therefore only one quote can be obtained, this will be treated as a sole supplier order and reasons as to why must be stated by completing a Single Supplier Approval Form.

8.8 Goods, works and services will be purchased in a mixed economy of suppliers from the public, private, voluntary and community sectors, according to which supplier offers best value. The college will give local suppliers every reasonable opportunity to bid for its business.

9. Sustainable Purchasing

9.1 Sustainability is increasingly recognised as a crucial aspect of procurement, and the Procurement Act 2023 typically incorporates sustainability considerations.

9.2 The college commits to environmentally and socially responsible purchasing practices. Therefore, prior to procurement, the following should be taken into consideration:

a. Is the product/service necessary?
b. Can the need be fulfilled in alternative ways?
c. Is a more sustainable product available internally?

9.3 This means that when acquiring goods and services, consideration is given to broader impact on the environment, society and the economy. Key aspects include:

a. **Environmental Impact:** Choosing products and services that minimise harm to the environment, such as those made from recycled materials or using renewable energy sources.
b. **Social Responsibility:** Ensuring that procurement practices support fair labour practices, human rights, and community wellbeing.
c. **Economic Sustainability:** Balancing cost effectiveness with long term economic benefits, such as supporting local business and sustainable supply chains.

10. Health and Safety

10.1 The college recognises and accepts its responsibility as an employer for providing a safe and healthy workplace and working environment for all its employees.

10.2 College staff should be mindful of the health and safety issues to be considered when contracting in goods, works and services.

11. Purchasing Process

11.1 Definition

a. The purchasing process will vary depending on the value of the goods or services being purchased.

b. The purchase of goods involves the transfer of all rights of ownership to that good to the purchasing institution once the supplier has been paid. Goods have a physical existence, i.e. a book, software or a building and are generally purchased outright.

c. A supplier providing a service gives the institution the right to use their goods, through a rental or leasing agreement, i.e. photocopier leasing or undertakes to perform a function under contract for the institution.

d. In terms of a use of the supplier's goods ownership is retained by the supplier. The supplier may include the goods under its own insurance policy, and any repairs would be the responsibility of the supplier, though the purchasing institution may have to pay for a maintenance agreement to compensate the supplier.

e. A contract is a legally binding agreement between the supplier, which may be a company or an individual, and the institution. Within the contract are the terms by which the supplier agrees to perform a function on behalf of the institution, i.e. period of the service, nature of the function to be performed and what happens if either party breaks the contract. A contract states the respective responsibilities of both the institution and the supplier. It is an essential document where either party could be held accountable to another and ensures that the agreement is both, open, transparent and honest.

11.2 Authorisation to Purchase

a. The purchase of goods involves the transfer of all rights of ownership to that good to the purchasing institution once the supplier has been paid. Goods have a physical existence, i.e. a book, software or a building and are generally purchased outright.

b. A supplier providing a service gives the institution the right to use their goods, through a rental or leasing agreement, i.e. photocopier leasing or undertakes to perform a function under contract for the institution.

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d. A contract is a legally binding agreement between the supplier, which may be a company or an individual, and the institution. Within the contract are the terms by which the supplier agrees to perform a function on behalf of the institution, i.e. period of the service, nature of the function to be performed and what happens if either party breaks the contract. A contract states the respective responsibilities of both the institution and the supplier. It is an essential document where either party could be held accountable to another and ensures that the agreement is both, open, transparent and honest.

11.3 Approved Suppliers

a. Financial Services will maintain a list of approved suppliers and contractors.

b. All suppliers will be involved in an approval process prior to inclusion on the approved supplier list.

c. Approved suppliers and contractors will be subject to appraisal every two years, and those companies whose performance has been unsatisfactory will be removed. Financial Services will be responsible for conducting ongoing supplier reviews and advise suppliers if they have been removed from the approved supplier list.

d. Except in the case of specialist supplies where alternatives are not available (or in emergency situations for example storm damage or where there is an immediate Health and Safety risk) only approved suppliers may be used by departments for the supply of goods or services over the value of £500.

e. New suppliers must complete an approved supplier set-up form prior to the college engaging in their services.

11.4 Purchase Orders

a. Financial Services is responsible for ensuring a standardised college wide approach to procurement and all purchases will be subject to a final authorisation by Financial Services.

b. A Purchase Order (PO) must be raised and authorised through the online finance software (located on the intranet) before making any form of eligible purchase. All purchases must be made via an approved official college purchase order or government procurement card. The order must clearly indicate the nature of the goods or service, and if applicable refer to any agreed price or quotation references.

c. Purchase Orders over the value of £5,000 (excl. VAT) must be supported by the completion of three competitive quotations.

d. A Budget Holder may delegate the raising of a PO to a designated staff member but only the Budget Holder or Designated Budget Holder may authorise the expenditure up to their agreed delegated limits.

e. On no account must an order be raised by a staff member, either in writing or by telephone, without the authority of the Budget Holder and or the correct completion of a PO.

f. No goods should be accepted ‘On Approval’ (most likely to be for books), a purchase order must be raised for predetermined goods. Failure to raise an official order for goods received on approval could cause the individual accepting the goods to be liable for the cost.

g. Items may only normally be purchased from approved suppliers. Where an item is not available from an approved supplier the department concerned will liaise with Financial Services to facilitate this purchase.

h. Where another college department can provide a service internally, this must be used in preference to external suppliers. This includes in-house printing, and repair and maintenance facilities.

i. The authorisation limits for approving Purchase Orders are included within the following table.

Value of expenditure (exclusive of VAT)	Authorisation
At or below £5,000	Designated Budget Holder or Finance Manager
Between £5,001 and up to £50,000	Designated Budget Holder / CFO or ELT
Between £50,001 up to £150,000	Chief Executive Officer / CFO or nominee
Above £150,001	Tender process through Governing Body

j. Once authorised by the appropriate Budget Holder the completed PO is checked and authorised by Financial Services. The POs are checked by Financial Services in accordance with the following table:

Value of expenditure (exclusive of VAT)	Authorisation
Up to or below £10,000	Finance Manager / Finance Business Partner
Between £10,001 and up to £50,000	Budget Holder & CFO. The CEO or Principal will approve in the absence of the CFO.
Above £50,001 up to £150,000	Chief Executive Office and CFO or nominated Principal/Vice Principal

11.5 Purchase Order Quotations

a. Whenever Budget Holders are considering the purchase of goods or services they must ensure that the use of that supply is wholly for the benefit of the college, that they have considered alternative suppliers and are satisfied that the proposed purchase offers value for money and that the expenditure is an appropriate use of their allocated budget and the college resources.

b. To provide auditable evidence of Budget Holders research into alternative suppliers, to ensure that the value for money of any expenditure is considered, three quotations must be obtained and attached electronically to the purchase order for all eligible expenditure above £5,000.

c. Expenditure above £150,000 is subject to the additional regulations regarding tenders.

d. The thresholds for tendering and quotations, indicating when POQs are required, are shown on in the following table:

Value of expenditure (exclusive of VAT)	Action
Between £0 and £5,000	At least one quote that may be by email, telephone, or other appropriate means
Between £5,001 and £50,000	Three written estimates that may be by e-mail are required to support purchase requisition
Between £50,001 and up to £150,000	Three formal written quotations requested to support purchase requisition
£150,001	Tender process through Governing Body

11.6 Receipt of Goods

a. All goods must be inspected on receipt. Delivery notes must be retained and signed and dated as evidence of checking the physical goods. Where applicable, goods received notes should be recorded electronically on the online Finance Portal.

b. When goods are being rejected, particular attention should be taken of time limits for advising suppliers of rejection. This should be completed in a formal manner.

c. Rejected goods should always be placed in an area where there is no possibility of usage or loss. Suppliers of rejected goods should always collect and re-supply at their own cost. Any dispute arising from a supplier's attempts to charge in such a case should be referred to the Finance Manager.

d. Records of a supplier's poor delivery performance must be reported to Financial Services, and this will be noted as part of the supplier selection process as poor delivery performance will be adding significantly to the cost of the acquisition of the goods. The authorised purchaser is responsible for reporting this.

11.7 Payment of Invoices

a. The procedures for making all payments shall be in a form specified by the Chief Finance Officer.

b. The Chief Finance Officer is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer within 30 days of receipt of the goods and services.

c. Payments will only be made by Financial Services against invoices which have been certified for payment by the appropriate budget holder. This process is completed electronically using the online Finance Portal.

d. Payments will only be made by Financial Services against invoices that can be matched to a purchase order unless the purchase falls into a category where a purchase order is not required *(see 7.11 Exempt Expenditure)*.

e. Certification of an invoice will indicate that:

i. The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
ii. Where appropriate, it is matched to the order
iii. Invoice details (quantity, price discount) are correct
iv. The invoice is arithmetically correct
v. The invoice has not previously been passed for payment
vi. Where appropriate, an entry has been made on a stores record or school/department inventory
vii. An appropriate account and cost centre is quoted; this must be one of the cost centre codes included in the Budget Holder's areas of responsibility and must correspond with the types of goods or service described on the invoice

11.8 Late Payment Rules

a. The *Late Payment of Debts (Interest) Act 1998* was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. Key points are:

   i. Small businesses can charge interest on overdue invoices
   ii. Interest is chargeable on sales made after 1 November 1998
   iii. The rate of interest is currently 8% per annum above the official daily rate of the Bank of England
   iv. The Act also applies to overseas organisations
   v. The college can be sued for non-payment

b. In view of the penalties in this Act, the Governing Body requires that invoices must be authorised for payment within 5 working days of being received by the Budget Holder.

11.9 Centralised Expenditure

a. Will be devolved to cover the expenditure up to pre-agreed limits and any proposed expenditure over and above these limits would be supplemented from the requesting Budget Holder's own budget.

b. Centralised expenditure and the appropriate Senior Manager or co-ordinating Manager to whom the PO should be sent to are identified in the table on the following page.

Centralised Expenditure	Approval Required By
Training and Staff Development	Head of Teaching, Learning & Development
IT Software	Executive Director Information Systems and Funding
IT Capital	Chief Finance Officer
Furniture	Executive Director of Estates Operations
Books	Assistant Principal Student Experience
Examination Costs	Head of MIS & Exams

11.10 Exempt Expenditure

a. In certain cases, expenditure may be incurred for which a quotation or a Purchase Order are inappropriate. Generally, this is because alternative controls or approvals are in place or the expenditure is for an existing contract.

b. The list of exempted expenditure and the alternative approval processes are shown below:

Expenditure	Alternative Process	POQ?	PO?
Capital Projects	Tenders	No	Yes
Audit Costs	Governors Approval	No	Yes *
Existing Software Contracts	Reviewed annually or after three years	No **	Yes **
Other Existing Contracts	Reviewed annually or after three years	No **	Yes **
Contract / Agency Staff	Staffing Panel	No	Yes *
Leasing Contracts	Quotation Protocols	No	Yes **

Education Delivery Partner / Provider costs	Reviewed annually or after three years	No	Yes*
Examination Costs	Exam entries determine costs. Exam bodies do not require a PO	No	No – blanket PO for whole year where possible

* Purchase Order for the years anticipated expenditure should be raised.
** New Contracts will require Purchase Order Quotation

11.11 Contracts for the purchase of good and services

a. A contract is an agreement which legally binds the parties. Sometimes contracts are referred to as “enforceable agreements”. This is rather misleading since one party cannot usually force the other to fulfil their part of the bargain. The usual remedy is damages.

b. The purpose of a contract is to ensure that at the onset both parties, namely the college and the supplier, are in full agreement of what supply is to be received and delivered respectively. The contract should be clear and concise, avoid ambiguity and be drafted in such a way as to include all foreseeable variations.

c. Contracts for the purchase of goods and services have been adapted from Contract Law and Common Law practices of which the most relevant is the Sale of Goods Act 1979 and subsequent legislation.

d. A Contract for Services is required where an independent contractor is providing a service for the institution, whereby the individual is personally liable to third parties for any damage or injury arising out of their work.

e. The Contracts Template gives the criteria by which a contract should be drawn up to ensure as far as possible that an agreement has been reached on the express terms of how the service is to be delivered.

f. The Contract for Services with an independent contractor must state as a bare minimum the period of the service, the charge per hour / day worked and the work that is to be performed. The college would not normally pay expenses unless agreed in principle within the contract.

g. It is the responsibility of the independent contractor to ensure that they are complying with the relevant tax and VAT legislation and regulations.

11.12 Government Procurement Cards

a. The Government Procurement Card (GPC) is a purchasing Card.

b. The GPC provides a cost-effective means of buying low value goods and services. It enhances standards of service delivery by making it simpler for employees to buy essential day-to-day items and guarantees on-time payment to suppliers. It is a convenient, cost-effective, and valuable contributor to efficiency targets.

c. The main objective for the institution using the GPC is to generate savings by reducing paperwork and administrative time and effort involved in processing requisitions, purchase orders and invoices for low value, high volume goods and services.

d. The "personalised" GPC is issued to staff under a Cardholder Agreement and is used mainly for individual transactions of £500 or less, and with the institutions "preferred suppliers" that have been Visa enabled. Their selection is based on the criteria that they supply relatively low value/high volume goods and services, and they accept payment through Visa.

e. Each Cardholder is issued with a copy of the Cardholder Instruction Manual and their Cardholder Agreement which contains their individual Cardholder Limits under which they can use their GPC. Purchases must be made in accordance with these procedures which cover the most common issues that arise in connection with the use of the card.

f. The Cardholder may only use the card for the institutions' business purposes, and it must be used with the designated "preferred suppliers". Any changes to the cardholder account can be requested by completing the GPC – Cardholder Request Form (located on the intranet) and submit this to the GPC administrator (the Financial Services Manager).

11.13 Gifts and Hospitality

c. Contractors must not give, and staff must not accept inducements to purchase. Please click link for guidance *Gifts and Hospitality Policy* to staff of what is acceptable and the levels above which staff must politely refuse any offer.

d. In essence where a member of staff believes that there could be an inferred expectation of some performance or guarantee then the staff member should refuse and advise the Chief Finance Officer. The Chief Finance Officer must be advised of all significant gifts that have been accepted by staff.

12. Tendering

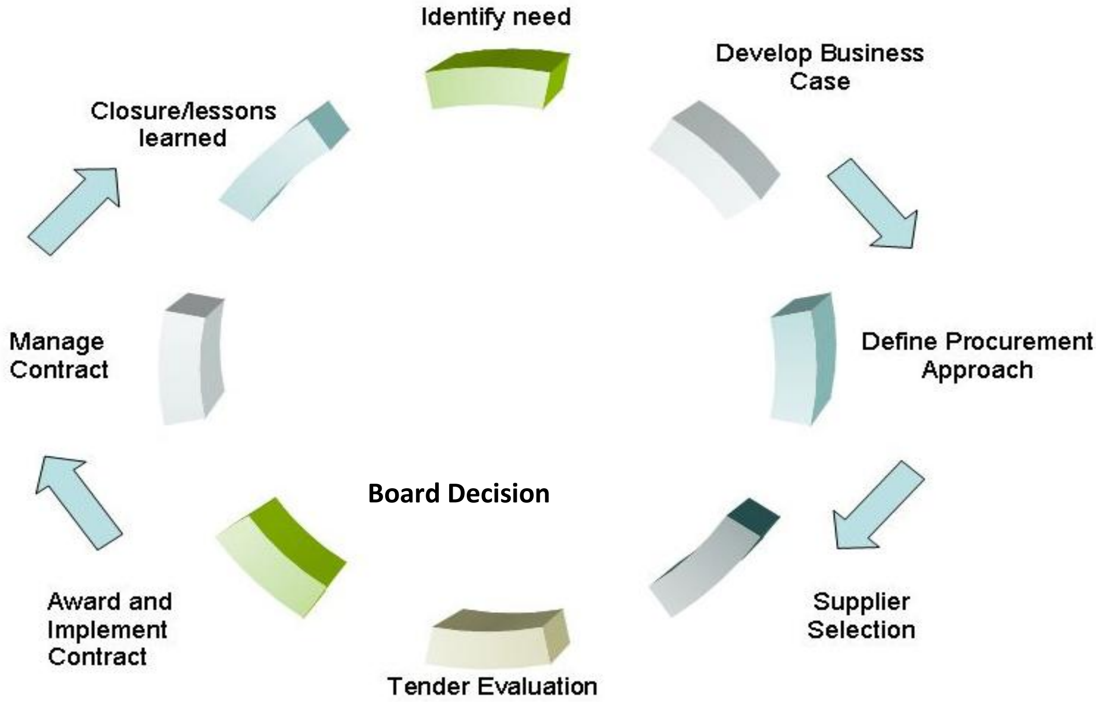
12.1 Definition

a. The need for a tender arises where proposed expenditure is substantial and where the college wishes a particular project or service to be completed or provided and it issues a statement asking suppliers to submit their terms on which they are prepared to carry out the proposed project or service. Typically, this would be restricted to significant Capital expenditure or a Major Development.

b. A tender is an estimate submitted in response to a prior request. An invitation for tenders does not amount to an offer to employ the person or company quoting the lowest price.

c. Tenders greater than £150,000 are required to be notified to the Governing Body.

12.2 The Tender Cycle



12.3 Types of Tenders

a. Closed Tenders

i. A Closed Tender as its name suggests involved closed or secret bids for work that the college would wish to be undertaken.

ii. The bids from the prospective suppliers are received in unmarked envelopes and then opened by senior members of the institution and the Governing Body. They then evaluate the bids in terms of the original specification and make a decision on which supplier to award the tender.

iii. The representatives of the institution will ensure that they consider each bid fairly and objectively.

iv. Any required clarification of the bids from the respective supplier must be limited to the specific bid and must not refer to the details of other bids either explicitly or by way of comparison.

v. In evaluating the bids, the representatives of the institution must consider the supplier that provides the best fit for the requirements of the institution as specified in tender bid document. This may not be merely the bid that offers the lowest cost as consideration must also be given of value for money, sustainability, maintenance costs and other information as appropriate.

b. Open Tenders

i. An Open Tender is for all intents and purposes the same as a Closed Tender except that suppliers' quotations are considered and compared before acceptance by representatives of the institution and the Governing Body.

12.4 Alternative Tender Procurement

a. The college is a member of the Crescent Purchasing Consortium (CPC) where advice, guidance and access to purchasing frameworks can be obtained. However, following the introduction of the new Procurement Act 2023, colleges are encouraged to use the 'Find a Tender Digital Platform' - https://www.find-tender.service.gov.uk/

b. Use of approved contracts is the basis of the consortia membership and Government tender platforms allows members to purchase goods and services at rates, which have already been tendered for and agreed on the strength of a collective purchasing regime whose strength increases as membership increases. Use of framework agreements alleviates the need for members to tender for goods and services themselves. This saves the institution time and expense whilst delivering value for money and complying with terms and regulations that apply to tendering thresholds. When using a framework agreement, a further/mini competition must be run.

c. Government have introduced a new Procurement Review Unit (PRU) established with responsibility for oversight of public procurement. The PRU will engage with contracting authorities across all sectors and suppliers to achieve the shared ambition to raise standards in public procurement and ensure that the changes introduced by the Procurement Act 2023 become adopted practice.

12.5 Thresholds for Tendering and Quotations

a. Expenditure above £150,000 is subject to the additional regulations regarding tenders. For expenditure requiring a tender a list of suppliers invited to tender must be held from which at least three firms must be selected by senior representatives of the institution.

b. Use of the consortium frameworks must be made where possible and the tender should be run in accordance with the mini/further competition guidelines where the tender value is below the Procurement Act 2023 thresholds.

c. Where three bids are not obtained the specifications must be re-tendered unless the representatives of the institution and the Governing Body are of the opinion that a re-tender would be detrimental to the success of the project, the interests of the institution or where the specification can be argued to be of a particularly specialist nature.

d. The Governing Body must be notified of all tenders greater than £150,000 that have been approved and where less than the required three bids had been received.

12.6 Declaration of Interest

a. In the interests of openness and honesty decisions regarding the evaluation of the bids and any private interests in relation to the tender must be transparent.

b. Suppliers wishing to bid for a tender must indicate whether or not any of its senior employees, or employees involved in the contract are known to be related to any senior staff of the college or member of the Governing Body or an employee of the college involved in the contract specification or selection procedure. Where such a declaration has been made known the Chief Executive Officer, or if the interest involves the Chief Executive Officer, the Chairman of the Governing Body, will decide whether the interest is material and whether to disqualify the supplier accordingly, or to decline to accept the Governing Body's representative participation in the procedure. A formal note of the resulting decision will be made for the purposes of the Governing Body.

c. It is the duty of every employee of the college and Governing Body representative in the contract specification or evaluation procedure to declare to the Chief Executive

Officer, or in the case of the Chief Executive Officer the Chairman of the Governing Body, any known relationship (even if arising subsequently) that they may have with a senior person or employee of a company that has an interest in the contract or tender. The Chief Executive Officer, or Chairman of the Governing Body in the case of the Chief Executive Officer, will decide whether the relationship is material to the contract, and whether to disqualify the firm or decline to accept the Governing Body's representative. Where the relationship is believed to be material, but it is decided that the company is not disqualified the Chief Executive Officer, or the Chairman as appropriate, may decide to reallocate the employee's duties in order that no conflict of interest may arise.

13. Further / Mini Competition

13.1 When accessing a multiple supplier framework agreement Budget Holders are required to undertake a further or mini competition to identify the best value supplier. This allows the Budget Holder to find a supplier that meets their requirement whilst retaining the benefits offered under the collaborative agreement.

13.2 Staff are required to follow the process guidance and should consult Financial Services before conducting a further/mini competition.

13.3 Budget Holders are not required to follow full procedural steps of the Procurement Act 2023 where the purchase falls below the thresholds however the principles of equal treatment, transparency and non-discrimination apply.

13.4 In line with the Procurement Act 2023 bidders must be notified of the outcome of the further/mini competition. Failure to do so could result in a financial penalty or curtailment of the contract. A voluntary standstill period must be applied before awarding a contract.

14. Major Developments

14.1 Definition

a. A Major Development would typically involve the acquisition or disposal of a significant business segment, a major relocation or new building programme, strategic planning for a perceived threat or opportunity, or the acquisition or merger with another institution. A Major Development would always require the involvement of the Governing Body and most probably the appropriate Funding Agency at an early stage.

14.2 Types of Major Development

a. **Significant Business Segment**

i. A Significant Business Segment is described as a part of the institution that can be separately identified in so much as it could be run as a standalone entity, but one where its acquisition or indeed disposal would have a cause a major effect on the profitability, structure or working practices of the institution.

ii. Though restricted to entities that are publicly traded International Accounting Standard (IAS) 14 Segment Reporting describes a reportable segment as "any segment identified that earns the majority of its revenue from external customers, and that accounts for 10 percent or more of the entity's revenue, results of operating activities or total assets.

iii. The acquisition or disposal of a Business Segment as defined above will always necessitate changes to the institutions Budget for the year and future years.

Consequently, Governors must be informed at an early stage as any changes would require consultation, discussion and approval with the Governors.

iv. Where a significant change in the education provision of the institution is in order the appropriate Funding Agency may need to be informed where there are funding implications.

b. **Major Relocation**

i. A major relocation is defined as the move of all or a significant part of the business to a new site, whereupon the existing site is either sold or used as collateral in order to finance the cost of the new site.

ii. Due to the commercially sensitive nature of any potential move, and to reduce the risk of speculators attempting to purchase earmarked sites for relocation, the initial planning will be through the Executive Leadership Team until such time as the institutions interest in any site is secured.

iii. The Executive Leadership Team (ELT) will report to Governors progress towards any relocation in the confidential section of Corporation.

iv. The ELT will draw on information supplied by the Chief Finance Officer and other Senior Management as appropriate to present a Business Case that would be support of any potential move.

v. The ELT will need to approach consultants, surveyors, architects and other professional bodies as appropriate to facilitate the relocation. The Property would need to commission a feasibility study and to investigate any planning restrictions.

vi. A Project Manager will need to be appointed for the duration of the development. The Project Manager will be required to facilitate the communication between the college and external entities.

vii. The Project Manager will be required to produce a project plan in consultation with external supplies to control the process.

c. **New Building Programme**

i. New Building Programmes involve the major refurbishment of existing buildings or the provision of a totally new facility that may or may not involve the demolition of existing accommodation.

ii. Expenditure in excess of £150,000 will be subject to additional requirements *(See section 8 Tendering)*. All other incidental expenditure above £5,000 will require quotations should it not be part of the tender cost of the project.

iii. All work will need to be planned in advance with the involvement of the ELT and other Senior Managers as appropriate to minimise disruption to the curriculum provision and working practices.

d. **Business Realignment**

i. Business Realignments would involve the transfer of all or part of the business between other business sectors. Though there will be similarities between business realignments and the acquisition or disposal of a business segment the main difference is that the realignment relates to transfers within the institution rather than externally.

ii. Business Realignments would be undertaken to adapt the institution to a change in the *Organisational Structure* and may be in response to changes in personnel, responsibilities of Budget Holders, curriculum provision or to make use of economies of scale.

iii. A devolved budget by a Senior Manager to a Manager of part of their curriculum area or department would not normally be regarded as a realignment as ultimately the Curriculum Area Director would retain responsibility the curriculum area or department as a whole. However, where the budget devolved to the manager includes staffing and is a significant part of the original sector then realignment will have taken place.

iv. Realignments should not be detrimental to the institution as a whole as essentially all that is involved is a transfer of existing personnel, income streams and related costs. However, where additional costs are expected to be incurred, such as staffing a Business Plan would be required in order that the effect on the institutions budget and forecasts could be ascertained.

v. Governors would need to be advised of any realignment when adjustments to previously agreed budgets are required.

e. **Acquisition and Mergers**

i. An acquisition would typically occur where a comparatively large, influential institution takes over a smaller institution. Where the new Board post-takeover is predominantly staffed by the larger institution with little or no representation by the smaller concern an acquisition is said to have taken place.

ii. Where the two institutions may be of a similar size or influence and the new Board is adequately represented by both institutions a merger would be said to have taken place.

iii. In each case Governors and the relevant funding agency will be involved at an early stage as a takeover of any description would constitute a significant change in the business.

f. **Reporting Requirements**

i. Due to the significant effect that a Major Development may have on an institution there are further reporting requirements to that covered by the Procurement Policy.

ii. As already mentioned, a Major Development would require the involvement of the Governing Body. Depending on the nature of the development this involvement may be at the approval stage at Corporation, as part of a small Procurement, Property & I.T. Strategy Working Group or as a Strategic Partnership with external representatives of other institutions.

iii. As a Major Development could affect the funding provision, the relevant funding agency would need to be involved at an early stage to ensure that in principle the institution has their support and commitment for the ongoing process. This involvement at an early stage would be essential if the funding of the development was dependent on some element of Capital Funding. In this respect reference would need to be made to the appropriate Funding Agency capital funding guidance to ensure that regulations are followed.

iv. In addition to the Governors and funding agency a Major Development would involve other external bodies or individuals to conduct land surveys, due diligence, educational research, market surveys, feasibility studies and other reports as required. Typically, this may involve the use of surveyors, auditors, consultants, engineers and others under contract to the college.

v. Reports would need to go before the Governing Body for approval. As part of the report a Business Plan would be required in support of any Major Development.

g. **Business Plan**

i. A Business Plan is required to support the proposal of a Major Development. The Plan may be for a minimum of three years but in the case of relocation or a new build it may be required for the next 10 or even 15 years but clarification should be sort through the relevant Funding Agency to ensure guidance and regulations are followed with regard to capital funding.

ii. The Plan must be prepared in a way that is consistent with the strategic plans approved by the Governing Body and the college's powers under current legislation. In this way the effect of the Plan could be clearly understood in relation to other reports and the fiduciary duty of Governors and college representatives would be protected.

iii. Details of the market need and the assumptions (based on reference data) of the level of business available must be included within the Plan. The reference data may include consideration of population trends, the current and future make-up of the student population, data on the residency of students and the associate modes of transport used by students. The Plan may also consider external business trends, major external building projects of the Government or Local Authority and the resulting employee make up as appropriate that could impact on the student provision of the college.

iv. Details of the business and what product or service will be delivered would be included within the Plan with particular reference made to the possible impact on existing products or services.

v. The resulting document would give an outline plan for promoting the business to the identified market which should also indicate how the planned levels of business would be achieved.

vi. The document must clearly state the resources that will be required to complete the development. This would include details of the staff that would be required to deliver, promote or manage the business. It would also provide details of any staff training required and the effect of recruitment issues on the development and the institution as a whole. The document would also include the effect on the existing premises, plans for new premises and whether other resources, such as financing or external support are required as appropriate.

vii. A financial evaluation of the proposal together with its impact on revenue, surplus cash flow, the balance sheet and performance indicators must be completed. A monthly cash flow should be prepared for the most critical period at the start of the development. The effect of taxation, including VAT must be included together with other legislative or regulatory issues.

viii. The financial evaluation must take into account sensitivity analysis in respect of its key assumptions. Risk Management Plans must be made in order to manage the identified main adverse sensitivities.

Appendix A – Procedures

Location

All procedures relating to the Capital & Other Equipment Policy are located on the college intranet

Relevant Procedures

a. Preparing a Business Plan

    i. Consistency with strategic plans
    ii. Market needs assessment
    iii. Identifying new markets
    iv. Preparing a financial proposal
    v. Three-year financial plan
    vi. Risk analysis
    vii. Legislation and regulatory issues
    viii. Sustainability and innovation

b. Funding guidance and approval

c. Governor approval

d. Tender process

Appendix B – Forms

Unless otherwise stated all related forms are located on the college intranet.

Relevant Forms

a. Cardholder Agreement
b. Cardholder Instruction Manual
c. GPC Cardholder Request Form
d. GPC Transaction Log
e. Contracts Template
f. Three Year Financial Forecast
g. Capital Forms Booklet
h. Cash Flow (example)
i. Income and Expenditure Forecasts
j. Balance Sheet Forecast
k. Risk Register
l. Tender Variance Form
m. Tender Checklist
n. Tender Progress Summary
o. Single Supplier Approval Form
p. Value for Money & Benchmarking Assessment Template

Appendix C – Reference Material

i. College Hierarchy

The ***College Cost Centre Hierarchy*** is a continually updated list that expands the ***College's Organisation Chart*** to show details of all the ***Cost Centres*** used at the college, their Cost Centre Codes and the Budget Holders who are responsible for the income and expenditure of those Cost Centres.

The College Cost Centre Hierarchy is available as a read only document on the college intranet under the section for Finance.

ii. Account Code Hierarchy

The ***College Account Code Hierarchy*** is a continually updated list that shows all the ***Account Code*** numbers and descriptions used at the college. It also includes ***Project Codes*** for detailed analysis of quotations, tenders and special projects.

The College Account Code Hierarchy is available as a read only document on the college intranet under the section for Finance.

iii. Procurement Act 2023 - https://www.legislation.gov.uk/ukpga/2023/54/contents/enacted

iv. Find a Tender Digital Platform - https://www.find-tender.service.gov.uk/

v. Contract Law

Salient points of the Sale of Goods Act 1979 and subsequent related legislation can be obtained from the DTI Fact Sheets at:

http://www.legislation.gov.uk/ukpga/1979/54/section/14

vi. Government Procurement Card

The Cardholder Instruction Manual is located at the following web address:

..\POLICIES AND PROCEDURES\introduction-public-procurement.pdf

vii. Funding Agency Capital Projects Criteria Checklist

An example of the information that would be required in order to prepare a successful Capital Bid, involving a Major Development, can be found on the college intranet.

viii. Funding Agency Capital Investment Appraisal Summary

An example of the spreadsheet that would be required in order to prepare a successful Capital Bid, involving a Major Development, can be found on the college intranet.

ix. Capital Handbook

The *Capital Handbook: Feedback from Consultation and New Arrangements from 2008-09* can be accessed from the relevant Funding Agency website.

The Handbook provides the framework by which a Capital Bid, incorporating a Major Development, can be made including the evidence required, the reporting requirements and claim forms.

x. IAS 14 Segment Reporting (Revised 1997)

The International Accounting Standard provides background information on what constitutes a segment that can be identified according to business activity or location.

xi. Integrated Financial Model for Colleges and Property Strategy

These documents identify the strategic plans of the institution that have been based on the assumptions and information as is currently available.

Equality and Diversity Statement & Impact Assessment

USP College is committed to equality of opportunity. The aim is to create an environment in which people treat each other with mutual respect, regardless of: age, disability, family responsibility, marital status, race, colour, ethnicity, nationality, religion or belief, gender, gender identity, transgender, sexual orientation, trade union activity or unrelated criminal convictions. This form should be used by managers and policy owners within their area of responsibility to carry out Equality and Diversity Impact Assessments (EDIAs) in relation to protected characteristics including, but not limited to: Age, Disability, Gender reassignment, Marriage and civil partnership, Pregnancy and maternity, Race, Religion and belief, Sex, Sexual orientation. The word 'policy' is taken to include strategies, policies, procedures and guidance notes; both formal and informal, internal and external.

1. Name of Policy

Procurement Policy

2. Which of the following groups could be affected by this policy?
(Tick all that apply)

Students	
Staff	√
Wider Community	

3. Complaints

Have complaints been received from anyone with one or more protected characteristic about the service provided? If yes then please give details.

4. The Impact

Four possible impacts should be considered as part of the assessment:

a. **Positive Impact -** Where the policy might have a positive impact on a particular protected characteristic.
b. **None or Little Impact –** Where you think a policy does not disadvantage any of the protected characteristics
c. **Some Impact –** Where a policy might disadvantage any of the protected characteristics groups to some extent. This disadvantage may be also differential in the sense that where the negative impact on one particular group of individuals with protected characteristic is likely to be greater than on another.
d. **Substantial Impact –** Where you think that the policy could have a negative impact on any or all of the protected characteristics. This disadvantage may be also differential in the sense that the negative impact on one particular protected characteristic is likely to be greater than on another.

Thought-provoking questions, which might help come to a decision about the impact of a policy on individuals with protected characteristics:

e. Does policy outcomes and service take up differ between people with different protected characteristics?
f. What key information do we have? Does data or engagement with people with protected characteristics give insights into areas of disadvantage, which relate to the policy area?

g. If the policy is likely to have a negative impact on individuals, sharing particular characteristics what steps can be taken to mitigate these effects?
h. Will the policy deliver practical benefits for certain groups?
i. Does the policy miss opportunities to advance equality of opportunity and foster good understanding/ relationships between groups?
j. Do other policies need to change to make this policy more effective?
k. Is there any elements of the policy that could be unlawful under the Equality Act 2010?

Use the guidance provided above and complete the following table: **(Please Tick √)**

Gender/Age	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Gender		√		
Age		√		
Disability	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Visually Impaired		√		
Hearing impaired		√		
Physical Disability		√		
Specific Learning Difficulties		√		
Global Learning Difficulties		√		
Autistic Spectrum Disorder		√		
Any other disability – Various		√		
Other Factors	Positive Impact	No or Little Impact	Some Adverse Impact	Substantial Adverse Impact
Race		√		
Culture		√		
Religious Belief		√		
Sexual Orientation		√		
Gender Reassignment		√		
Marriage/Civil Partnership		√		
Pregnancy /Maternity /Paternity		√		

Please comment on any areas where some or substantial impact is indicated. Any resulting actions must be added to the below action plan.

5. Is there anything that cannot be changed?

What cannot be changed?	Can this be justified?	If so, how?
Not applicable		
E.g., Disabled people can be treated more favorably under the Disability Discrimination Act 2005. If a policy appears to treat disabled people more favorably than other equality groups, the disadvantage may be justifiable		

Please list the main actions that you plan to take as a result of this assessment in your area of responsibility. (Continue on separate sheets as necessary)

Action Plan: