



Policy name	Procurement Policy
Subject	Value for money
Approving authority	Finance Committee
Accountable person	Chief Financial Officer / Head of Procurement
Responsible Team	Procurement Team
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1 Introductory Purpose & Background

For the University to maintain financial sustainability and achieve stated objectives in the University Strategy, the University Council and those charged with governance must ensure that appropriate financial and procurement arrangements are in place and that they are adhered to in practice.

As a public body and a charity, the University is subject to scrutiny and accountability (for example by its regulator, the Office for Students that in addition to its functions, also regulates Higher Education exempt charities, such as the University and by anyone that may wish to make enquiries about the University using Freedom of Information requests) and as such has a responsibility to ensure that all processes relating to expenditure are conducted properly and that staff maintain financial propriety, consider ethical standards and achieve best value.

In addition to these considerations, this Procurement Policy ("**Policy**") helps to safeguard external funding streams and to ensure that we are able to demonstrate compliance with the terms of the Grant Funding, which may include compliance with Public Procurement Law (e.g. the Public Contracts Regulations 2015 or the new Procurement Act 2023), the EU Treaty Principles or National Funding Rules (where appropriate) in selecting the suppliers of goods, works or services and each stage of which should be fully recorded in order to be able to demonstrate compliance in the event of an audit by a funding body. A list of legislation which applies to and must be considered in procurement and contract management activities can be found at Appendix 1.

The purpose of this Procurement Policy is to establish key requirements and responsibilities for acquiring goods, services, and works in a manner that ensures value for money, transparency, accountability, and compliance with all applicable laws and regulations.

2 Scope

This Policy applies to all staff members of the University and its subsidiary companies, including temporary staff, contractors and consultants acting on behalf of the University of Nottingham.

This Policy does not apply to The University of Nottingham Students' Union, the University of Nottingham in Malaysia ("UNM") and the University of Nottingham Ningbo China ("UNNC") and Nottingham Venues as they operate separate procurement policies.

3 Definitions

Central Supplier Contracts Register – a list of all supplier contracts in place at the University, kept centrally in the Unicore system

Contract - A contract is any legally binding arrangement made by the University (or by a subsidiary). Contracts contain obligations which are likely to have a material effect on the financial and legal exposure of the University. All contracts must be clear about any direct and indirect cost, include provisions concerning the University's statutory and regulatory obligations (such as data protection), any reputational risk and ensure any such risks are appropriately included in the contract and actively managed. These include arrangements for:

- The supply of goods.
- Execution of works.
- The delivery of services (including the hire, rental, repair, maintenance or lease of goods or equipment).

For the purposes of this Policy, reference to contracts does not include:

- *Contracts of employment which make an individual a direct or temporary employee of the University.*
- *Agreements regarding the acquisition, disposal, or transfer of land (for which Financial Regulations apply)*
- *Awarding or receipt of Grant monies.*

Dispensation: For all spend above £1k, if staff members are unable to follow the purchasing routes identified in 4.3 of this Policy, a dispensation form can be completed to request procurement authorisation for the purchase.

Exemption: If staff members are unable to follow the purchasing routes identified in 4.3 of this Policy because the expenditure cannot be influenced by Procurement as the route to market is pre-determined by one of alternative factors (listed below), an exemption from the procurement policy can be requested. In certain circumstances, a Contract Purchase Agreement (CPA) may be created within Unicore by the Procurement team to provide an exemption over multiple years.

- Research funding nominates a specific supplier
- Payments in relation to research council grants, doctoral training, research bodies etc
- Licence renewal e.g. chemicals (Excluding software licences)

- Membership and affiliation fees (Including subscriptions to professional bodies)
- Conference fees
- Cost of student placements
- Bursaries and scholarships
- Payments to other institutions, charities, schools, NHS (e.g., franchised placements)
- Payments to individuals (e.g., staff costs included under the Op-Ex category)
- Rent and rates and planning fees to local authority
- Payments to banks, interest charges, etc.
- Payments to HMRC
- Payment to students' union and trade unions

Policy: The Procurement Policy

Procurement: The process of acquiring goods, services, or works from external sources.

Project Plan – Internal document which details the agreed procurement strategy and associated outcomes which is signed by staff representative in each department or faculty

Purchase Order (PO): An official document issued by the University through UniCore to commit funds to purchase goods, services or works.

Responsible Procurement - the act of sourcing services, goods and/or works in a way that takes into account ethical and sustainable considerations, such as:

- sustainability (impact to the environment)
- social value (impact to the local community)
- equality, diversity and inclusion
- modern day slavery (within the supply chain)

Specification - all Goods/Works/Services procured for and on behalf of the University shall have a document, the specification, that clearly identifies the essential and desirable criteria that the University shall require as deliverables and which will form an essential part of the Procurement and the resulting Contract.

Staff – all staff members across all job families including Research & Teaching, Administrative, Professional & Managerial, Technical Services, Operations & Facilities, Childcare Services and Clinicians).

Supplier: A person or entity that provides goods, services or works to the University.

Threshold Levels: Financial limits that determine the level of procurement process required (e.g., quotes, tenders) and contained in this Policy at 4.3.

Value for money – value is defined in the Office of Government Commerce (OGC) as the optimal combination of whole life costs and quality to meet the end user requirements. It is measured using the Higher Education Procurement Association (HEPA) methodology, which details a range of benefits to Higher Education Institution's

Examples Include:

- Cashable direct price savings through procurement tenders and / or contract management.
- Non-cashable value such as cost avoidance where proposed cost increases are negotiated down
- Added value / additionality by obtaining an improved quality for same price or additional services outside of the specification.
- Enhanced corporate social responsibility outcomes which are measured by the TOMs framework.
- Reduction of risk to the University.

4 Policy

4.1 Key Principles

All procurement activities must be guided by the following principles:

1. **Value for money** in all procurement activities through competition and consideration of price, quality, and whole life cost
2. **Risk mitigation** through appropriate contractual and financial controls
3. **Consideration of broader public benefits** by assessing the environmental, ethical and social risks and associated opportunities in procurement strategies.
4. **Compliance** with legal obligations, University specific requirements (e.g. Supplier Code of Conduct) and internal governance procedures

4.2 Roles and Responsibilities

The Chief Financial Officer has overall responsibility for this Policy. Operational responsibility will be delegated to the Head of Procurement.

4.2.1 Head of Procurement

The Head of Procurement is accountable for establishing the standards of compliance within this Policy, oversight of the Procurement Team's activity and the management of risks related to non-compliance.

4.2.2 Procurement team

The Procurement team is responsible for maximising value and managing procurement compliance across the University by advising on the best way to engage the market and secure value for money relating to each contract above £25,000 (excl. VAT).

This includes;

- a) Conducting annual spend analysis across non-pay expenditure to identify opportunities for consolidation of goods / works / services across the University to enable better pricing through economies of scale for the benefit of wider University
- b) Holding annual meetings with Faculty Operations Directors and Professional Services Directors (and any other relevant senior leaders) to discuss expenditure and existing contracts in their area and identify opportunities for improvements.
- c) Advising on the procurement strategy in the Project Plan which details the options for and the agreed route to market, evaluation approach, details of the proposed award and any risks within the contract itself for agreement with budget holders
- d) Undertaking due diligence checks on all suppliers considered for contractual award and lead the procurement activity for all procurements over £25,000 (excl. VAT).
- e) Ensuring appropriate contracts are put into place and legal counsel has been sought to enable proper consideration of legal and financial exposure
- f) Supporting staff members with making contract variations and ensure a copy is kept in the central contracts register
- g) Reviewing and responding to requests for dispensations and exemptions.
- h) Adherence to the Conflict of Interests policy to ensure risk mitigation for the University and ensure staff members complete the Conflict of Interest form
- i) Incorporating responsible procurement considerations using a risk profiling matrix to identify external impacts that may influence risk exposure to the University and provide guidance on which responsible procurement factors are a priority.
- j) Conducting contract management activities for corporate wide contracts (e.g. lab consumables, stationery, Amazon, Audio Visual)
- k) Reviewing and authorising requisitions over the value of £25,000 (Ex Vat)

4.2.3 UEB and FPVC's

The University Executive Board and Pro-Vice-Chancellor(s) of Faculties or Directors of Professional Services are responsible for overseeing the effective compliance of this Policy with the support of line managers.

Directors and budget holders are responsible for the financial control of all expenditure within their departments. Budget holders may delegate the duty, but not the responsibility, of budgetary control to other individuals within the department.

4.2.4 All Staff

All staff are responsible for ensuring that:

- a) The funds required to procure goods, works or services are available in their budget and approvals have been received through the appropriate governance procedures.
- b) The funds they are allocating to a procurement adhere to this Policy, the University's Schedule of Delegated Financial Authority and the Authority to Approve and Sign Contracts Code of Practice. Compliance with these will assist staff should they be asked to demonstrate this in any external or internal audit inspection.
- c) Professional procurement, legal and financial advice is sought in advance of approaching the market and engaging suppliers as well as throughout the procurement process.
- d) External funding received must be deployed in line with this Policy and any grant funders conditions. They must seek further advice from Legal Services and or a Procurement Partner if any of the grant conditions are inconsistent with this Policy.
- e) They comply with the University's conflict of interest policy and declare any personal financial interest in a Contract through Procurement's Conflict of Interest form [link here](#). Corruption is a criminal offence.
- f) Goods / works / services are not split into smaller constituent parts to circumvent the necessary procurement procedures associated with financial thresholds.
- g) Where a variation or extension to a contract is required, they engage the procurement team prior to any agreement with the supplier and further commitment of funds.
- h) Where there is non-adherence to this Policy, the dispensation or exemption is requested in advance of any financial and legal commitment.
- i) Once a dispensation is approved, they promptly engage with Legal Services to ensure the appropriate Contract is in place. Where Contracts are put in place through the dispensation process (and not via the central procurement team), the budget holder is responsible for ensuring an appropriate Contract is in place and provided in a timely manner to the Head of Procurement prior to any purchase order being raised. These Contracts will be stored in the central contracts register and to enable oversight and a review of the approach prior to expiry.
- j) Bids are kept confidential. This includes price and services offered.
- k) A completed written Contract is signed on behalf of the parties and in compliance with this Policy and the Authority to Sign Contracts Code of Practice

- l) A University Purchase Order is created before the supply of goods, services or carrying out of works begins.
- m) Funds are expended for the purposes for which they were given; and
- n) Expenditure and income are coded to the cost centre / account code combination that reflects the substance of the transaction and to contact Finance if unsure.

4.3 University procurement thresholds

All staff must adhere to the following University thresholds:

Spend Value	Responsibility	Procurement Route	Where there is no contracted supplier
Up to £999 (ex Vat)	Devolved Community	Utilise a University approved Contracted supplier (listed here)	Obtain 1 written quote from market providers and attach to PO
£1,000 (ex Vat) to £24,999 (ex Vat)		Utilise a University approved Contracted supplier (listed here)	Obtain 3 written quotes from market providers to show benchmarking activity and value for money and attach to PO
£25,000 (ex Vat) and Above	Contact the University Procurement Department who will advise on the procurement strategy and lead the procurement process		

4.4 The consequences of non-compliance.

All staff must comply with this Policy and related policies, procedures, standards and guidance (see paragraph 6). Failure to do so may result in disciplinary action up to and including termination of employment.

Where a staff member conducts procurement activity that is not in line with this Policy and puts in place an agreement with a supplier (verbally or formally in writing) before receiving approval to dispense with this Policy via the dispensation process, this will result in disciplinary action up to and including termination of employment.

4.5 How compliance with this Policy will be measured.

Compliance is measured on an on-going basis through collation and analysis of dispensation requests. All procurement undertaken through the dispensation process shall be reported to the Assurance Committee at least every six months, to highlight specific areas of concern. Note that staff must ensure that they do not commit any funds to a supplier until the dispensation is approved.

Additionally, procurement activity is within the scope of the Priority Controls of the University's Assurance Framework (see the Risk and Assurance SharePoint site for

further information) and compliance with this policy will be assessed through the annual self-attestation cycle.

4.6 Provisions for monitoring and reporting related to this Policy.

The University's internal audit team has full visibility of the finance and procurement system Unicore and review this as and when required, including in relation to investigations into potential misuse of and non-compliance with this Policy.

5 Review

This Policy will be reviewed at least every 2 years.

6 Related policies, procedures, standards and guidance

The University of Nottingham (the “University”) is committed to upholding the highest standards of integrity, transparency, and ethical conduct across all its academic, research, and professional services functions.

The University recognises its responsibility to prevent and respond to financial misconduct, including fraud, bribery, and money laundering. The University will observe the provisions and legal obligations under relevant legislation, including, but not limited to:

- The Fraud Act 2006
- The Proceeds of Crime Act 2002
- The Terrorism Act 2000
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- The UK Bribery Act 2010
- Economic Crime and Corporate Transparency Act 2023 (ECCTA)

The associated suite of policies is designed to ensure compliance with legal and regulatory requirements and promote a culture of ethical behaviour and accountability. The University will adhere to and uphold the policies and will follow up instances of non-compliance.

These include the following key policies:

- Anti-Bribery Policy
- Modern Slavery Act Policy
- Gift Acceptance Policy
- Travel and expenses Policy
- Financial Regulations

- The University's Scheme of Delegated Authority to approve expenditure and the Authority to Approve and Sign Contracts Code of Practice
- All codes of practice (COPs) and standard operating procedures (SOPs) detailed in the Procurement SharePoint.
- Partnership Due Diligence Framework

Appendix 1 – Legislation

Legislation applying to, and which must be considered in procurement and contract management can include, but is not limited to the following:

- The Procurement Act 2023 (formerly The Public Contracts Regulations 2015)
- EU Procurement Directives <https://www.gov.uk/guidance/transposing-eu-procurement-directives>
- The Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018 www.legislation.gov.uk/ukxi/2018/852/contents/made
- The Bribery Act 2010 <http://www.legislation.gov.uk/ukpga/2010/23/contents>
- Modern Slavery Act 2015
<http://www.legislation.gov.uk/ukpga/2015/30/contents>
- The Freedom of Information Act 2000
<https://www.legislation.gov.uk/ukpga/2000/36/contents>
- The Public Services (Social Value) Act
<http://www.legislation.gov.uk/ukpga/2012/3/notes/division/1>
- Health & Safety at Work Act <http://www.legislation.gov.uk/ukpga/1974/37>
- The Criminal Finance Act 2017
<http://www.legislation.gov.uk/ukpga/2017/22/contents/enacted>
- Counter Terrorism and Security Act 2015
<http://www.legislation.gov.uk/ukpga/2015/6/contents/enacted>
- The General Data Protection Regulation 2016/679 <https://eugdpr.org/>
- The Data Protection Act 2018
<http://www.legislation.gov.uk/ukpga/2018/12/contents/enacted>
- The Payment Card Industry Data Security Standard
https://pcicompliance.stanford.edu/sites/g/files/sbiybj7706/f/pci_dss_v3-2.pdf
- Public sector off-payroll working for clients <https://www.gov.uk/topic/business-tax/ir35>
- Sale of Goods Act 1979, as amended by the Sale of Supply of Goods Act 1994 <https://www.legislation.gov.uk/ukpga/1979/54>
- Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) <http://www.legislation.gov.uk/ukxi/2006/246/contents/made>

- Waste Electrical and Electronic Equipment (WEEE) Regulations 2013
<http://www.legislation.gov.uk/uksi/2013/3113/contents/made>
- Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/notes/contents>
- Fraud Act 2006 <http://www.legislation.gov.uk/ukpga/2006/35/contents>
- Economic Crime and Corporate Transparency Act 2023
<https://www.legislation.gov.uk/ukpga/2023/56/contents>