Best Practices in Procurement Savings at UK Universities

In this report, The Hanover Research Council provides information on best practices in procurement savings at UK Universities, specifically Russell Group institutions. The report profiles eight such institutions, and assesses their organization, processes, and control mechanisms in order to determine the steps taken to achieve savings in procurement.
Introduction

In this report, The Hanover Research Council provides a review of best practices in procurement savings at UK universities, specifically with a focus on procurement at Russell Group institutions. Throughout the course of the study, little information was publicly available regarding significant measures taken to deliver procurement savings; either these projects have not yet been conducted, or access to such information has been restricted. However, information on the ways in which universities strive to save and cut costs through their procurement functions was readily available. Institutions have adopted policies to ensure that procurement achieves value for money, adheres to principles of corporate social responsibility, and have also focused on sustainable procurement often resulting in savings to the institution. These universities have also instituted control mechanisms to prevent the occurrences of fraud and abuse through procurement.

Research on procurement at each Russell Group institution was conducted according to three main areas: organization, processes, and control mechanisms. Regarding organization, we examined the structure of the central procurement function in order to determine how it is organized and staffed, and how it relates to procurement functions at the school and departmental levels. Researching procurement processes consisted of observing how procurement contracting and service level agreements were conducted. In looking at procurement control mechanisms within individual institutions, we gauged the extent to which those institutions sought to prevent duplication, establish separation of duties, and introduce controls to ensure the ethical integrity of their procurement functions.

The following section profiles several Russell Group institutions that publish detailed information on their procurement functions, including the University of Cambridge, the Imperial College at London, the University of Edinburgh, the University of Manchester, the University of Birmingham, Newcastle University, the University of Liverpool, and Queen’s University Belfast. The report concludes with a summary of best practices and key findings.
Procurement at Russell Group Institutions

Several Russell Group institutions were profiled in the course of determining best practices in procurement savings at UK universities. Availability of information varied widely among universities, and detailed information regarding procurement procedures was restricted to the respective university’s internal users.

The following Russell Group institutions profiled are presented in order of their overall rank according to the Times Online Good University Guide within the Group. A review of the procurement functions of these institutions indicates several common themes. Perhaps most notably, the majority of the universities used a devolved system to operate and organize procurement. Additionally, two principles in procurement – achieving value for money (VFM) and utilizing corporate social responsibility (CSR) practices – were implemented into many of the policies and practices of the profiled institutions. These and other themes are discussed in greater detail in the final section of this report.

University of Cambridge

Procurement at the University of Cambridge is devolved to heads of departments. Within the university’s Central Purchasing Office, the Purchasing Working Group “contributes to the formulation and dissemination of the University Purchasing Procedures and Strategy.” Its aim is to identify and promote best practice policies in purchasing for the benefit of staff with procurement duties. Despite the devolved system, there are centralized “commodity groups” within the Central Purchasing Office whose purpose is to “oversee the purchase of particular goods and services.” These groups include:

- Building Materials Purchasing Group
- IT Purchasing Group
- Office Equipment & Stationary Purchasing Group
- Purchase Module User Group
- Science Purchasing Group
- Travel Commodity Group

These groups and the Purchasing Working Group together comprise the centralized procurement function at Cambridge.

1 Rank according to Times Online. http://extras.timesonline.co.uk/pdfs/univ07ten.pdf
3 Ibid.
Cambridge has several **control mechanisms in place to prevent procurement abuse and fraud** at the university. Departmental heads have foremost responsibility for establishing procedures to protect against procurement fraud. VFM is an important component in procurement, and may be demonstrated through competitive bids. According to the university’s financial regulations, “If there is any reason to believe that offers which have been received are not competitive, further offers must be obtained.” These regulations include **purchasing thresholds and procedures** depending upon amount: no quote is required if the purchase is under £250, whereas three invitations to tender are required if the purchase is greater than £50,000. These thresholds are found in further detail in the appendix for the University of Cambridge and other institutions. In addition to the thresholds, capital expenditures greater than £2 million require the consent of the Planning and Resources Committee, which reports to the University’s Council and the General Board. Goods may be purchased externally if they meet the following three conditions:

- They are required for the achievement of financial, academic, or organizational plans.
- They are not reasonably available elsewhere within the university.
- The source, sufficiency, and terms of the funding have been checked and confirmed.

These requirements serve as a **check on duplication** of university resources, which results in procurement savings to the university.

**Imperial College at London**

The Imperial College at London’s Purchasing Department highlights the control mechanisms it utilizes to deliver savings to the college, specifically VFM practices. It lists several **VFM principles** which are part of the university’s corporate and academic strategy; these principles extend not only to public funds, but to all sources of funds at the university.

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5 The Council is “the principal executive and policy-making body of the University.” The General Board is “the body responsible for the academic and educational policy of the University.” For more information, see the “University Committees” page: http://www.admin.cam.ac.uk/committee
7 Imperial College at London. “Value For Money.” http://www3.imperial.ac.uk/purchasing/valueformoney
Imperial College at London, VFM Principles

1. To respond to all opportunities that will enhance the economy, efficiency, and effectiveness of all our activities.

2. To deliver teaching and research in a way that delivers best overall value.

3. To demonstrate that VFM comparisons have taken place against other similar activities and organizations using benchmarks, KPIs, dashboards, and other relevant measures where this is considered useful.

4. To have a consistent and college-wide approach to VFM.

5. To have a standard approach to procurement based on a strong, competitive framework and detailed standards that ensure consistency, efficiency, and economy across all types of procurement.

6. To have in place an internal audit process where the internal auditors review systems so that our VFM objectives are achieved in the most economic and efficient manner.

7. To ensure that our staff recognize their continuing obligation to seek VFM for the institution as part of their routine activities.

In this list of principles, two specific control mechanisms that provide a check on internal procurement are mentioned. The “standard approach to procurement” is a means of obtaining procurement savings, while the “internal audit process” ensures that the intended savings are achieved. Imperial College’s procurement thresholds may be found in the appendix of this report.

In May 2008, a VFM Steering Group was established at Imperial to monitor its VFM program to ensure its compliance with university objectives. According to the HEFCE, Imperial’s previous VFM activities “have often been ‘stand alone’ activities that do not necessarily reflect a broader appreciation of institutional effectiveness.” As a result, HEFCE has provided guidance for a more holistic VFM approach. The Purchasing Department’s “Annual Report on Value for Money 2008” notes the procurement processes most essential to VFM amidst the economic downturn: “Given the current economic climate, costs optimisation and improvement in the

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8 Imperial College at London. “Value For Money Principles.” http://www3.imperial.ac.uk/pls/portallive/docs/1/53627697.PDF
procurement process have been the key financial drivers.”

The report lists further savings in university procurement through VFM practices:

- Imperial offset the increasing cost of oil by buying oil and gas in advance from the wholesale market, “which equates to avoiding some £1.3 million in extra costs at a time when prices have almost doubled.”

- The reduction of Imperial’s supplier base has lowered computer and telephony costs, resulting in savings of £1.5 million.

- Introduced electronic sourcing, which allows for online competition among suppliers in an auction format, which drives down prices.

- Four such auctions took place at Imperial in computer and laboratory categories, and as a result saved more than £1.1 million.

- Electronic invoicing has also resulted in cost-reduction: as of the annual report, 90,000 such transactions have occurred, “which will achieve an ongoing saving of over £100K.”

University of Edinburgh

The purpose of the Procurement Office at the University of Edinburgh is to support purchasers throughout the university. According to George Sked, Assistant Director of Procurement at Edinburgh, procurement “is devolved to departmental/school officers within the organisation that collaborate with staff in the Procurement Office when necessary.” Helping departmental purchasers achieve the best value for money is also of paramount importance for the purchasing office. The following is a list of the various other services it provides:

- Developing a procurement strategy to help the University meet its objectives.

- Giving support and training for all those involved in procurement and purchasing.

- Giving you information on existing agreements and guidance on procurement procedures (including your legal obligations).

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10 Ibid., 4.
11 Ibid., 4-5. (adapted)
12 Quoted from an email sent from the Assistant Director on 23 March 2010.
13 University of Edinburgh. “What does the Procurement Office do?”
http://www.ed.ac.uk/schools-departments/procurement/about/procurement-do
- Being consulted at the earliest opportunity in **strategic planning** for acquisitions of goods or services or works **from third parties** (external sources).

- Assisting you to work together to purchase from a reduced number of contracted suppliers to **make savings and eliminate unnecessary costs**, develop improved supplier responsiveness and performance.

- Guidance on the **selection of the right suppliers or service providers** on quality, delivery, service, price, sustainability, and innovation to meet requirements.

- Orchestrating **agreements with contracted suppliers and other collaborative contract managers**, define the principles governing the relationships, monitor performance, and strive to help suppliers with aim of continuous improvement.

- Developing efficient processes for **e-Procurement** and for monitoring performance.

Two central figures in the procurement process are the **procurement advisor** and the **relevant budget-holder**. Procurement advisors interact with departmental and school budget holders in order to fulfill best practices in procurement at Edinburgh. These advisors “help the budget-holders, research principal investigators and Heads of Schools/units or School Administrators to achieve best practice, best value and efficient acquisition.”\(^{14}\) The budget holder is “the individual with responsibility for formulating the requirement, i.e. the goods, services or works required or the budget from which the requirement will be purchased.”\(^{15}\) Budget-holders at Edinburgh are especially important in seeking approval for a purchase greater than £50,000. The following is an outline of the roles budget-holders play in the procurement process:

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\(^{14}\) University of Edinburgh. “Procurement: About.” http://www.ed.ac.uk/schools-departments/procurement/about

\(^{15}\) University of Edinburgh. “What does a University budgetholder or product/service user do?” http://www.ed.ac.uk/schools-departments/procurement/about/budgetholder
The Budget-Holder and Procurement

1. **Adequately define the user's needs**, identifying minimum and desirable elements and ensuring there is adequate consultation with users and their representative bodies (where necessary).

2. Ensure that the requirement takes account of the organization’s **policy requirements**, including corporate social responsibility/sustainability policies, and is aligned against organizational objectives.

3. Ensure compliance with **relevant legal obligations** relating to the goods, services or works to be purchased. For example, environmental/health and safety legislation.

4. Where appropriate, **prepare a business case**.

5. Ensure that **funding** is in place.

6. Contribute to **drafting** the tender specification.

7. Contribute to **development of the procurement strategy**.

8. **Be involved throughout the life cycle** of the procurement exercise – implementation, review, ongoing intelligence groups.

9. Provide **technical expertise and input** to support the bid assessment processes.

10. Prepare the **technical recommendation** in any bid assessment report.

11. **Approve** key review stages throughout the procurement process.

Many of the procurement policies and procedures at Edinburgh are a **result of policy established by the Scottish Government**. These policies may be found published in a document titled “Procurement Manual for Universities and Colleges in Scotland,” which among other things describes the several officers involved in the procurement process, as well as their duties. These include:16

- **Procurement Officer**: Has purchasing authority to commit to a contract.

- **End-User**: Formulates the requirement along with the Procurement officer.

- **User Group**: Individuals or departments involved in the procurement process. They provide input and guidance on:
  - Developing a commodity strategy

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- Contributing to the tender specification
- Evaluating tenders
- Managing contractor performance and
- Promoting use of the contract.

**Budget-Holder:** Has authority to commission services and provide financial authority for the expenditure.

Additionally, the government has also published the “Scottish Procurement Policy Handbook,” which elaborates further on these roles and the necessity of separating duties. Specifically, the **roles of the budget-holder and purchaser must be kept separate** so as not to present a conflict of interest: the authority to commission purchases lies with the budget-holder, and the authority to assign a specific contract for purchase lies with the purchaser. According to the handbook, “separation of these roles within a procurement process provides necessary safeguards against impropriety or unethical practice.”

Edinburgh’s procurement processes are also governed by these documents. The “Procurement Manual” focuses on the **importance of VFM policy** in university procurement, stating the manners by which VFM practices may be assessed. These include:

- The availability and/or frequency of delivery.
- Additional costs (e.g. transport, postage and packing, stockholding), adaptation of existing premises or equipment.
- Payment terms.
- Discounts for bulk purchases (although these may be offset by interest charges and storage costs).
- CSR: social issues, waste minimization, environmental considerations and long term environmental costs.
- Commitment of other parties of shared use.
- The cost of transacting the procurement process such as manual procurement methods, e-Procurement (e.g. PECOS catalogues, punch out catalogues, blanket orders, etc).
- Ease of use, need for training, and other effects on staff time, where relevant.
- Re-use or re-sale options.
- Disposal costs.

The “Policy Handbook” further enumerates the definition of VFM: “Value for money is defined as the optimum combination of whole-life cost and quality (or

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fitness for purpose) to meet the user’s requirement.”¹⁹ These other costs may include implementation, ongoing operating, and end-of-life disposal costs. Purchasers should not just rely on price alone, as awarding contracts on the basis of lowest price can result in less innovation and poorer quality. They should use appropriate investment appraisal techniques in order to accurately determine VFM, and must also take into consideration various other policies, such as CSR and sustainability.

CSR is an important part of the procurement process that can result in significant savings to institutions. Effective CSR practices entail adequately addressing the following questions:²⁰

- Is the procurement necessary? Could an existing item be re-used, refurbished or shared?
- Does the procurement fit the institution’s overall strategic procurement plan? If not, just how necessary is it?
- If it is deemed to be necessary, could the procurement itself be shared, saving procurement effort and providing for more intensive or multi-functional use of a valuable item?
- Is another body already contemplating or working on a procurement which might include the required scope?

Performing the necessary research to sufficiently answer these questions can result in untold savings for institutions. The “Procurement Manual” encourages Scottish institutions to allow small and medium-sized enterprises (SMEs) to participate in bids for the institution’s business whenever possible: “SMEs can offer benefits in a contractual relationship by providing lower costs and lower overheads, flexibility, innovation, specialises/niche services, increased service.”²¹ This policy nevertheless precludes preferential treatment. The following is a list of helpful guidelines for allowing SMEs to participate in the bidding process:²²

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²¹ Ibid., p. 36.
²² Ibid., p. 37.
Guidelines for SME Participation

1. Consider scope and packaging of requirements to reduce the barriers to SME participation (e.g. use of lots in a frameworks, sub-contracting opportunities, etc.)
2. Consider flexible payment terms.
3. Consider alternative payment methods (e.g. payment cards, etc.)
4. Advertise widely—use of the Public Contracts Scotland Portal demonstrates this commitment.
5. Use documentation written in plain English.
6. Set a realistic tendering timeframe (when not subject to the EU mandatory tendering timescales).
7. Assess SMEs’ risks so they are not automatically ruled out of the process (especially relevant for new or business start ups when audited accounts and a track record don’t exist).
8. Offer debriefing to enable potentially positive learning outcomes to be obtained.

The “Procurement Manual” also details procedures to ensure ethical activity and prevent procurement fraud, which also has a significant impact on savings. The manual states that institutions must have policies that are consistent with the UK Prevention of Corruption Acts. Any gifts and hospitality of all levels of value must be consistent with this legislation, and all such gifts and actions taken must be recorded. The manual provides guiding principles for ethical procurement, including:23

- Ethical behavior must be promoted and supported by appropriate systems, such as corporate governance arrangements and the procedures set out in this procurement manual;
- Procurement Officers should declare any conflict to the Head of Procurement between their official duty and their personal interest;
- Procurement Officers should not be, nor give the impression that they have, or may have, been influenced by a gift or consideration to show favor or disfavor to any person or organisation;

23 Ibid., 10-11.
Dealings with suppliers must at all times be open, honest and fair; and

Sufficient records (paper or electronic) should be maintained to establish an audit trail to demonstrate that appropriate standards have been observed.

In seeking to prevent unethical activity and provide clarity for all parties involved, the document provides a list of unethical practices in which procurement officers must not engage. Officers must not:

- Send drawings, specifications, prototypes or samples from one tenderer or Contractor to another;
- Divulge prices received from one tenderer or Contractor to another;
- Invent lower bids to force prices down;
- Exaggerate quantities above known requirements;
- State time as ‘of essence to the contract’ unnecessarily, making unreasonable or onerous demands of suppliers;
- Promise that a Contract or Framework Agreement has a longer term than is warranted or practicable;
- Permit some tenderers to re-quote while others are denied this facility;
- Give false information under any circumstances;
- Use a dominant position to take unfair advantage of a small supplier;
- Allow personal bias or prejudice to influence purchasing decisions;
- Take ‘prompt payment’ or other discount when they are not current or not earned or relevant;
- Solicit or accept from tenderers or Contractors any personal favors;
- Accept bribes of any kind;
- Provide additional information of any kind to any tenderer which might assist their bid to the disadvantage of other tenderers;
- Develop personal relationships with sales staff (in addition to Contractors’ employees or agents), which could affect decisions;
- Fail to declare any such existing relationships prior to the tender exercise;
- Hold undeclared financial interests in tenderers’ or Contractors’ businesses; or
- Make alterations to tender documents after they have been received.

The manual warns of several forms of fraud, one form being internal. “If internal collusion within the Institution is suspected with regards to a Procurement Officer, an End User or User Group member, the case should be addressed using the procedures detailed by the Institution’s policies.” Individuals may seek advice from the organization Public Concern at Work if no such policies are in place. External fraud is also an area of concern, and procurement officials must take care to avoid it in choice of tenderers, types of contractual arrangements, and claims by contractors.

24 Ibid., 11-12.
25 Ibid., 14.
for payment. Taking actions to prevent fraud may translate into significant savings for institutions in protecting both public and private funds.

University of Manchester

The Procurement Office at the University of Manchester emphasizes the strategies it has in place to **ensure efficiency in the procurement process**. “Towards Manchester 2015” is a university-wide plan that sets several goals, one of which is acquiring resources necessary for international competition. This goal identifies that one of Manchester’s weaknesses is “a resource base that falls well short of that available in the world’s leading research-intensive universities.”26 The Procurement Office intends to assist in the reformation of Manchester’s resource base through efficient and effective procurement procedures. The following are the Procurement Office’s strategies for achieving this:27

**Ensuring that there is clear assignment of roles and responsibilities**
All managers and budget-holders must recognize their roles and responsibilities with regard to procurement, obtaining VFM in their use of resources.

**Providing guidance, training and direct support for all procurement activity**
The Procurement Office will continue to develop and improve guidance, toolkits, and training programs, and provide direct professional support for all procurement activity. This will include measures to support sustainability and wider corporate social responsibility.

**Improving contract and supplier management practices**
The users of services and goods are best placed to manage contract and supplier performance. Improved tools and support will be put in place to assist contract managers in this task. This includes implementation of feedback mechanisms to help ensure that suppliers meet user requirements on an ongoing basis.

**Increasing the adoption of University procurement arrangements**
The use of approved contracts can significantly improve VFM and service obtained from suppliers. The use of University contracts is the responsibility of operational managers and budget holders. Improved management information will be available from the new finance system to enable them to monitor expenditure and increase the usage of these contracts. The Procurement Office will continue to support managers and budget holders and to establish and promote good value contracts.

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27 University of Manchester. “Strategy.” (adapted) http://www.campus.manchester.ac.uk/procurement/strategy
Improving supply chain and asset management
The University seeks to ensure the consistent use of efficient procurement, distribution and disposal channels. Operational managers are responsible for the efficient and effective procurement and management of assets; this responsibility extends to the disposal of assets, which must comply with legal requirements. The University will review and improve its asset management procedures and the support provided to operational managers.

Developing external co-operation at local, regional and national levels
The University can increase its economies of scale and increase VFM through working with other institutions. The University is a key member of the North Western Universities Purchasing Consortium, the national Research Equipment Affinity Group and UNIPROC, a collaboration between the five leading UK research universities. The Procurement Office will continue to explore collaboration opportunities to increase the opportunities to maximize VFM.

Developing electronic procurement tools
The use of e-Procurement tools will improve the efficiency and effectiveness of procurement activity. One such development has been the introduction of a searchable contracts database (CuPID) for use across the University—increasing awareness of, and access to, central contracts for end users. The next stage will be the development of an e-Procurement module as part of the implementation of the new finance system.

Improving the extraction, circulation and use of management information
The introduction of the University’s new finance system, in addition to providing enhanced financial and procurement controls, will provide improved management information in respect of procurement. Routine reporting, embedded within operational management reporting, will be developed to support management to improve VFM obtained through procurement.

Reviewing and updating procurement regulations and procedures
The University’s framework for procurement is contained within its Financial Regulations. These regulations, and the related policies and procedures, will be reviewed and updated to ensure that they remain relevant, non-bureaucratic, supportive, and easy to understand. University of Manchester’s procurement thresholds may be found in the appendix of this report.

In addition to these larger strategies, Manchester’s Procurement Office publishes a list of best practices in procurement, enabling purchasers to “buy the right goods and services, at the right price, whilst being transparent, objective and honest, and making
full use of the market.” These practices collectively contribute toward achieving VFM in procurement. The following are the key elements of best practice:

Best Practices in Procurement at Manchester

1. Ensure that there is a genuine requirement for the goods or services.
2. Ensure that the specification (description) of the goods or services is sufficient for the intended purpose, and does not contain additional features that are not needed, or is written in a way that limits open and fair competition.
3. Consider alternative means of meeting your need: is there spare time on an existing machine that could be used, can you buy a reconditioned model?
4. Identify potential suppliers.
5. Obtain competitive quotations or tenders.
6. Analyze and compare the bids objectively, taking into account aspects such as quality and whole-life costs as well as initial price.
7. Ensure that the supplier and the University comply with their obligations (contract management).

Besides these essential practices, officials involved in the procurement process should maintain practices that ensure competition, allow for multiple and competitive bids, and achieve overall VFM, including:

Ensuring competition
Competition is the cornerstone of procurement best practice where public funds are being used. This is normally achieved through obtaining an appropriate number of competitive bids.

Obtaining competitive bids
The number of bids should be sufficient to obtain a reasonably-sized sample of the market, without creating an excessive amount of work in considering the bids. Most guidelines suggest a minimum of three bids, but where there are a large number of potential suppliers, more would be appropriate.

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28 University of Manchester. “Procurement best practice.”
http://www.campus.manchester.ac.uk/procurement/bestpractice
29 Ibid.
30 Ibid. (adapted)
Sole suppliers
If there is only one supplier who can supply the equipment, best practice requires either competition or some clear evidence that it is not possible. A useful approach is to advertise for suppliers. Either only one supplier will come forward, or you will find a genuine source of competition. It is sometimes possible to ensure competition in the most unlikely scenarios and the Procurement Office will be able to provide advice on this.

Lowest bids
You do not have to accept the lowest bid, unless it genuinely represents the best value for money. Take into account fitness for purpose, quality and the total cost of owning the equipment over its useful life (including possible resale value or disposal costs at the end of its useful life).

University of Birmingham

The University of Birmingham’s Purchasing Services (also known as the Procurement Division) is a component of the University’s Finance Office. The central procurement function at Birmingham is home to six procurement specialists, and other divisions (such as Hospitality and Accommodation Services and Estates Maintenance) have their own procurement specialists. The University of Birmingham has five Colleges, each with its own Academic Budget Centers or Schools, and eight Corporate Services Departments. Each of these 13 subdivisions has responsibility for managing its own budgets: “The transaction processing activities related to purchasing are undertaken within the Schools and Departments with procurement at the University being co-ordinated by a central Procurement Division.”

Colleges, Schools, and Departments are responsible for their own procurement activities, while oversight is provided by the Procurement Division. In certain circumstances, however, the Procurement Division is also responsible for determining supply and arranging contracts: it “undertakes the competitive processes needed to establish the supply arrangements and to establish specific contracts for the fulfillment of higher value … requirements (such as equipment or even construction contracts).”

The Procurement Division states that its mission is to “Achieve best value for money for all of the University’s commercial non-pay expenditure.” In order to achieve this mission, the university seeks suppliers that have the following goals:

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Supporting the University’s business objectives.

Investing in their relationship with the University.

Delivering a quality service in line with agreed service levels.

Providing products, goods and services that are fit for purpose; competitively priced at the point of purchase and, where appropriate on a whole life cost basis.

Supporting the University’s policies and aspirations in terms of fair trade; sustainability in its widest context and ensuring the health, welfare and well-being of the University’s students, staff and stakeholders is maintained.

Complying with any statutory obligations that may apply to the products, goods and services that they supply or provide.

In seeking such suppliers, Birmingham can achieve VFM while forming long-term partnerships with suppliers that have invested in mission of the university.

Newcastle University

The role of the Purchasing Services office at Newcastle University is “to enable the university to obtain the maximum possible benefit from the money it spends on the goods and services it requires for delivery of research and education services; constantly seeking value for money, reliability, responsiveness and innovation.”34

Like other universities, Newcastle has a devolved procurement system in which its Purchasing Services office seeks to obtain VFM through developing procurement strategies, policies, and procedures. It manages certain framework agreements in place throughout the university. Faculties that Purchasing Services works with include Medical Sciences; Science, Agriculture, and Engineering; and Humanities and Social Sciences.35 Additionally, the university-wide services partnering with Purchasing Services are;36

- Estate Support Services
- Information Systems and Services
- Accommodation Services

In the document “Selling to Newcastle University,” the Purchasing Services office lists several types of contracts that the university may form with suppliers. Each

34 Newcastle University. “Purchasing Services.” http://www.ncl.ac.uk/procurement
36 Ibid.
different type of contract, described below, determines the appropriate procurement procedure.37

Framework Agreements
An agreement where terms and conditions are agreed with the provider for certain services, supplies or works which allows call-offs to be made (e.g. catering supplies).

One-off Contracts
These contracts meet specific needs/individual requirements (e.g. capital equipment).

Term Contracts
These are contracts accepted from a contractor, to carry out repetitive tasks for a period of time. Work is then issued to these contractors as and when it is available. Any amount or value of work cannot be guaranteed. These are usually for planned and reactive works (e.g. minor works and improvements).

Consortia Agreements
Different procurement authorities can join together to form a Consortia to create tenders as a group. This can provide better VFM, as larger quantities can be aggregated for purchase. Newcastle University is a member of the North East Universities Purchasing Consortium and also, as a public body, has access to contracts arranged by the Office of Government Commerce (e.g. telecoms networks).

Concessions
An arrangement whereby the University grants the contractor the right to operate a contract, within stipulated parameters and to benefit from the profit made from the operation (e.g. laundry equipment).

The purchasing thresholds at Newcastle University are determined on the basis of whether the applicable supplier is contracted or non-contracted. For further details on these thresholds, see the concluding appendix. The following flowchart also provides a clear delineation of procedures based on amount and contracting status.38

37 Ibid. (adapted)
38 Newcastle University. “ESS Procurement Procedure.”
http://www.ncl.ac.uk/estates/assets/documents/ProcurementProcedures2009.11.doc
University of Liverpool

The Procurement Department at the University of Liverpool is devolved, the reason for which is “to put control and responsibility as near as possible to the point of need.”\(^{39}\) Departments receive advice and support from the Procurement Department, though department heads are responsible for ensuring that procurement activities are accomplished within their departmental budget. Contrary to available information from other universities (such as Edinburgh), departmental budget-holders may have purchasing authority at Liverpool. The University of Edinburgh’s policy requires the separation of these duties, as their unification could lead to abuse.

The availability of funds is required for any procurement activity at Liverpool: “Heads of department and their delegated budget holders are only authorised to commit the University to any expenditure after ensuring that sufficient funds are available to meet the purchase cost of goods and services.”\(^{40}\) The University of Liverpool also holds to a VFM model, which requires procurement to be conducted at the lowest cost “consistent with quality, delivery requirements and social and environmental factors, and in accordance with sound business practice.”\(^{41}\)

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http://www.liv.ac.uk/procurement/external_documents/Procurement_Policy_2008.doc

\(^{40}\) Ibid.

\(^{41}\) Ibid.
into account the whole life of goods procured enables purchasers to procure goods at
the lowest cost (though they may not necessarily be the “cheapest”).

Although the University of Liverpool’s specific procurement procedures are not
available to the public, the Procurement Department publishes its strategies, the goal
of which is to “support [the University’s] mission of excellence in education and
scholarship and in pure and applied research.” The Procurement Department
participates in this mission by ensuring that several strategic objectives are met, including:

- **Auditing and monitoring** its activities in all areas to ensure that they deliver
  outcomes which are fit for their purpose and provide VFM; and

- Ensuring **best use of resources** by integrating the management of human,
  financial, and physical resources, and adopting appropriate organizational
  forms as necessary.

These strategic objectives are supported by specific objectives, which assert that the
university will be committed to the following:

**Procurement Strategy: Specific Objectives**

1. Be committed to **effective procurement**.
2. **Support the training and skills development** of those involved
   in procurement.
3. Improve the use of **procurement management systems and
   information systems**.
4. Identify and **disseminate information and advice** on good
   procurement practice.
5. **Promote** and participate in co-operative procurement
   arrangements that contribute to delivery of its mission.
6. Measure the **performance** and **effectiveness** of procurement.

Further, university policy seeks to ensure that the Procurement Department achieves
**best practices in procurement**, such that they:

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42 University of Liverpool. “Procurement Strategy.” http://www.liv.ac.uk/procurement/procurement_strategy.htm
43 Ibid. (adapted)
44 Ibid.
Are appropriate and fully responsive to the University’s diverse needs.
Are timely and effective.
Provide excellent VFM.
Comply with all legislation affecting the University’s procurement activities.
Minimize commercial and contractual risk.
Are open and fair to the supplier community including, wherever possible, small local suppliers.
Give due consideration to environmental impact.
Promote high ethical standards and financial probity.

These practices include similar elements at other Russell Group institutions, such as obtaining VFM, practicing CSR, and providing opportunities for SMEs to participate in the bidding process when possible.

**Queen’s University Belfast**

The Purchasing Office at Queen’s University Belfast has published its “Purchasing Strategy and Action Plan for 2009-10,” which sets out its four key objectives for university procurement:

- Promote procurement practices which will ensure:
  - That VFM is achieved through the efficient use of resources.
  - That total cost is managed appropriately.
  - That purchasing power is maximized.
  - That risk is minimized.
  - That legal requirements are adhered to.
  - That best practice is met, and exceeded where possible.

- Raise awareness throughout the University of the scale and impact of procurement and its potential contribution to service delivery, while ensuring the support and long-term commitment of all Heads and Directors.

- Promote procurement professionalism by raising the level of purchasing knowledge, skills and expertise amongst all staff, and by recognizing their achievements.

- Encourage openness, honesty and integrity in all purchasing activity.

The Purchasing Office also publishes its service level agreement, which details the levels of service that “customers” (i.e. university staff involved in purchasing) may

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http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/FileStore/Filetoupload,186122,en.pdf
expect from it. It supports the university’s mission through efficient and effective procurement, characterized by striving for the following:47

- Focusing on the customers.
- Effective communication.
- Working to deliver best value.
- Developing positive working relationships with our suppliers and others.
- Commitment to the highest ethical standards.
- Responding to demands on purchasing matters in a professional manner.

To accomplish these goals, the Purchasing Office takes a number of specific actions to benefit customers, including the provision of advice, information, and training; as well as approving purchase orders, facilitating payment by credit card, and tendering for both individual requirements and framework agreements. The office also works to “monitor and review the service provided to improve efficiency for the future.” The following is a list of specific practices the office employs as part of its review:48

**Service Monitoring and Review at Queen’s University**

1. **Continually review the service provided** by examining current practices, exploring alternatives for improvement and establishing effective programs for implementation.

2. Review performance at the end of July each year with the review **taking account of the performance for the previous year**.

3. **Make comparisons through data accumulation** between years and between old methods and improvements to services.

4. Take into account **resource constraints** to avoid developing a costly means of assessing performance which may not have true benefits to the University.

5. Aim to undertake an **annual customer satisfaction survey** which will be used to monitor our performance and trigger any further enhancements to service provision.

6. Aim to conduct at least **one briefing session per school each academic year**, and also have review meetings with directorates which will assist in the development of our relationships with our customers.

7. **Participate** in the activities and/or implement recommendations of multi-professional teams as and **when required**.

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48 Ibid., 7. (adapted)
In its service level agreement document, the Purchasing Office provides a table of several **key performance indicators** for AY 2005-06 in order for future comparisons. In this table, the office includes procurement savings achieved during this year through increased efficiency, avoiding cost increases, and saving cash against existing expenditure levels. The result was over £150,000 in savings in one year. The table below displays these savings in further detail.

<table>
<thead>
<tr>
<th>Type of Savings</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash savings against existing expenditure levels</td>
<td>£113,076.27</td>
</tr>
<tr>
<td>Cost increases avoided</td>
<td>£39,525.97</td>
</tr>
<tr>
<td>Efficiency reductions due to process changes</td>
<td>£2,154.46</td>
</tr>
<tr>
<td><strong>Total savings</strong></td>
<td><strong>£154,756.70</strong></td>
</tr>
</tbody>
</table>

Source: Queen’s University Belfast, Purchasing Office

Queen’s University Belfast publishes detailed information concerning procurement objectives, regulations, and procedures on its website, including financial thresholds for procurement.

All purchases which are less than £2,500 may be approved by a nominated buyer; however, purchases greater than this amount require multiple written quotations. For further details on procurement thresholds, see the appendix.

The procurement regulations **encourage purchasers to consider purchasing second-hand, reconditions, ex-demonstration, or refurbished equipment** in lieu of purchasing new items. Such “fraction-of-the-cost” purchases are acceptable “as long as value for money is being obtained and it can be determined that the equipment will remain fully operational for the period of its use.” This requires a detailed history of the items purchased from the seller. Further, a longer warranty for the item should be obtained (such as a twelve-month warranty as opposed to a standard three- or six-month one). If these conditions are satisfied, purchasing such items can result in significant savings to the university.

There are several types of procurement agreements that the Purchasing Office at Queen’s University may form with suppliers. These consist of contracts, framework agreements, and preferred suppliers:

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49 Ibid., 8.
50 Queen’s University Belfast. “Objectives, Regulations & Procedures.”
https://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/
51 Queen’s University Belfast. “Secondhand, Reconditioned, Ex-Demonstration, or Refurbished Equipment.”
https://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/
52 Queen’s University Belfast. “Centrally-Managed Purchasing Arrangements.”
https://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/
Contracts: These are prepared after a competition held under the University’s quotation or tender procedures, and are binding. They can be for specific ‘one-off’ purchases or for goods/services used throughout the Institution.

Framework Agreements: This is a form of contract where more than one supplier is awarded the University’s business. The University agrees that all business falling within the scope of the arrangement will be given to the firms that have been so awarded. However, no guarantee is given as to the volume or value of business that will be placed with any of the individual firms.

Preferred Suppliers: This is a supplier with whom the Purchasing Office has negotiated preferential terms, often in the form of a percentage discount off the supplier’s trade catalogue or price list. The value of orders to preferred suppliers should not normally exceed the threshold at which the University’s competitive procedures apply.

Further details regarding the procurement process at Queen’s University may be found in the Purchasing Office’s “Guide to Equipment Purchasing,” which details the individual steps of the procurement process at Queen’s University. The following issues and questions must be taken into account in the process:

Type of equipment
Purchasers should ask, “Is this already covered by a centrally-negotiated arrangement? Does anyone else in the University require similar equipment?” The equipment purchased by the University varies from low value/high volume items to very expensive ‘one-off’ purchases. The procedure to be followed when seeking competitive bids is essentially the same irrespective of the equipment’s value. The main difference relates to the level of documentation and time involved and these are designed to reflect the overall costs or long-term implications of the purchase. For example, some pieces of equipment have a relatively low purchase cost but high running costs. Therefore, the complete cost of the purchase should be considered, not just the initial purchase price. A final consideration is whether any other area within the University may be wishing to purchase a similar item. In the past, considerable savings have been achieved by coordinating the purchases of similar items of equipment.

Approximate value of the equipment
Depending on the expected value, purchasers should ask, “Should the Purchasing Office be involved in the procurement exercise?” The total value of the purchase should be estimated. This will indicate the quotation/tendering requirements. The

53 Queen’s University Belfast. “Guide to Equipment Purchasing.” (adapted)
http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/GuidetoEquipmentPurchasing
unit should seek the required competitive quotations, however, all purchases over the tender threshold must be tendered by the Purchasing Office.

**Specification for the equipment**

Writing a specification for the proposed purchase is one of the most difficult aspects of the quotation/tendering process. The specification can be either performance-based or output-based and should use clear language. It is important that the potential supplier knows exactly what is required. The use of brand names is not permitted. The Purchasing Office will advise on the preparation of the specifications. In general, the specification will be written in two parts. Firstly, the essential criteria—what the equipment must do, and secondly, the desirable criteria—any extra factors which could enhance its operation and suitability. Other factors (such as back-up service, maintenance costs, etc.) should also be considered.

**Procedure for obtaining and receiving quotations/tenders**

The keystone of the quotation/tender procedures is that potential suppliers are given an equal opportunity to bid for the University’s business (i.e. the procedures should be transparent and non-discriminatory). It is necessary, therefore, that all suppliers receive the enquiry at the same time, have the same opportunity to discuss the requirement and submit the sealed, secret bids on or before a stated date and time.

**Award of the business**

The final decision relating to the award of the quotation/tender rests with the end user. The decision is made on the basis of the ‘most economically advantageous’ bid, not necessarily the lowest bid. The most economically advantageous bid will include factors such as running costs, back-up service, technical support, delivery etc., as well as price. However, it must be noted that where the lowest bid is not accepted, the decision made must be supported with a written justification which the end user should be able to stand over. In the case of tenders, all submissions will have been scored against pre-defined criteria and it is the outcome of this assessment which will be used as the basis for the ultimate award.

**Proposed location of the equipment**

Purchasers should ask, “Is any structural work required to facilitate the installation and operation of the equipment?” Although not falling within the Purchasing Office’s remit, experience has shown that, in some cases, structural work may be required prior to the delivery of large pieces of equipment. It is advised that the purchaser contacts the Estates Department, as early in the exercise as possible, to discuss any implications of the proposed purchase.

Furthermore, concerning procurement control mechanisms, the Purchasing Office publishes a document titled “Guide to Ethics in Purchasing,” which is intended to
help prevent procurement abuse. The office encourages anyone involved in the procurement process to adhere to the following ethical principles.54

Management Responsibility
Managers should ensure that staff involved in the purchasing function are aware of the principles outlined in the guide and understand the need for ethical behavior.

Disclosure of Interest
Whenever a member of staff has an interest in a planned purchase, that member must declare the related interest which they may have in any proposed transaction. Purchasers are required to sign the purchase request form states, a section of which states, “I have no related interest in this requisition as outlined in the University's Regulations, Guidelines and Procedures for the Procurement of Goods and Services.” The authorized purchaser should not sign this document if there is a conflict of interest.

Gifts and Hospitality
This is directly consistent with the university’s “Policy on the Acceptance of Gifts, Gratuities and Hospitality.” Staff must be vigilant and constantly aware of public perception. The reputation of the University is at risk if an unethical relationship is fostered with an individual business or an organisation.

Fair Dealing
Dealings with suppliers must be honest, fair and even-handed at all times. To foster such an atmosphere with suppliers and to show that the University is an impartial and ethical manager of the public funds in its charge, staff should not mislead or place unfair pressure on suppliers.

Confidentiality of Information
Any information provided by tenderers should be regarded as confidential. Staff should note that in order to maintain integrity, information received in the course of a purchasing exercise should be treated as confidential. Details of the documentation and contracts (including price) should not be divulged to competitors or others, and all paperwork regarding the exercise should be kept secure.

Systems and Procedures
Good purchasing practices should be promoted and augmented by the appropriate systems and procedures within every unit of the University. Staff should be aware of the importance of written records, which demonstrate that proper ethical standards have been observed, and are used both as an audit trail and a record of reasons for making a particular procurement decision. Such written records should include

54 Queen's University Belfast. “Guide to Ethics in Purchasing.” (adapted) http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/EthicsinPurchasing
adherence to the proper procedures laid down for obtaining the proper number of sealed quotations or tenders, the raising and placing of orders, receipt of goods or services, and the authorization of invoices for payment.

Following these principles will help to preserve the ethical integrity of procurement at the university. Besides these processes, other control mechanisms are also in place to prevent abuse and a resultant loss of savings. One such mechanism is the facilitation of payment by credit card. The purpose of this is to provide an efficient method for the purchase of low-value goods and services. To this end, the Purchasing Office will “benchmark [the] programme against others to ensure best practice,” and “ensure the provision of appropriate security and control mechanisms to avoid fraudulent use.”\(^{55}\) Another control mechanism pertains to the regulation of purchase orders. Purchase orders must pass through two levels of approval to become finalized: receiving a signature as well as electronic approval. The signature must come from an authorized budget-holder, who first confirms the availability of funds; in order to prevent abuse or fraud from procurement claims, the person making the procurement request cannot also be the signing budget-holder.\(^ {56}\) This is consistent with the policy at the University of Edinburgh, and Scottish higher education procurement in general. The Purchasing Office at Queen’s University typically does not consent to the pre-payment of purchase orders, as “it places University funds at risk and it may be very difficult to obtain a refund if the supplier does not honour the purchase order,” especially if the procurement involves a large sum of money.\(^ {57}\) However, if necessary, pre-payment may be granted under the following conditions:\(^ {58}\)

- Members of staff must not become involved in negotiating payment terms,
- Provide clear evidence that work of that value has been completed, and/or
- The supplier must provide a banker’s guarantee that all monies paid will be refunded in full should the supplier fail to fulfill the contract.

This places a sufficient control on pre-paid procurement. These policies work to maintain ethical standards in procurement at Queen’s University. This is paramount, as ethical violations are not tolerated; according to university regulations, “misuse or misappropriation of the assets and funds of the University is a serious disciplinary matter which could ultimately lead to criminal proceedings.”\(^ {59}\)


\(^{56}\) Queen’s University Belfast. “Approval of Purchase Orders.”
http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/#anchor9

\(^{57}\) Queen’s University Belfast. “Pre-Payment of Purchase Orders.”
http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/#anchor11

\(^{58}\) Ibid.

\(^{59}\) Queen’s University Belfast. “Ethical Standards.”
http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/#anchor21
Procurement Key Trends and Best Practices

In comparing procurement functions among UK universities, several common themes emerged. The first is that nearly all universities noted the devolved system upon which their procurement functions operated. Although central procurement offices provide support to school and departmental purchasing, particular divisions are responsible for their own purchasing operations. Secondly, achieving value for money (VFM) was a recurring concern for these universities. VFM is not only the procurement of the cheapest possible goods; rather, it requires an analysis of a range of variables in order to procure goods with the lowest whole-life cost. Following VFM principles is an important part in achieving procurement savings. Third, many institutions noted the need to embody corporate social responsibility (CSR) in the procurement process. Procurement CSR entails a consideration of how purchasing policy affects the wider social and environmental fabric to which it is connected, and emphasizes sustainable practices. Lastly, many of the university purchasing thresholds and procedures displayed in the appendix note that procuring any goods greater than £139,893 requires compliance with EU policy (which includes advertizing requirements).

An increasing trend has been a focus on e-Procurement and sustainability. These issues are closely related, as e-Procurement fosters sustainability in procurement. Institutions within the Southern Universities Purchasing Consortium (SUPC) have experienced significant savings by implementing sustainability efforts. One e-Procurement solution that SUPC offers is called Parabilis; several Russell Group members are participating in this, including the universities of Southampton and Glasgow. SUPC notes that this system “is now host to catalogues from more than 100 suppliers, has 21 punch-out connections and over 1200 suppliers trading via the free text option.” This has resulted in nearly £700,000 in efficiency savings (calculated conservatively at £20 per purchase order). The following chart displays the quarterly efficiency savings that Parabilis members have experienced since 2007.

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61 Ibid.
Sustainable procurement (which has also been called “Green Procurement”) is at work among several Russell Group institutions. The University of Cambridge has published a “Green Procurement Guide,” giving guidance on environmental aspects of purchasing. In addition to advocating environmentally-sound procurement practices, the guide also details how sustainable procurement can be cost-effective. The following points illustrate how **Green Procurement practices allow institutions to reap economic benefits**:62

- Green alternatives can be more energy efficient. Initial outlay may be marginally more but the average payback periods for such initiatives are measured in months, not years.

- Many waste minimization measures cost nothing, but yield big results.

- Waste costs more than may be expected. When an institution considers the materials, the costs of treatment, energy and wasted labor, it will find the real price tag on waste is often 5-20 times the cost of disposal.

One case study conducted by the UK Joint Information Systems Committee (JISC) records the **tremendous savings the Imperial College at London experienced** through implementing e-Procurement practices. According to the study, within the first year “more than 2 million pieces of paper had been removed from the procurement process, and the savings achieved had covered the £174k cost of the

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http://www.admin.cam.ac.uk/offices/environment/guidance/purchase.html#intro (adapted)
In addition to pursuing savings through sustainability, Imperial has also implemented online “reverse auctions,” which allow its suppliers to compete in bidding down prices, resulting in lower costs; according to a recent VFM report, four such auctions have produced savings of over £1.1 million as of 2008.

According to the findings of this report, **value for money (VFM) practices are the most significant contributors to a reduction in procurement costs** to UK universities. Almost all of the institutions selected for inclusion in this report highlighted how implementing such practices has produced substantial savings. In its recent VFM report, the Imperial College at London estimated that the university saved more than £4 million in 2008 alone through employing VFM practices throughout procurement. Such savings can also be seen elsewhere, as **with increased efficiency due to process changes** that took place at Queen’s University Belfast. In AY 2005-06, these changes resulted in a savings to the university of more than £2.1 million. Lastly, the **control mechanisms** these institutions have put in place—especially those that aim to prevent conflicts of interest—result in untold savings, though difficult to quantify. The above data suggests that procurement at most universities would benefit greatly by reduced costs through implementing these best practices.

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Appendix: Purchasing Thresholds and Procedures

The following tables display the purchasing thresholds and procedures in place at individual Russell Group institutions.

### University of Cambridge

<table>
<thead>
<tr>
<th>Total Value (excluding VAT)</th>
<th>Standard Purchases</th>
<th>Framework Contracts</th>
<th>Marketplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £250</td>
<td>No quote required</td>
<td>Follow procedures recommended by CPO for the contract</td>
<td>Only the quote provided is needed</td>
</tr>
<tr>
<td>£250–£500</td>
<td>Telephone/web quotes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£500–£10,000</td>
<td>3 competitive quotes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£10,000–£50,000</td>
<td>3 competitive proposals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£50,000–£139,893</td>
<td>3 invitations to tender</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Cambridge, Finance Division^65

### Imperial College at London

<table>
<thead>
<tr>
<th>Total Value (excluding VAT)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £10,000</td>
<td>Order may be made without competitive quotations.</td>
</tr>
<tr>
<td>£10,000–£20,000</td>
<td>Seek at least 3 written quotations, obtaining at least 2.</td>
</tr>
<tr>
<td>£20,000–£50,000</td>
<td>Seek at least 4 written quotations or tenders. The decision and reasons must be entered in the contract file.</td>
</tr>
<tr>
<td>£50,000–£100,000</td>
<td>At least 4 tenders must be invited.</td>
</tr>
<tr>
<td>&gt; £100,000</td>
<td>Consult with Purchasing who will carry out the tender.</td>
</tr>
</tbody>
</table>

Source: Imperial College at London, Purchasing Department^66

### University of Manchester

<table>
<thead>
<tr>
<th>Total Value (excluding VAT)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £5,000</td>
<td>Obtain 3 competitive written quotations.</td>
</tr>
<tr>
<td>£5,000–£25,000</td>
<td>Obtain at least 3 competitive quotations, budgetary approval, and approval from School High Value Approver.</td>
</tr>
<tr>
<td>£25,000–£50,000</td>
<td>Obtain at least 3 competitive quotations, budgetary approval, and approval from Procurement Office High Value Approver.</td>
</tr>
<tr>
<td>£50,000–£100,000</td>
<td>Obtain at least 3 sealed tenders, budgetary approval, and approval from Procurement Office High Value Approver.</td>
</tr>
<tr>
<td>&gt; £100,000</td>
<td>Contact your procurement officer for advice and assistance.</td>
</tr>
</tbody>
</table>

Source: University of Manchester, Procurement Office^67

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^66 Imperial College at London. “When to Tender.” [http://www3.imperial.ac.uk/purchasing/competition/guidancenotes1/whentotender](http://www3.imperial.ac.uk/purchasing/competition/guidancenotes1/whentotender)

### Newcastle University  
(Contracted Suppliers)

<table>
<thead>
<tr>
<th>Total Value (excluding VAT)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £25,000</td>
<td>Approach contracted suppliers for a quotation.</td>
</tr>
<tr>
<td>£25,001–£50,000</td>
<td>Approach contracted suppliers for formal written quotations.</td>
</tr>
<tr>
<td>£50,001–£139,893</td>
<td>Tender to be conducted with the involvement of Purchasing Services in compliance with University/Funding Body Regulations</td>
</tr>
</tbody>
</table>

Source: Newcastle University

### Newcastle University  
(Non-Contracted Suppliers)

<table>
<thead>
<tr>
<th>Total Value</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £100</td>
<td>Purchase</td>
</tr>
<tr>
<td>£101–£1,000</td>
<td>Obtain 1 quote.</td>
</tr>
<tr>
<td>£1,001–£10,000</td>
<td>Obtain 2 quotations.</td>
</tr>
<tr>
<td>£10,001–£50,000</td>
<td>Obtain 3 quotations.</td>
</tr>
<tr>
<td>£50,001–£139,893</td>
<td>Tender to be conducted with the involvement of Purchasing Services in compliance with University/Funding Body Regulations</td>
</tr>
</tbody>
</table>

Source: Newcastle University

### Queen’s University Belfast

<table>
<thead>
<tr>
<th>Total Value (excluding VAT)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; £2,500</td>
<td>May be approved by a Nominated Buyer.</td>
</tr>
<tr>
<td>£2,500–£10,000</td>
<td>Require at least 3 written competitive quotations.</td>
</tr>
<tr>
<td>£10,000–£30,000</td>
<td>Require at least 4 written competitive quotations.</td>
</tr>
<tr>
<td>£30,000–£156,442</td>
<td>Subject to a competitive tendering exercise which must be handled by the Purchasing Office. (The Purchasing Office should be contacted as early as possible in the process.)</td>
</tr>
</tbody>
</table>

Source: Queen’s University Belfast, Purchasing Office

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69 Ibid.
70 Queen’s University Belfast. “Financial Thresholds.” http://www.qub.ac.uk/directorates/FinanceDirectorate/Purchasing/PoliciesandProcedures/GuidelinesandProcedures/ObjectivesRegulationsProcedures/#anchor2
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