



UK | DUBAI | MALAYSIA

Global Procurement Policy

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1. INTRODUCTION

The University is committed to obtaining value for money in all its transactions, irrespective of the source of funds. As such, the University requires all budget holders to obtain goods and services at the most economically advantageous cost, consistent with quality, delivery requirements and sustainability, and always in accordance with sound business practice and integrity.

Procurement Services is responsible for putting in place mechanisms to ensure that Academic Schools, Research Institutes and Professional Services are able to conform to all legal, ethical and institutional requirements, and are able to obtain the best value for money (VFM) when purchasing on behalf of the University.

Although procurement legislation, regulations and operating models differ within the three campus countries, the ethos and principles of fairness, transparency, openness, economy and competition must be evident and consistent throughout the University's procurement activities.

It is essential that all staff who commit expenditure are aware of the obligations placed upon them and comply with the procurement requirements at their campus.

Through a coordinated global approach, Procurement Services will ensure that all campuses are aligned in our strategic direction and embedding 'one HW way' in our policies and operations wherever possible. Our objective is to deliver a more cohesive and efficient approach to procurement within and across all campuses.

The procurement, procedures and guidelines in relation to tendering and purchasing can be found on the [Procurement Services Sharepoint Hub](#).

This Policy is intended to not only deliver VFM and embed strong financial governance, but to make a significant, sustainable and socially responsible contribution in our local regions and across the world. This Policy supports the University's commitment to integrating sustainability into everyday practice and decision-making processes, thereby minimizing our environmental impact and optimizing the social and economic outcomes associated with our operations.

2. PURPOSE

This Procurement Policy sets out the University's expectations with regard to the purchase of all goods, services and works in order to achieve the best possible value for money from University, grant or research funds.

The Policy outlines the guidance and rules to ensure the requirements of the University's [Financial Regulations](#) are met, along with the University's external legislative and regulatory obligations. As a key financial policy, it forms a core part of the "financial framework" (Financial Regulations, financial policies and financial systems).

This Policy contains the principles, practices, and conduct that all University staff must adhere to when involved in procurement activity. It highlights the code of ethics required in all purchases for the University, such as:

- Effectiveness & efficiency (value for money)
- Sustainable procurement
- Open, fair and transparent procedures
- Effective competition
- Bribery Act 2010
- Health & Safety at Work Act 1974
- Modern Slavery Act 2015
- Equality, diversity and inclusion

3. SCOPE

This Policy applies to all purchases of goods, services and works by the University and its subsidiary undertakings, except where the University's Audit and Risk Committee has approved an alternative policy for a specific subsidiary undertaking or joint venture.

It applies irrespective of the source of funding for a purchase, and to purchases undertaken by all members of staff in connection with their University duties. The term 'members of staff' includes University staff and any other individual authorised to undertake purchasing activity on behalf of the University.

This Policy sets out all approved methods of purchasing at the University, and outlines when it is appropriate to use them. For the purposes of this Policy, the words 'purchasing' and 'purchases' refer to the following means of buying goods, services and works:

- University purchase orders
- University purchasing cards
- Any other purchasing method subject to specific written dispensation of the Global Chief Finance Officer

The direct employment of staff is not considered a purchase of goods and/or services and is covered by Human Resource policies. However, the appointment of staff from agencies or through commercial contracts with individuals to provide consultancy or other services (often through Personal Service Companies), is covered by this Policy. As part of the engagement of staff, through agencies or other contractual routes, an assessment of their tax status and consideration of whether they fall under HMRC IR35 regulations is required in line with the [University's Off Payroll Working Guidance](#).

The following are excluded from this Policy, however are found within the University's [Financial Regulations](#):

- Travel and subsistence
- Out of pocket expenses
- Assets of the University
- Lease of Goods

4. POLICY DELIVERY & OPERATION

4.1 General Statement of Policy Delivery

The University operates a centralised Procurement division with a devolved budget system under which nominated Budget Holders are responsible for the management of their external resources. This system is supported by Procurement Services, a central professional service, under the management of the Head of Procurement Services.

University personnel must comply with the principles and practices set out in this Policy, their contracts of employment as well as the University's [Financial Regulations](#). These reflect current legislation and impose additional controls, including the delegation of authority and decision-making requirements.

4.2 Key Elements

All Procurement within the University is to be carried out in accordance with the guidelines stipulated in the Procurement Policy, with particular emphasis on the following:

- Schools and Professional Services are required to consult with Procurement Services at the planning stage on procurements and contracts exceeding £25,000 (Insert Dubai & Malaysia equivalent).
- Procurement out with University contracts or agreements should be in accordance with the University's procedures on quotations and tenders.
- Staff involved in the procurement of goods, services and works throughout the University must consider appropriate environmental, social and economic factors in their purchasing decision.
- The University is committed to observing the highest standards of probity, integrity and fairness in all dealings with external suppliers and contractors. This will be achieved by adherence to the University's Ethical Business Policies.
- All Heads of Primary Organisational Unit should promote and support involvement of appropriate staff in procurement training.

In case of uncertainty as to which policy or procedure should take precedence, University staff must take advice from Procurement Services.

4.3 Responsibilities

Global Chief Finance Officer (GCFO)

Day to day financial administration of the University is controlled by the GCFO who is responsible for preparing three-year capital and revenue budgets and financial plans, and longer term strategic financial plans. In relation to purchasing activities, the GCFO is responsible for:

- Ensuring that the University maintains satisfactory financial systems and controls, including income collection, supplier and employee payments and treasury management
- Providing professional advice on all matters relating to financial policies and procedures.

Head of Procurement Services

The Head of Procurement is responsible for considering all exceptions to the terms of this Policy, and for approving these where there is a demonstrable business need. This should normally be in advance of the purchase being made, unless this is not possible for justifiable operational reasons.

Procurement Services

Procurement Services provide advice and support for all purchasing/procurement activity. Their primary objective is to ensure that individual requirements can be met while ensuring that the University as a whole achieves maximum VFM through its procurement activity, and in compliance with legislation and regulations.

Procurement Services support all companies within the Heriot-Watt Group, across all five campuses, ensuring that the ethos and principles of fairness, transparency, openness, economy and competition are evident and consistent across the University's procurement activities.

Procurement Services must be engaged at the earliest planning stages for any requirement that may exceed £25,000 (including VAT). (Insert Dubai & Malaysia equivalent)

Heads of Primary Organisational Unit

Heads of Primary Organisational Units are responsible for compliance with this Policy in their areas, and for ensuring that those acting under this Policy (for whom they have management or contractual responsibility) are appropriately trained and made aware of their obligations.

Heads of Primary Organisational Unit may maintain oversight of purchasing activity relating to their service area, regardless of the budget it relates to. In many cases, the professional service to which

a purchase relates will need to provide authorisation prior to commitment to that purchase by the University.

Heads of Primary Organisational Units are responsible for ensuring goods, services and works are purchased within their defined budgets, and that this Policy is followed within their Organisational Unit.

Heads of Primary Organisational Units are responsible for the oversight of contracts and their management within their areas of responsibility, unless other specific contract governance has been put in place.

Heads of Primary Organisational Units, or their Deputies, are responsible for the purchasing arrangements in an Organisational Unit and will recommend the appropriate access to the finance system for staff who undertake purchasing, and the distribution and use of purchasing cards.

Budget Holders

A Budget Holder is a member of staff to whom a Budget Officer has delegated responsibility for the management and administration of a portion of the overall budget under the control of the Budget Officer (the Senior Officer appointed by the Principal to have responsibility for the financial management and administration of a Business Unit)

All Budget Holders are required to comply with its policies and procedures regarding the authorisation of expenditure under the [Financial Regulations](#) and Procurement Policy.

Budget Holders must ensure sufficient funds are available before committing the University to any expenditure for goods, services and works.

Budget Holders must ensure that purchases of goods, services and works meet the VFM criteria detailed previously.

Members of Staff

It is the responsibility of all staff to ensure that they follow the requirements of this Policy, the [Financial Regulations](#) and associated guidance when undertaking purchasing activity. Staff are responsible for ensuring that all purchases provide good VFM for the University.

Delegation

The University's [Financial Regulations](#) make provision for the delegation of responsibilities, including purchasing by Heads of Primary Organisational Units.

Where these are delegated, Heads of Primary Organisational Units retains overall responsibility for ensuring the requirements of this Policy are met and that VFM is achieved.

5. KEY OPERATING PRINCIPALS & CONDUCT

5.1 Value for money (VFM)

The University aims to achieve VFM in all of its activities through maximising the economy, efficiency and effectiveness of the goods, services and works it purchases.

Achieving VFM requires judgements to be made, which balance the benefits derived from goods, services and works against the total cost of buying and using them. These total costs of ownership include the purchase cost, maintenance and running costs (including staff resource required) and any costs of disposal, as well as the cost of the buying process itself. Therefore, VFM is not always achieved by purchasing the 'cheapest' product or service.

As well as ensuring VFM is achieved at the point of purchase for any goods, services or works, it is imperative to ensure that the contract continues to deliver VFM throughout its duration.

5.2 Contract Management

Contract Management refers to a number of practices that exist to optimise the relationship between the University and the supplier, manage any risks and issues, and to ensure that both parties are able to perform their obligations under the agreement. It concerns all aspects of the contract's lifecycle, both pre-award (planning, formation, review, drafting, negotiation) and post-award (monitoring performance, renewal, exit, close-out). It is important that both parties should be in no doubt as to their respective obligations throughout the contract lifecycle, and that the contract remains a live document that is updated to reflect the most current status of the relationship.

Applying robust Contract Management ensures:

- the responsibilities of the University and the supplier under a contract are clearly understood
- the potential for improved supplier performance and improved service delivery is realised
- the University receives the intended benefit of the contract
- the agreement remains current, competitive, and active (i.e. relevant and evolving as necessary)
- contracts are appropriately and proportionately supported by skilled Procurement or Project Managers
- availability of high-value management information that supports strategic decision-making and strong negotiations
- financial and reputational risk is reduced
- opportunities for dispute are minimised
- supply risks are avoided or managed effectively.

The amount of resource and activity dedicated to Contract Management activity should be proportionate to the contract that it supports.

5.3 Sustainable Procurement

The University recognises that its procurement activities have a significant impact on the environment, society and the economy through our research and teaching activities, and accepts that it has a responsibility to strive to effectively manage and optimise those impacts.

This Policy also underpins Procurement's vision of making a significant, sustainable and socially responsible contribution to our local and global communities, along with our strategic objective of driving forward the University's sustainability agenda, positively contributing to the University's net zero carbon target and driving economic sustainability through procurement activities. It outlines the University's commitment and approach to Sustainable Procurement in detail and identifies the ways in which procurement can deliver on the wider policy objectives of innovation and growth, promotion of jobs and training opportunities, and increasing Small and Medium Sized Enterprises (SMEs) participation.

Procurement Services strives to ensure University's requirements of acquiring goods, services and capital works in a way that delivers best value-for-money and benefits for not only to the University, but in a way that makes a significant, sustainable and socially responsible contribution in our local regions and across the world.

Purchasing decisions have major socio-economic and environmental implications locally, nationally and globally, now and for generations to come. As such, the University are committed

to integrating sustainability into everyday practice and decision-making processes, thereby minimising our environmental impact and optimising the social and economic outcomes associated with our operations

It is recognised that our external supply chain partners make a significant contribution to carbon and sustainability (in its broadest sense), therefore staff involved in the procurement of goods, services and works throughout the University must consider appropriate environmental, social and economic factors in their purchasing decision

Our sustainable procurement goals will ensure that:

- environmental sustainability and social impact are incorporated into the whole procurement process; assessing and defining the need, evaluating options, design and specifying, supplier selection, tender evaluation, post-contract management and supplier development
- the University and our supply base complies with all relevant legislation and regulatory requirements
- the University promotes sustainable awareness and assessment amongst suppliers and contractors
- the University procures sustainable products and services wherever possible
- the University continues to reduce the negative environmental and sustainability impacts of construction and refurbishment projects
- the University develops measures to monitor our sustainable practice with a view to seeking continual improvement
- the University uses the results of the monitored practice to benchmark its performance against similar organisations, and analyses the benchmarked performance to identify areas of practice for improvement
- staff are upskilled to make sustainable procurement decisions, and have the tools to do so.

The University strongly supports engagement between Budget Holders and Procurement in the early development stages of projects to enable decisions on whether to buy; what you buy and how you buy:

- **Whether you buy:** Schools and Professional Services are encouraged to revisit and re-think their needs. Perhaps Goods, Services or Works can be used for longer, refurbished or repaired.
- **What you buy:** Specifications must consider the University's climate ambitions and targets. Consideration must be given to purchasing refurbished, repaired or pre-used, rather than new. Specifications must be future proofed to allow for refurbishment, remanufacture and repair, as well as supporting emerging technology.
- **How you buy:** Budget Holders and Procurement must actively support a strong focus on climate consideration, achieving a balance of economic, social and environmental outcomes. Additional focus must be placed upon whole life costing.

5.4 Modern Slavery & Human Trafficking

The University is committed to measuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation within the University and its supply chain.

Under the Modern Slavery Act, the University is committed to ensuring there are no instances of modern slavery, human trafficking, forced and bonded labour and labour rights violations in its supply chains, and that the following principles are adhered to:

- employment is freely chosen

- freedom of association and the right to collective bargaining are respected
- working conditions are safe and hygienic
- child labour shall not be used
- living wages are paid
- working hours are not excessive
- no discrimination is practiced
- regular employment is provided
- no harsh or inhumane treatment is allowed.

The University's modern slavery statement can be found on the University's [website](#).

5.5 Fair Working Practices

The University considers that the delivery of a high quality service is critically dependant on a workforce that is well motivated, well-led and has appropriate opportunities for training and skills development. These factors are also important for the workforce recruitment and retention, and thus continuity of service.

When undertaking regulated procurements, suppliers are expected to adhere to, and adopt where applicable, the principles of Fair Work Practices.

Examples of Fair Work Practices include:

- A fair and equal pay policy that includes a commitment to supporting the Living Wage, including, for example being a Living Wage Accredited Employer
- Clear managerial responsibility to nurture talent and help individuals fulfil their potential, including for example, a strong commitment to Modern Apprenticeships and the development of Scotland's young workforce
- Promoting equality of opportunity and developing a workforce which reflects the population of Scotland in terms of characteristics such as age, gender, religion or belief, race, sexual orientation and disability
- Support for learning and development
- Stability of employment and hours of work, and avoiding exploitative employment practices, including for example no inappropriate use of zero-hours contracts
- Flexible working (including for example practices such as flexi-time and career breaks) and support for family friendly working and wider work life balance
- Support progressive workforce engagement, for example Trade Union recognition and representation where possible, otherwise alternative arrangements to give staff an effective voice

5.6 Ethical Obligations

Gifts and hospitality offered by suppliers

All members of staff involved in any way in the purchasing process must adhere to the University's rules on gifts and hospitality as the [Ethical Business: Gifts and Hospitality Policy](#). This Policy governs the conduct of business between University staff and suppliers (or potential suppliers).

In general, the following points in the CIPS Code of Conduct shall apply. Staff should:

- never use their authority or position for their own financial gain
- declare to their line manager any personal interest that might affect, or be seen by others to affect, their impartiality in decision making
- not allow offers of hospitality or those with vested interests to influence, or be perceived to influence, their business decisions

Conflicts of Interest

Members of the University who may benefit either materially, personally, financially or otherwise from any transaction between the University and a third party must disclose to the University Secretary the nature and extent of their interest immediately they are aware that a conflict of interest may arise.

Thereafter that person must not take part in negotiations related to, or work connected with, the matter in which they have declared an interest.

Any business interest in any intended and actual transaction with related parties such as family, relatives, close business colleagues and organisations with which the designated budget holder, his/her deputy, or any authoriser of purchase orders and invoices for payment could be considered to hold a pecuniary interest, must be disclosed before any influenceable business is committed, to that person's line manager, using the University's Conflict of Interest Form.

Further details can be found within the University's [Conflict of Interest Policy](#).

Fraud

The University will maintain robust internal control mechanisms to both prevent and detect fraud. All line managers have a responsibility for maintaining documented control systems and must be seen to be setting an example by complying fully with these procedures and controls.

Further details can be found within Section 10 of the University's [Financial Regulations](#).

5.7 Confidentiality

To ensure that no accusations of unfair and unequal treatment amongst suppliers could be raised, the University must be able to demonstrate it acts at all times with propriety, integrity and impartiality.

Access to information by suppliers will be made available at the same time and in the same manner thus not creating unfair advantage of one bidder over another, and retains the confidentiality of certain aspects e.g. innovative proposals.

The prices, terms and conditions under which many of the suppliers to this University trade are the result of University, regional or national negotiations and contain commercially sensitive information. Staff are issued with, and are given access to, these and other official contracts on the understanding that confidentiality is strictly observed.

In addition, all University staff will ensure that information obtained, and documentation and decisions recorded, both during the procurement process and after award of the Contract or Framework Agreement, are treated as Commercial in Confidential.

Under no circumstances should any contractual or pricing information be divulged to external sources or used as a 'benchmark' for independent negotiations. This behaviour undermines the University's reputation as an honest and responsible organisation and can affect the stability of professionally negotiated contracts which benefit the entire HE community. There may also be issues associated with breach of contract.

The University will conduct its business in accordance with the applicable procurement legislation and Scots Law, the University's policies and procedures, and the Scottish Public Sector Procurement Toolkit.

6. HOW WE BUY

Purchasing should be conducted using a competitive process wherever possible, as this will drive up quality, drive down prices and introduce innovation into the products and services offered to the University.

The following limited exceptions to a competitive process are explained further in this policy:

- the University has already identified an appropriate source of supply of goods or services following a process intended to secure VFM
- where a Non-Competitive Action procedure is deemed necessary
- the value of the purchase is small in relation to the cost of the buying process
- the expenditure is incurred while an individual is prevented from following the University's normal processes, for example while travelling away from the University. The value of these purchases should normally be small.

Applying this policy and associated processes ensures:

- all purchases are effective and appropriate to the University's diverse needs
- competitive bidding and tender processes are performed transparently and exceptions properly reviewed, authorised and justified
- suppliers are properly selected and authorised for use
- supplier relationships and contracts for the supply of goods, services and works are monitored and managed to ensure performance and VFM is maximised
- goods, services and works are correctly received and recorded as fit for purpose
- payments are only made for goods, services and works received in accordance with agreed standards and terms.

6.1 Thresholds

The following rules apply for obtaining competitive quotations/tenders for works, goods and services purchase transactions with an estimated value, including VAT/GST.¹

Value ²	Procedure
Up to £2,999	Minimum of one verbal or written quotation
£3,000 to £4,999	Minimum of two written quotations
£5,000 to £24,999	Minimum of three written quotations
Over £25,000	Requirements must be referred to Procurement Services

If a staff member is intending to order goods, services or works for a value in excess of £25k, Procurement Services must be consulted at the earliest planning stages and always before engaging with suppliers. This is likely to involve a tender exercise unless Procurement Services considers an alternative route to be more appropriate.

¹ Not applicable if there is a University Contract in place. Refer to Section 6.2.

² Value is the total value the University expects to be payable under the term of the contract over 48 months. Where the contract is less than 48 months, the value is calculated based on each month's spend multiplied by 48. Where the requirement is a single standalone purchase, spend is calculated as total amount payable to the supplier for this purchase. If there are multiple number of contracts placed to make up a single large value purchase, the spend value should include the aggregate of all such contracts placed.

Procurement within the University is subject to Scottish and UK procurement regulations, as well as World Trade Organisation and European Commission legislation. These Regulations require that all purchases above a certain threshold value are open to competition using prescribed tender processes. The prevailing threshold is subject to change and Procurement Services can advise on what the current threshold is.

Procurements for high value or complex requirements can take several months to complete so it is important that any purchase likely to exceed £25k is flagged at the earliest possible opportunity.

6.2 Where to purchase goods, services and works < £25,000

The first step in achieving VFM is to find the right supplier for goods or services. In order to do this, the University has put in place a number of arrangements with suppliers, together with a framework for when they should be used.

The framework for identifying the right supplier (set out in order below) apply to all of the mechanisms of purchasing outlined in this Policy, including purchase orders and Departmental Purchase Cards.

The University has a number of contracted suppliers who have been appointed following competitive tender on the basis that they will be the only supplier, or one of a limited number of suppliers of particular goods, services and works to the University. Contracted suppliers should be used wherever possible. The use of contracts negotiated by both the University and consortia will maximise purchasing power for the whole University, optimise VFM, support easier resolution of disputes and maintain legal compliance.

[Procurement Services Sharepoint Hub](#) sets out in further detail how to identify and engage the right suppliers to meet business needs and deliver VFM, including sources of supply and other considerations.

6.3 Non Competitive Action Procedure

In **exceptional** circumstances, a Non Competitive Action (NCA) may be necessary where competition is deemed unavailable or impractical.

Examples include:

- For work of exceptional urgency caused by unforeseeable circumstances where competitive tendering would cause unacceptable delay (not caused by the University) e.g., storm, fire, H&S etc.
- The proposed supplier is the only one known to possess either the unique intellectual or artistic capability required to deliver the goods and by default are unobtainable from any other source.
- Competition is absent for technical reasons but only where no reasonable alternative exists and is not the result of artificial narrowing down and restricting the specification.
- Partial replacement or extension of existing supplies or installations where a change of supplier would result in incompatibility or disproportionate technical difficulties in operation or maintenance.

In these circumstances, a NCA form must be completed in respect of all orders exceeding £3,000 (excluding VAT) where the proposed purchase is not being made under a recommended contract and where competitive offers are not or cannot be obtained.

Further guidance can be found on [Procurement Services Sharepoint Hub](#).

6.4 Procurement Authority, Tender & Award Sign off Process (>£50,000)

For any regulated tender exercise (above £50,000), the following stages must be approved by the Head of Procurement, before proceeding to the next stage in the procurement timetable:

- Profile & Contract Strategy & Procurement Timetable
- Award Recommendation

Mandatory Consultation with the Head of Procurement Services

For any regulated tender exercise (above £50,000), the Head of Procurement Services must be consulted, and agreement given in writing for the procurement to proceed, in the following circumstances:

- where an extension period is contemplated
- where the negotiated procedure is contemplated for a procurement under the Regulations
- where the need for the prescribed timescales to be reduced under the Procurement Regulations has been identified
- where Non Competitive Action is proposed
- where the period for a Framework Agreement is required to exceed four years in duration
- where only one tender has been received
- where a tenderer is to be disqualified from the process on the grounds of non-agreement to the University's standard terms & conditions
- where no acceptable tender has been received following evaluation

6.5 Authorisation of Purchase Orders and Contracts

Refer to Section 60.5 of the University's [Financial Regulations](#) for authorisation of Purchase Orders and Contracts.

7. HOW WE PAY

In order to support financial and budgetary control, contractual compliance and the delivery of VFM, the University's [Financial Regulations](#) require all purchasing to be carried out using a purchase order.

A purchase order must be raised on the University's financial system for the purchase of all goods and services before the purchase is made, except in the case of:

- a Departmental Purchase Card is used for one-off, small value items (refer to Section 7.2)
- for a small number of spend categories where pre-arranged contracts exist and it is impractical to raise a purchase order (e.g. energy contracts)
- out of pocket expenses reclaimed from the University or a University Traveller Corporate Card is used

Purchase Orders

Purchase orders raised using the finance system are the principal mechanism for the purchase of goods, services and works in the University.

By sending a purchase order to a supplier, the University is effectively entering into a contract with that supplier based on the University's standard terms and conditions, unless other contract terms have been specifically agreed.

The purchase order is the primary way of confirming a requirement to the supplier and ensures that the University is protected by its own terms and conditions. It should contain all necessary

information to ensure that the supplier can fulfil the requirement in terms of type, quantity, quality, location and price of the goods services or works being purchased.

It is essential for the supplier to receive full details of the purchase order to ensure that they can fully meet the University's requirements, and that subsequent invoices can be matched to and paid against them.

Terms & Conditions

All non-pay spend with a third party for goods, services and works must not be committed without a valid Purchase Order being issued to the supplier, unless payment is made by a Departmental Purchase Card. (refer to Section 7.2)

A University Purchase Order incorporates the standard University's [Terms and Conditions of Contract for the provision of Goods and Services](#), and no other terms and conditions can be accepted unless otherwise agreed via Procurement Services.³ Agreement must be in writing by the relevant Procurement Manager (below £25,000) or the Head of Procurement Services (above £25,000).

For non-standard terms and conditions, documentation should be sent to Legal Services for review.

Signing Contracts for Goods & Services

A contract is an agreement whereby an offer is accepted. Verbal contracts have legal substance and therefore staff must not make verbal offers or acceptances until they have the required approval to proceed. In practice most contracts will be in writing. A contract is legally binding and breach by one or other of the parties (and sometimes third parties not party to the contract) means the harmed party may have redress. Contracts signed in haste can cause the University financial loss and/or operational harm. Difficulties can also arise where there is no contract and funds are committed on an ongoing semi-formal basis.

Signing any piece of paper or making any verbal undertaking may constitute a contract. It is therefore in this area where staff should be most wary. **Staff must not sign any contract or verbally commit to any contract unless reviewed and agreed by Procurement Services. Staff also must ensure that the signatory of the Contract has the authority to sign the contract on behalf of the University.**

Procurement Services will hold the official signed Agreement, with a copy sent to the relevant department. The responsibility for Contract Management will remain with Relationship Manager.

When purchasing web-based software or online products, there is a frequent requirement to accept the supplier's terms and conditions when proceeding with the purchase. Further, there is a risk that we are overriding any terms or agreement that has been previously agreed when making payment. It is important to remember that accepting the terms and conditions of these online products still constitutes a legally binding contract. As such, the terms and conditions must be reviewed by Procurement Services before accepting them.

Schedule of Delegation

The University's Schedule of Delegation is currently under review. Procurement and Contracts will form part of this new Schedule.

³ Or such other terms and conditions applicable if buying against an approved collaborative contract (e.g. framework agreements set up by the Scottish Procurement & Property Directorate or APUC Ltd.)

The University's [Financial Regulations](#) outlines the authorisation of Purchase Orders and Contracts.

No PO, No Pay

The University operates a 'No PO, No Pay' policy. This means that no invoice will be paid unless it can be matched against a valid purchase order, which has been goods receipted (to confirm that the order has been fulfilled). Suppliers who have not received a purchase order number or who do not quote the purchase order number on their invoice will not be paid unless an exception is agreed in writing with the Head of Procurement or Financial Controller.

It is therefore essential that no orders are placed with a supplier that will result in an invoice being submitted until there is an approved purchase order in place.

Payment of Invoices

Unless special terms are agreed in writing with the GCFO, all invoices will be paid at the end of the month following the month in which the invoice is dated.

The GCFO or the regional Heads of Finance are responsible for deciding the most appropriate method for payment of invoices. Invoices will only be paid for amounts authorised by an appropriate authoriser with a sufficient delegated limit as in the Delegated Authority Schedule.

7.1 Departmental Purchase Cards

The purpose of a Departmental Purchase Card is to provide an efficient and effective route to market for particular departmental expenditure on goods and services. The use of a Departmental Purchase Card would typically be appropriate where:

- the supplier cannot accept University orders raised through the University's Finance System or is 'online only' (e.g. training/conference bookings);
- the transaction is of a low value;
- the use of that supplier is a one-off or low volume; or
- an immediate purchase of is required due to unforeseen circumstances.
- there is not an existing contract in place

The use of a card does not alter the underlying rationales of purchasing - transparency, fairness, competition and value for money - and must not be used as a means of circumventing procurement procedures and guidelines. However, their use does alter some of the traditional accounting mechanisms, such as separation of signatories.

Departmental Purchase Cards are issued under a separate [Departmental Purchase Card Policy](#).

Full details of the Purchase Card Programme can be found on the [Procurement Services Sharepoint Hub](#).

Owing to the limitations and risks to financial and budgetary control and VFM outlined above, all use of purchasing cards may be subject to regular review by the University's Internal Auditors and reported onwards to the University's Audit and Risk Committee.

8. COMMUNICATIONS & TRAINING

The University's landscape of devolved budgets means a pre-requisite for Procurement success is an effective two-way communication link between Procurement Services and all Primary Organisational Units that will:

- increase people's understanding of, and access to, our services through pro-active communication to the user community.
- ensure that users and others are aware of current issues, legislation changes, new contracts and plans for the future.
- listen to the needs of users so that the right priorities can be established and responsive services developed and delivered.
- maintain an appropriate and positive profile and reputation.
- encourage an informed and engaged workforce through good internal communication within the team and the organisation.

Procurement can be a complex task which carries commercial risk for the inexperienced person. Best VFM may only be obtained through application of best practice and it is important that all staff who are authorised to place orders are aware of the pitfalls and what constitutes good procurement practice. Procurement Services will deliver

- Procurement awareness training
- Non Competitive Action training
- Sustainable/Responsible Procurement training
- Departmental Purchase Card & University Traveller Corporate Card Training
- Purchase-to-Pay / Finance System Training

9. POLICY VERSIONS AND STATUS

Version Number	Brief Description of Status
1 (October 2024)	This version of the policy has been created to apply Global approach to Procurement consolidating the individual territory policies and the Sustainable Procurement Policy. The introduction of a standard approach to Contract Management has also been included.

Appendix 1 - References

	Policy/Procedure/ Guidance/Act	Description	Link
Financial Regulations	Policy	Regulations that ensure the effective management and control of the University's affairs, property and finances	https://www.hw.ac.uk/documents/financial-regulations.pdf
Procurement Strategy	Policy	Sets out the University's strategic approach to Procurement	https://www.hw.ac.uk/uk/services/docs/ProcurementStrategy.pdf
Procurement Code of Conduct	Policy	Code of conduct responsibilities when conducting procurement activities	https://www.cips.org/who-we-are/governance/cips-code-of-conduct/
Sustain Supply Chain Code of Conduct	Policy	Code of conduct and responsibilities for suppliers related to Responsible / Sustainable Procurement	https://www.apuc-scot.ac.uk/docs/Sustain%20Supply%20Chain%20CoC%20Feb%202021b.pdf
Departmental Purchase Card: Policy and Procedures	Policy / Procedure	Policy to facilitate the purchase of low value and/or obscure and irregular item through Purchase Cards	https://www.hw.ac.uk/documents/Departmental-Purchase-Card-Policy-Procedures.pdf
University Traveller Corporate Card: Policy and Procedures	Policy / Procedure	Policy to facilitate all purchases through Corporate Cards	https://www.hw.ac.uk/documents/University-Traveller-Corporate-Card-Policy-Procedu.pdf
HWU Guidance for purchases less than £25K	Guidance	Guidance to assist individuals procuring (non-contracted) goods and services with a total value less than £25,000.	https://heriotwatt.sharepoint.com/sites/gals-procurement/services/SitePages/Procurement-Guidance.aspx
Scottish Government Procurement Journey	Guidance	Guidance to support all levels of procurement activities and to help manage the expectations of stakeholders, customers and suppliers alike	https://www.procurementjourney.scot/
Supplier Charter	Policy	Joint statement between public sector buying organisations and Scottish businesses to agree to work together to improve public sector procurement processes and dialogue.	http://www.scotland.gov.uk/topics/government/procurement/selling/supplierscharter2
Public Contracts Scotland Regulations (2015) Public (Scotland) Regulations 2016	Act	These regulations make provision for the purposes or co-ordinating the procurement procedures.	https://www.legislation.gov.uk/ssi/2015/446/contents/made https://www.legislation.gov.uk/sdsi/2016/9780111030868

	Policy/Procedure/ Guidance/Act	Description	Link
Procurement Reform (Scotland) Act 2014	Act	Act to make provision about the procedures relating to the award of certain public contracts; to require certain authorities to produce procurement strategies / annual reports and for connected purposes.	https://www.legislation.gov.uk/asp/2014/12/contents
Modern Slavery Act 2015	Act	Commitment to measuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation within the University and its Supply Chain	https://www.hw.ac.uk/uk/services/docs/Modern-slavery-and-human-trafficking-statement.pdf
Bribery Act	Act	Commitment to the prevention of bribery associated with University business activities	https://www.hw.ac.uk/documents/ethical-business-bribery-prevention-policy.pdf
University Travel & Expenses Policy	Policy	Guidance and policy for travelling on University business including expenses and hospitality	https://www.hw.ac.uk/documents/travel-expenses-policy.pdf
Data Protection Policy	Policy	Procedures and guidance to support compliance with data protection law	https://www.hw.ac.uk/documents/information-governance-records-management-policy.pdf
Equality and Diversity Policy	Policy	Commitment to embedding and promotion of equality and diversity	https://www.hw.ac.uk/uk/services/docs/hr/policies/EDPolicy.pdf
Determining the Employment Status of Service Providers	Guidance	Guidance for determining the Employment Status of Service Providers & IR35	https://heriotwatt.sharepoint.com/sites/gals-procurementservices/SitePages/GUIDANCE-ON-DETERMINING-THE-EMPLOYMENT-STATUS-OF-SERVICE-PROVIDERS.aspx

(insert any local legislation links for Dubai and Malaysia)