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# University College London

## Supply Chain & Selection Policy

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# 1. UCL SUPPLY CHAIN & SELECTION POLICY

## 1.1 POLICY STATEMENT

UCL's long term success and continued excellence is dependent on the quality of the supply chain. This principle applies whether the supplier is providing goods or services, or is required for research, professional services or teaching.

UCL spends in excess of £600m per annum with its supply chain. The way UCL manages supply chain activity is increasingly important to UCL's generation of a surplus, reputation, risk management and Corporate Social Responsibility (CSR) objectives. A good supply chain can help to reduce undue costs and deliver effective business outcomes aligned to core UCL values.

This Policy sets out UCL's strategic approach, key principles and priorities that apply to all of UCL's supply chain activity. This policy document forms part of the [Finance & Business Administration Regulations, Reg 7 Non Pay Expenditure](#).

The Policy sets out the principles that must be complied with by all UCL staff authorised to incur expenditure. This applies to transactions with ALL suppliers, including grants and sponsored research, goods and services purchased by or on behalf of UCL worldwide.

The guiding principles set out in this policy are sit alongside the Finance & Business Administration regulations on expenditure and purchase thresholds.

This Policy is owned by the Commercial Director – UCL

Failure to adhere to this policy will be managed as part of [UCL's disciplinary process](#).

## 1.2 Procurement Principles

Procurement Principles apply to all employees and UCL representatives with delegated authority, that are involved in making purchasing decisions on UCL's behalf.

The principles are:

- The highest levels of integrity are applied at all times by both UCL and its supply chain.
- All procurement activity is in line with applicable laws and UCL policies and procedures.
- UCL's reputation as a world class organisation is protected.
- Competition is encouraged and fully utilised in gaining best value for money.
- Value for money is not prioritised at the expense of Accessibility and Inclusivity.
- Re-use of strategic and key suppliers is encouraged.
- Suppliers must comply with applicable law and adhere to UCL's minimum requirements.
- Suppliers will not be asked to work, or be paid, without a valid purchase order.
- Staff will comply with the [Prevention of Bullying, Harassment and Sexual Misconduct policy](#), [Conflict of Interest and Declaration of Interest policies](#).

For procurements arising out of externally funded research portfolio, please refer to the [Guidance for purchasing: "approving expenditure for research projects"](#)

Please note that expenditure charged to a research project, deemed to be ineligible (which is not paid in full by the funder), will be borne by the Principal Investigator and their Department.

Misuse of external funds can result in a funder withdrawing awarded funding and may impact future applications.

Contracts and financial commitments will only be made with suppliers who have been approved (commercially, contractually and ethically), represent value for money and are able to provide solutions to UCL's requirements.

### 1.3 Minimum Requirements

Where any procurement is funded by a third party, such as a research grant, the funder may impose certain requirements (around quality standards or otherwise) that are different to UCL's requirements.

Generally, both the funder's and UCL's requirements should be incorporated into the published requirements. Where the funder's and UCL's requirements are in conflict, UCL will incorporate the more onerous requirement (whether the funder's or UCL's) into the published requirements. In relation to any buying decision, UCL expects its staff to adhere to, and ensure that all of UCL's suppliers (and their supply chain) will adhere to, the following requirements.

#### Values Requirements

- Purchases must provide an appropriate solution to UCL's requirements;
- A clear understanding of and adherence to UCL's [Accessibility and Inclusivity requirements](#);
- Implementation of sound environmental and social performance measures and reporting that align with UCL's environmental and social performance [values](#), [UCL's Sustainability Strategy](#), [the UN Sustainable Development Goals](#) and [The Ethical Trading Initiative Base Code](#);
- Compliance with the [Prompt Payment Code](#), where appropriate;
- Completion of equality impact assessments, where appropriate;
- Demonstrable support for small and medium sized enterprises (SMEs);
- Offering local employment and apprenticeship opportunities, where possible;
- Provision of Gender Pay Gap reporting, where appropriate;
- Compliance with the Payment Card Industry Data Security Standard "PCI DSS", where appropriate.

#### Contractual Requirements

- UCL will contract on its terms unless a specific or general derogation has been issued by UCL's Commercial Function;
- Suppliers must provide appropriate contractual assurance of goods and/or services, including that they meet UCL's reasonable or published requirements (including as to specification, quality and/or fitness for purpose);
- UCL's name and logo must not be used without express permission from Communications & Marketing, pursuant to the [Logo Request process](#);
- UCL's risk exposure should be managed through practical measures (including payment profile) and appropriate liability exclusions and caps;
- Termination provisions should enable UCL to withdraw from the contract (typically for convenience and for material breach or insolvency of the supplier).

#### Compliance Requirements

- All purchases and the supply chain must comply with applicable law including the following legislation:
  - Data Protection Act 2018
  - Bribery Act 2010
  - Modern Slavery Act 2015
  - Equality Act 2010
  - Human Tissue Act 2004, where applicable
  - Export control laws, such as Export Control Act 2002 and Export Control Order 2008, where applicable
  - Sanctions and Money Laundering law, such as Proceeds of Crime Act 2002, Sanctions and Anti-Money Laundering Act 2018 and Money Laundering and Terrorist Financing Regulations 2019, where applicable
- UCL is subject to some legislation due to the nature of its business and suppliers are expected to assist and facilitate UCL in its compliance obligations, including pursuant to:
  - Freedom of Information Act 2000
  - Environmental Information Regulations 2004
  - Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018

#### 1.4 Management of suppliers

Every UCL supplier will be assessed according to their impact on UCL's performance. This review will include UCL's dependence upon the supplier, competition in the marketplace and the risk to UCL represented by this supplier, based on financial, operational and reputational criterion. Each supplier will be identified under one of the following definitions:

- Strategic Partners (entities who enable the fulfilment of UCL's [strategic aims](#));
  - Usually sponsored by Commercial and Procurement and a professional services function;
  - Often part of Change programmes;
  - Regular supplier reviews at all levels, including Director;
- Key Suppliers (third parties upon whom UCL is dependent or provide important niche services that are difficult to replicate);
  - Sponsored by Commercial and Procurement Function;
  - Generally steady state (Business as Usual);
  - Regular supplier reviews up to "Head of", but may include Director
- Commodity suppliers (ideally via electronic catalogues)
  - Sponsored by Procurement in response to volume demand;
  - Standardised products and services;
  - Volume discounts;
  - Single-Use suppliers (ideally via Purchasing Card for orders under £5,000).

Critical and/or Strategic suppliers should be identified, and the relationship formally managed with Commercial and Procurement to monitor supply performance and mitigate supply chain risks to UCL.

### 1.5 EXCEPTIONS TO POLICY

Exceptions must be approved by the Commercial Function at UCL.