

Sustainable Procurement Policy

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RELEVANT DOCUMENTS

- Public Procurement Regulations PCR 2015
- Procurement Bill 2024 Directives
- Freedom of Information Act 2000

RELATED POLICIES & DOCUMENTS

- LJMU Scheme of Delegation

Finance Policies and Procedures

- Anti-bribery & Corruption Policy (including gifts and hospitality)
- Anti-Money Laundering and Terrorist Finance Policy
- Anti-Slavery and Human Trafficking Policy
- Counter Fraud Policy & Fraud Response Plan
- Criminal Finances Act Policy [Public link](#)
- Expenses Policy and Procedures ([internal link](#))

- Financial Due Diligence Policy internal link)
- Financial Regulations
- Modern Slavery Act Transparency Statement
- Tax Strategy and Policy Public link
- Treasury Management Policy
- Other
- Data Protection Policy
- Information Security Policy
- LJMU Environmental Management and Sustainability Strategy
<https://www.ljmu.ac.uk/-/media/files/ljmu/about-us/climate-action/environmental-management-and-sustainability-strategy.pdf>
- LJMU Climate Change – Net Carbon <https://www.ljmu.ac.uk/about-us/ljmu-climate-action/net-zero-by-2035>
- LJMU Mission and Strategy <https://www.ljmu.ac.uk/about-us/our-vision-and-values/mission-and-strategy>

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1 Scope of the Policy

1.1. Purpose of the Policy

The purpose of this Policy is to ensure that **all** procurement undertaken by the University is performed ethically, sustainably and in compliance with relevant legislation and regulation.

1.2. What is covered by the Policy

This Policy sets out:

- How the university conducts procurement
- The internal thresholds, and
- How relevant legislation and regulation will be complied with

1.3. Who this policy applies to:

Compliance with this policy is mandatory for all staff of the University or its wholly owned subsidiaries (including temporary and agency other associated individuals). Contractors to the University and University agents are also expected to comply, where relevant; failure may result in termination of contractors or other penalties

All staff must ensure that they are conversant with this policy as it is relevant to their job and to adhere to the policy. Any member of staff who fails to comply with this policy may be subject to action under the University's policies including the ([Disciplinary Procedure](#))

Line managers are responsible for ensuring that their staff are conversant with this policy and its importance.

The Finance Director, through the Procurement Manager is responsible for monitoring compliance to this policy.

Where situations arise that are outside the Regulations or where they are not clear, the advice of the Procurement Manager in the first instance must be obtained.

1.4. Further Advice

Members of staff in Procurement are always willing to help colleagues who have queries covering any matter relating to Procurement Policies and Procedures. If you have any concerns or are unsure about any aspect of a specific Regulation, Policy or Procedure please ask for advice.

Additional guidance and contact details for are available via the finance department page on the staff intranet. [Finance | Liverpool John Moores University \(ljmu.ac.uk\)](#)

2 The Role of Procurement Services

To provide professional, qualified procurement expertise, advice and services for all spend with external suppliers; in compliance with legislative requirements including the Public Procurement Regulations 2015 and any other legislation applicable.

We will procure all Goods, Services and Works with high ethical standards and applying principles of Sustainable Procurement.

Sustainable Procurement is a process whereby the University meets its needs for Goods, Services and Works in a way that achieves value for money (VFM) on a whole life cost basis, generating benefit not only to the University, but also with consideration to Social, Economic and Environmental factors.

3 Principles of Sustainable Procurement

- **Accountability:** An organisation should be accountable for its own impacts on society, the economy, and the environment. In the context of procurement, this specifically includes accountability for impacts and for those on the organisation's supply chains, with a life cycle perspective on goods or services.
- **Transparency:** An organisation should be transparent in those decisions and activities that impact the environment, society, and the economy. In the context of procurement, this specifically includes being transparent in its procurement decisions and activities and encouraging its suppliers to be transparent. Transparency is the basis for stakeholder dialogue and collaboration.
- **Ethical behaviour:** An organisation should behave ethically and promote ethical behaviour throughout its supply chains.
- **Full and fair opportunity:** An organization should avoid bias and prejudice in all procurement decision-making. All suppliers, including local suppliers and small and medium-sized organizations (SMOs) should have a full and fair opportunity to compete.
- **Respect for stakeholder interests:** An organisation should respect, consider and respond to the interests of stakeholders impacted by its procurement activities.
- **Respect for the rule of law and international norms of behaviour:** An organisation should strive to be aware of any violations throughout its supply chains. It should actively encourage its suppliers to abide by these rules and assess and address compliance as situations require.
- **Respect for human rights:** An organisation should respect internationally recognized human rights.
- **Innovative solutions:** An organisation should seek solutions to address its sustainability objectives and encourage innovative procurement practices to promote more sustainable outcomes throughout entire supply chain.
- **Focus on needs:** An organisation should review demand, buy only what is needed and seek more sustainable alternatives.

- Integration: An organisation should ensure that sustainability is integrated into all existing procurement practices to maximize sustainable outcomes.
- Analysis of all costs: An organisation should consider the cost incurred over the life cycle, value for money achieved, and the costs and benefits for society, the environment and the economy resulting from its procurement activities.
- Continual improvement: An organisation should work towards continually improving its sustainability practices and outcomes, and encouraging organisations in its supply chains to do the same

4 The Policy Statement

The guiding principles of this Policy are that the University will act lawfully and has an obligation to maintain effective controls and records over expenditure in order to:

- Comply with all relevant legislation and regulations.
- Deliver value for money - The University requires all budget holders, irrespective of the source of funds, to obtain goods, services and works with sustainable value for money considerations. Purchasers are expected to support sustainable procurement objectives to meet our net carbon commitment. LJMU is a key partner in the Liverpool City Region's sustainability strategy, contributing to and shaping local policymaking to help decarbonise the economy and move the city region towards a zero net carbon future.
- Our university firmly embeds sustainability into the way we do things to help the university and City achieve a carbon neutral status.
- An institutional Climate Emergency Action Plan has been developed which works towards our own objective of achieving carbon neutral status by 2035. The action plan ensures that through our operations, teaching, and research activities we contribute to the world's agenda for sustainable development.
- Advance planning of requirements is imperative and will result in achieving value for money and efficiency. Lack of planning may result in purchases not able to be made.
- Make contract opportunities more accessible to small and medium size enterprises.

5 Definitions

Concession contracts regulations are the Concession Contracts Regulations 2016 that set out the legal framework for the establishment of contracts between a public authority/utility and a counterparty where the payment for the counterparty is the right to exploit (that is, to profit from) the works/services that are the subject of the contract. The public authority is required to fully transfer the operating risk in exploiting the works or services encompassing demand or supply risk or both.

Contracts Finder – Government Portal to advertise Tender opportunities up to £214,466.00

Public contracts regulations are the Public Contracts Regulations 2015 that set out the legal framework for public procurement and applies to public authorities seeking to acquire goods, services or works.

Public authority is a body governed by public law established for the specific purpose of meeting needs in the general interest. The University is a public authority and therefore the University must ensure compliance with the public contract's regulations for all purchasing activity and procedures.

Find a tender (FTS) is the public portal used by public buyers to advertise all high value contracts and by suppliers to access these opportunities. **CCS** is the Crown Commercial Service.

IR35 (Off payroll working) covers the rules to make sure that workers, who would have been an employee if they were providing their services directly to client, pay broadly the same tax through their own limited company or another type of intermediary to the client.

Procurement consortium is a body that works to provide public sector bodies with value for money through compliant and trusted procurement routes by using the collective purchasing power of their members. The University is a member of Northwest University Procurement Consortia (NWUPC) but may be able to access agreements through other consortia.

Framework agreement is an agreement between one or more contracting authorities and providers to establish terms governing contracts that may be awarded during the life of the agreement.

Value for Money – Value for money does not necessarily mean the lowest cost (although cost is a factor). Value for money encompasses quality, delivery requirements, compliance with Government Legislation, Sustainability (included carbon reduction). In accordance with sound business practice, i.e., the cheapest in price may not necessarily offer value for money

Procurement Risk Assessment (PRA) – A form in which the requester places the case to direct award to a specific supplier.

Procurement Card – A credit card with controls in an individual's name, this is not a Departmental card.

6 Public Contracts Regulations

The regulations set out the procedures which must be followed before awarding a contract when its value exceeds set thresholds (see section 5).

Even when a procurement is not subject to the public contract's regulations, the University must consider whether the concession contracts regulations apply.

Where neither the public contracts regulations nor the concession contracts regulations, the University must still assess the proposed arrangement in the context of the following principles:

- A degree of advertising which is proportionate to the scale of the contract
- Non-discrimination

- Equality of treatment
- Transparency
- Mutual recognition
- Proportionality

From 2024 the UK Procurement Bill will repeal the Public Procurement Regulations (PCR 2015), of which the principles will be:

- Non-discrimination
- Fair Treatment
- Value for money
- Maximising public benefit
- Transparency
- Integrity

7 Thresholds

The University has set the following thresholds which must be applied when procuring goods/ services/ works. The value of the contract is based on the total spend anticipated over the length of the contract, not on an individual purchase order.

The value of a contract must be calculated over the whole life of a contract. When valuing your requirement, it is vital to bear in mind the overall value of the total requirement, not individual elements. Values must not be artificially split or reduced to affect the route to market.

Value of Contract (inclusive of VAT)	Procedure	Procurement Route
£0 - £9,999	Discretion of the Budget Holder to obtain quotations, however "value for money" must always be obtained.	School / Service Team to obtain
£10,000 - £49,999	A MINIMUM of THREE written quotations must be obtained and attached to the i-buy requisition, and this evidence to be held locally, the more quotations obtained the better. A risk-based approach should be taken where consideration must be given to the risk associated with the purchase, and a more robust contractual arrangement should be put in place. Consideration should be given to which Terms & Conditions are agreed.	School / Service Team to obtain
£50,000 - £214,476.00	Subject to competitive tender exercise via the Procurement Services team and advertised on Contracts Finder. Contact The Procurement Manager to discuss your requirements.	Procurement Services, the Department must contact this team to

Value of Contract (inclusive of VAT)	Procedure	Procurement Route
	Please note the timescales for a tender exercise vary, and is subject to specification, market and time of the year. Therefore, it is advisable to contact Procurement Services as soon as the need is realised.	commence the tendering process.
£241,777.00	Full Public Tender to be conducted with prescribed timescales that must be adhered. The Tender must be advertised in Contracts Finder and Find a Tender.	Procurement Services, the Department must contact this team to commence the tendering process.
> £5,336,937.00 (works only)	Full Public Tender to be conducted with prescribed timescales that must be adhered. The Tender must be advertised in Contracts Finder and Find a Tender.	Procurement Services, the Department must contact this team to commence the tendering process.

Grants from funding councils may have more demanding thresholds and requirements when purchasing goods. It is the responsibility of the grant holder to confirm the procurement thresholds and policy with their funding bodies prior to any procurement activity.

Where the Procurement Team conducts tender activity for expenditure over £50,000, all suppliers selected will have undergone a robust supplier selection process. Where a public sector framework is used all vetting of the supplier is conducted by the procurement consortium prior to letting the framework.

8 Procurement Risk Assessments

A procurement risk assessment (PRA) form must be provided for all Purchases over £10,000 unless requisite number of quotations are provided or in the event that the Purchases are related to:

- a) A successful Tender (please quote tender number on Requisition); or
- b) A Grant (please provide details on the Requisition).

The PRA may be declined, depending on the rationale for direct award to a specific supplier. For example, urgency due to expiration of a budget is not a valid reason, it is expected staff will plan in advance for their needs.

A PRA is not required for the following types of Purchases:

- Where the Procurement team have been actively involved in the procurement exercise
- Research and Education collaboration agreements. However, purchases from suppliers and third-party providers associated with the project are not exempt and must have a PRA completed for purchases over £25k

- Rates and other payments to Local Authorities; · Bursaries, scholarships or grants to staff & students
- Statutory bodies (where LJMU are bound to pay)
- International Agents (International to ensure Procurement Services receive details of contracts in place)
- Exam Fees – for Students
- Library – single source agreement direct with Publishers
- Maintenance Agreements (where the need for equipment / software has been tendered previously)

9 Identifying the needs for Goods/Services/Works

It is important that a genuine business need be identified before the purchase of any Goods or Services. Before proceeding with any purchases, the financial and environmental impact of the purchase must be fully understood, and the funding identified.

Staff must not commit the University contractually where they are not authorised to do so. Official Purchase Orders must be placed (a requisition raised via i-buy), for the purchase of all Goods/Services/Works in advance of the requirement being delivered unless prior agreement has been obtained from the Director of Finance.

10 Considerations prior to engaging a Supplier

12.1 General (all purchases)

- Do you need to purchase the Goods or Services?
- Consider “need” over “want”, the need is a solution to an issue, want is requiring a specific item, which may not always be the best solution and may be a higher cost.
- Do you have the budgetary and technical approval fully signed off for the purchase, in advance of engaging the Supplier?
- Can the need be met in another way? For example, via a loan from another University of equipment/staff/services, or using internal departments e.g., lighting studio.
- Is a suitable or alternative product/service available from elsewhere in LJMU?
- Is the quantity required essential?
- Are there any public frameworks that meet your needs (please contact Procurement Services if you wish to check on the existence of a framework)
- Is the specification suitable for your requirements?
- Does the intended purchase meet the appropriate product (ISO/BSI) standards?
- Have you considered climate change and carbon reduction?

12.2 Purchase of Goods

- Have the running and maintenance costs been identified and any service packages?
- Can on-going maintenance be contracted separately and from another Supplier? Often, once the warranty / guarantee has expired, there is not an obligation to purchase maintenance from the Supplier who provided the item.
- Does the supplier expect payment upfront? LJMU Financial Regulations do not permit 100 % payment upfront.
- Have cost and availability of spares / replacement parts been considered or spares packs?
- Does the intended purchase offer durability & capability of future upgrades?

- Does the intended purchase need to be compatible with existing equipment and allow parts to be inter-changed?
- Will the intended purchase require adaptations to buildings?
- Can the site for the intended purchase be accessed easily? Please contact Estates to ensure the room / floor / building can accommodate the item.
- Have any relevant Health & Safety issues been considered?
- Is there a projected 'lifetime' for the Goods?
- Can the intended purchase be re-used or recycled at end of use?
- Will the intended purchase cause disposal problems at end of life? Will the Supplier buy back equipment / unused spares at the end of life? Will the Supplier recycle parts at the end of life?
- Is the Supplier insured?
- Do we need to share data with the Supplier? If so, please contact the Data Protection Officer at LJMU before the Supplier is engaged.
- Have all costs been considered/included for delivery to final site including import charges and VAT payments (most overseas companies have a UK office which can process all imports to avoid un-necessary intervention by LJMU) thus providing a factory-to-installed and tested supply. Therefore, please ascertain with the Supplier before you engage.
- Have all costs been considered for installation to final site, if not included in base price.
- Have lead times been considered ensuring that prices are not increased if 'urgently' required rather than planned and structure future delivery.
- Are contingency costs included in the event of delayed delivery due to building/site not been available and who will pay for offsite/quayside storage and double handling?
- Have contingency insurances been considered if offsite storage required.
- Have pre-arranged 'bundle' deliveries been considered for projects/events (Graduation) where products are pre-ordered and held by Suppliers until required, to avoid shortages of supply at the critical point in time. (e.g., pre-prepared stationery packs for Graduation).
- Has training been included in the pricing?
- Do the goods need to be imported? If so, the Customs process must be followed: <https://www.ljmu.ac.uk/staff/finance/how-do-i-buy>

12.3 Purchase of Services

Are the quantity of hours/day required essential (e.g., workshops), and have they been clearly itemised in the quotation?

- Have any relevant Health & Safety issues been considered including where necessary DBS checks?
- Is the Supplier insured? A Supplier must be insured if they are trading as a business, whether this is a limited company or a sole trader.
- Do we need to share data with the Supplier? If so, please contact Procurement Services before the Supplier is engaged.
- Is Intellectual Property applicable including Photographs and republishing? If so, please contact Legal Services and / or Business Development.

- If a contractor or consultant is being engaged, then an assessment of their employment status (ES1) must be made before they are engaged. The details contained on the ES1 are assessed against IR35 legislation: <https://www.ljmu.ac.uk/staff/finance/payroll-and-pensions/es1-assessment-of-contractors>

11 Research and Grant related expenditure

For all Goods and Services expenditure incurred in research awards/grants, departments should ensure that each award Funder's, general and grant specific terms and conditions for the procurement process are met. Please note that these requirements will sometimes go beyond the University's standard requirements. If in doubt, please contact: EnterpriseandResearch@ljmu.ac.uk.

12 Payment Terms and Payment Type

The LJMU payment terms are 30 days from date of invoice, therefore be aware of your Supplier's payment terms. We may not be able to trade with them if they are detrimental to LJMU.

Pre-payments or deposits should not be promised, LJMU Financial regulations do not permit advances for Goods/Services/Works.

Where there is an extenuating need for pre-payment, this must be discussed in advance with Procurement Services: <https://www.ljmu.ac.uk/staff/finance/how-do-i-buy>

13 Procurement Cards

LJMU operate a Procurement Card scheme, in which low value one off purchases may be made using this type of company charge card. These cards are designed to achieve greater cost efficiency, control, and convenience.

These cards are in an individuals' name and are not for Departmental usage.

14 Estates – Works Contracts

A full Public Procurement Tender exercise must be conducted, for any Works contract with a value of **£5,336,937.00** – including VAT and over.

The definition of Works pertaining to Public Procurement is as follows:

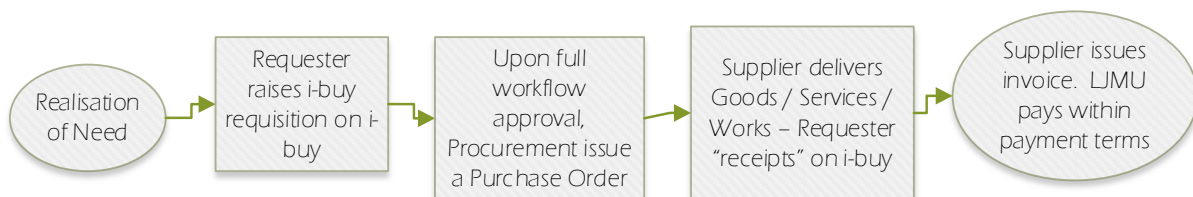
- New construction of structure of all kinds (buildings, highways, bridges etc.)
- Renovations
- Extensions and repairs
- Water and sanitation

- Transportation and electrical plant infrastructure

For consultancy elements of a construction project, such as Quantity Surveyors, or Project Management – the £213,477.00 threshold applies, and a full public tender must be conducted (unless a compliant public framework is accessed).

15 I-buy – E-Procurement

17.1 Process for engaging a supplier



- The i-Buy system is a tool to enable requests for goods/services/works to be raised
- A purchase requisition must be raised on i-buy prior to the engagement of any supplier
- The requisitions are then work-flowed to budget holders and technical vets
- Upon full requisition approval, purchase orders are raised and transmitted to the supplier
- This also serves as a promise to pay – **no Purchase Order no payment**
- The procurement team provides guidance on this process via
- <https://www.ljmu.ac.uk/staff/finance/how-do-i-buy/ibuy>
- Contracted Suppliers and Public Procurement Suppliers must be selected, only if this supply base does not meet your needs should you consider engaging a new supplier
- <https://www.ljmu.ac.uk/staff/finance/how-do-i-buy/suppliers>

16 Legal Compliance

18.1 Contracts

Any agreement or contract with a supplier for the provision of goods, works or services that requires a signature on behalf of the University should use the standard terms and conditions of the University, unless industry specific terms and conditions are required. Contracts and changes to terms and conditions must be drafted by the Procurement Team or reviewed by Legal Services. All contracts must be signed in accordance with the University's Scheme of Delegation, other University staff are not permitted to sign such agreements or contracts. If a contract is required to be sealed with the University seal, Legal Services must be notified.

17 Obligations

Wherever applicable, the University will seek to include, in its tendering activity and contracts, specific obligations to comply with applicable laws relevant to the nature of the service including and not limited to:

- a) Modern Slavery Act 2015
- b) Freedom of Information Act 2000
- c) Bribery Act 2010
- d) Health & Safety at Work Act 1974
- e) The Equality Act 2010
- f) Data protection legislation (including UK GDPR and Data Protection Act 2018)
- g) Tax legislation

Furthermore, the University will include a right of termination in the event of any material breach of such terms by the counterparty.

18 Environmental and Social Governance

The LJMU Environmental Social and Governance statement ensures that our Values are embedded within our sustainable and ethical business practices. We are mapping our progress against the United Nations Sustainable Development Goals [THE 17 GOALS | Sustainable Development \(un.org\)](https://un.org) as a commitment to equality and prosperity locally, regionally, nationally and globally.

20.1 Environmental Sustainability

The university is committed to protecting the environment and recognises the significant impacts of its supply chain, and particularly the contribution it is making to climate change. Carbon emissions from procurement activity, known as Scope 3 emissions, are on average 5.5¹ greater than operational emissions. This policy provides an opportunity for the university to use its influence to drive positive change through embedding environmental sustainability principles into procurement activity and setting clear objectives to frame its approach.

Environmental Sustainability Objectives

Objective	How will we achieve this?
To adopt a Sustainable Procurement framework against which the university can develop and implement a measurable plan to achieve more sustainable outcomes.	We will review available standards e.g., ISO20400 and the Flexible Framework and adopt the best fit approach. We will identify high priority categories which have the most significant environmental impacts, risks and opportunities, we will establish KPI's, devise

¹ [Changing the Chain - CDP](#)

	action plans and monitor and report on performance and outcomes.
To reduce carbon emissions and work with suppliers who are undertaking activity to reduce their carbon emissions.	Specify goods and services which minimises carbon emissions. Work with suppliers who have published carbon emission reduction targets and action plans or have a certified ISO50001 Energy Management Systems, apply a minimum weighting of 10% to sustainability and carbon management in all tender activity.
To reduce waste and adopt circular economy principles and work with suppliers who are working towards waste minimisation, through increased recycling rates	Specify goods and services which minimises waste. Work with suppliers who have published waste reduction targets and action plans, have published sustainability strategies and/or have a certified ISO140001 Environmental Management System.
To improve the sustainability of materials and work with suppliers who can demonstrate the responsible and sustainable sourcing of materials including recycled and renewable materials.	Specify goods and services with high environmental performance and work with suppliers who can produce product certifications.
To increase biodiversity and protect natural habitats and work with suppliers who can enhance our local environment.	Specify goods and services which do not adversely impact our natural environment and seek innovation from the supply chain.
To reduce pollution and work with suppliers who actively manage and prevent pollution.	Specify goods and services which do not pollute the environment. Work with suppliers who have a certified Environmental Management Systems such as ISO140001.
To improve the accuracy of Scope 3 carbon emission data through improving data capture from the supply chain including operational and embodied carbon data.	Specify data capture into procurement activity and contracts, request embodied carbon assessments from the supply chain where methodologies exist e.g., TM65 Embodied Carbon in Building Services.
To increase the awareness and understanding of sustainable procurement within the organisation.	Provide training to key individuals with responsibilities for significant / high priority categories.
To resource sustainable procurement effectively.	Assess whether additional resources are required to deliver an effective sustainable procurement plan.
To actively engage with the supply chain and develop structured relationships with critical/strategic suppliers.	LJMU utilise numerous public frameworks, of which, one of the benefits is that the supply chain is fully analysed, and contract reviews cover the continual improvement of sustainability. LJMU endeavour to actively engage with their supply chain and encourage Sustainability action plans be recorded on Net-positive.
To continually improve sustainability practices and outcomes	Monitor and annually report to Executive on sustainable procurement activity and outcomes including any appropriate KPI's.