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Procurement New Supplier Policy

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**Notes**

This document is subject to regular reviews.

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# Purpose of the Document

This New Supplier Policy describes the principles and controls in place regarding requests by departments for doing business with new 3rd party suppliers, and for these to be set up on College’s systems.

The purpose of this Policy is to guide staff requesting new suppliers to operate a consistent and compliant approach to the policy. It also aims to ensure that staff understand the following:

* the appropriate route for new supplier requests
* their responsibilities

# New Supplier Requests

There are two categories of suppliers maintained on ICIS, Preferred Suppliers and regular suppliers. A Preferred Supplier is a 3rd party company that has qualified for ‘approved’ status by the Procurement Department for specific goods or services following a robust competitive procedure against set criteria including capability, quality and financial stability and as a result, there are agreed contractual and commercial terms in place with the College. These suppliers are expected to have no less than a 12-month relationship with the College. The remaining regular suppliers are those providing goods or services generally not in competition with the Preferred Suppliers, but where no special relationship exists between them and the College.

To manage supply-side risks, as well as ensure we get best value for money in all our purchases, it is important that the College manages the number of suppliers that we do business with. The Procurement Department has established Preferred Suppliers to provide a range of goods and/or services where there is a regular demand of significant annual value. Preferred Suppliers should be the first option for departments to use where they are in place as continued use will allow the College to work with each supplier to ensure best value.

If the goods or services cannot be supplied by a Preferred Supplier, nor any other supplier already is registered on ICIS, and the requirement is either for a single use or low value supplier, staff should use the College’s virtual credit card operated by a Departmental representative (further information and guidance on the Virtual Credit Card can be found [here](https://wiki.imperial.ac.uk/display/FKB/Virtual%2Bcredit%2Bcard%2B-%2BInformation%2Bfor%2BCollege%2BStaff)).

If none of these options are appropriate, a new supplier request should be submitted for consideration.

New suppliers will only be considered by the Procurement Department in the following circumstances:

* the goods and/or services are not available from an existing Preferred or regular supplier
* where it is difficult or impractical to utilise existing Preferred Suppliers (e.g. when working off campus, possibly in remote locations, or where a specific requirement cannot be met by the existing suppliers)
* there are significant benefits over existing suppliers provided there are no contractual constraints and/or conflicts with existing approved suppliers
* it is expected that several and/or repeat purchases will be made over the following 12 months.

New supplier requests may only be submitted by Imperial College staff via the ASK portal, to visit the ASK portal click [here](https://imperial.service-now.com/ask) .

Approval from the budget holder to both set up the new supplier, especially if an existing supplier is on ICIS who could provide the goods or services, and to commit the expenditure must be obtained prior to the requesting a new supplier.

In order to set up a new supplier, the following tasks **must** be completed in the ASK portal:

* complete all fields in the ASK New Supplier request form
* attach relevant paperwork, including the accepted quotation or any Imperial College contract raised for the goods or services
* provide a justification for consideration if the goods or services can be provided by an existing supplier

When all the above has been received, the Procurement Department will consider the new supplier request details and carry out the necessary checks to see if there is an alternative existing supplier that could be used. The SLA for this is for the Procurement Department to action a request within 48 hours of receipt. Where the new supplier request has arisen following a competitive tender led by the Procurement Department, the Procurement Department will have carried out a full due diligence check on the supplier including a financial credit check. No such checks will be carried out automatically for any other new supplier request and it is the responsibility of the Requestor to satisfy themselves that the new supplier will be able to fulfil their requirements and uphold Imperial’s standards. The Procurement Department can advise on the best way to carry out such checks. Once the Procurement Department is content for the supplier to be added to ICIS, the supplier form including supporting documentation will be approved and passed to the Finance Hub who will contact the supplier to commence the set-up process.

The set-up process will involve the Finance Hub contacting the supplier to invite them to enter their full details including address, contact emails and bank details for payment onto the Oracle i-Supplier database. Once completed, this information will then be separately and independently verified as a protection against potential fraud. The supplier will not be live on ICIS until all the details have been received and independently verified. It is important that all correspondence and requests for these details are carried out by the Finance Hub to avoid risk of potential fraud in the supplier set up process. The College’s standard terms and conditions of business must also **not** be sent out to potential new suppliers by anyone other than the Procurement Department or the Finance Helpdesk.

All suppliers set up on the system following this process will be available to use by all College Buyers unless the Procurement Department decide that the supplier is set up for single use by the original requestor only. Reasons for the Procurement Department to make this decision include exceptional reasons to make a one-off purchase from the supplier despite the supplier being in direct competition with a Preferred Supplier, or where if there are agreed changes to the College’s standard terms of business which are acceptable for the purchase but would not be acceptable for long-term business with the College.

Staff are also reminded of Purchase Regulations 2.4 and 22.3 which state that no authorisation may be given to a Supplier to proceed in supplying Goods or Services to the College without a purchase order number. The College’s policy is No Purchase Order, No Pay. **A new supplier request submitted with an invoice as supporting information will be considered a breach of these Regulations**.

**2.1 Conflict of Interests**

The New Supplier request form requires confirmation that any member of staff involved in the selection of a new supplier should first declare if they have any direct or indirect relationship with the supplier which could be considered as a conflict of interest. Purchasing Regulation 7.5 states that if there is a potential conflict of interest, the relevant Head of Department and the Director of Financial Services and Procurement must be informed in advance, and an independent assessment will be required by the Department to confirm the need and the suitability of the requested new supplier before the request will be approved.

**2.2 Exceptions**

The Procurement Department will review every request for a new supplier to be set up on ICIS. If the new supplier is directly in competition with a Preferred Supplier and the reason for the request is based solely on price, the Procurement Department will approach the Preferred Supplier to negotiate a price match. Additionally, an alternative existing supplier may be recommended or an alternative procurement method proposed such as using the virtual credit card. The decision of the Procurement Department on whether the new supplier should be set up on ICIS or rejected shall be final.

Any exceptions to this Policy must be approved by the Deputy Head of Purchasing.

## 2.3 Service Level Agreement

The SLA for setting up a new non-catalogue supplier on iProc is 10 working days, which is broken down as follows:

* Procurement authorisation to proceed – 2 days
* Create account and issue invitation to supplier to register and for supplier to respond – 4 days
* Check details and contact senior figure at company to verify bank details – 4 days

These times will shorten if there is a prompt response from the external parties.

The originator of the request for the New Supplier will be notified that the set up process has started and will be contacted to provide help with contacting the supplier in the following circumstances:

* if there is no reply from the supplier either after 5 days from the initial invitation, or
* if there has been no response from the supplier after 3 attempts to contact them for the bank detail verification process.

 The flowchart at Appendix A sets out the various stages and SLAs for each stage, as well as the escalation process where prospective suppliers do not respond to our request.

## 2.4 Variations

The following new supplier requests are subject to variations to this process:

* Research Partner agreements - internal forms are completed by Research Services staff and emailed to the P2P helpdesk for verification and processing
* Clinical trials participants – internal forms specially designed to remove personal information for anonymity purposes are completed by the clinical trials managers and emailed to the P2P Helpdesk for immediate processing
* Non-employees being paid expenses incurred from collaborative work carried out together with or for, Imperial College staff - Claims are sent directly to the Expenses team for processing and payment
* Non-payroll fee claimants - forms are sent directly to the Transactions team for processing and payment

For New Supplier requests for Research Partners submitted by the Research office, the process follows a different path to the non-research supplier set up requests and it is tailored to meet the specific Research Services contractual requirements.

The set-up of records for the clinical trials participants is carried out subject to stringent confidentiality requirements.

All other cases involving the set-up of records in our supplier database where external collaborators are involved in various collaborative projects with Imperial College staff, will follow a substantially different process which will not require using the new supplier set up process described above.

# Associated Documents

Successful application of this Policy shall require all staff to have a good knowledge and understanding of the related reference documents below.

The following table lists the documents associated with this Policy

|  |  |  |
| --- | --- | --- |
| **Title/Type** | **Version / Date** | **Location** |
| Purchasing Policy | March 2012 | https://www.imperial.ac.uk/finance/purchasing/regulations/purchasing-policy/ |
| Purchasing Regulations  |  February 2011 | https://www.imperial.ac.uk/finance/purchasing/regulations/purchasing-regulations/the-purchasing-regulations-/ |
| Finance Regulations |  February 2014 | https://www.imperial.ac.uk/media/imperial-college/administration-and-support-services/legal-services-office/public/what-we-do/Financial-Regulations.pdf |
| Anti-Bribery Policy  |  July 2017 |  https://www.imperial.ac.uk/admin-services/secretariat/college-governance/charters/ordinances/finance/ |

Appendix A – New Supplier Setup Process

**What does this involve?** The supplier’s Chief Finance Officer, or other suitable equivalent, is contacted directly to verify the bank details submitted

**Why is this done?** This is an Audit requirement for us. As with many institutions, we have been faced with fraudulent attempts to submit the wrong bank account details, which makes this check essential to protect the College’s money. For non-UK companies, there are time zones to consider which may add delay of a few days into the verification process.

If we are unsuccessful in contacting the relevant person at the supplier after 3 separate attempts, the Departmental contact will be asked to assist in making contact for this verification. If there is still no response within 5 days the requestor will be contacted to initiate the closure of the request.

**What does this involve?** The supplier is contacted and asked to complete their details on the College’s i-Supplier portal. A link to the College’s terms and conditions of Business is included in this template. For Fraud prevention purposes this request can only be sent out by Finance to the supplier.

**Why is this done?** The College i-Supplier portal is a secure internet service tool which will give the supplier control over the details we have relating to them, and access to information relating to their account with Imperial College including invoice status. In registering on the system through the correct channel, the supplier is also agreeing to trade under the College’s terms of business. In the unlikely event that the supplier wishes to negotiate these terms, the new supplier request originator may be contacted to get more information on what they are seeking to purchase from the supplier and what it will be used for. This is to better assess the requested amendments to the individual terms. No amendments will be accepted if they put the College at risk

If no response is heard from the supplier after 5 days, the Requestor will be contacted to help liaise with the supplier. If there is still no response after a further 5 days the requestor will be contacted to initiate the closure of the request.

The supplier will now be added to the supplier database on ICIS.

We aim to complete supplier set up requests within 2 weeks of receiving the initial request. However, this timescale could extend as we are reliant on a swift response from the supplier for the bank details verification.

**What does this Involve** It involves reviewing the details submitted by the supplier, approving these changes and completing manual internal steps in relation to tax configuration

**The New Supplier Request form is completed and submitted**

The form must have any quotation received to confirm it has followed College Regulations, where appropriate. Applications submitted without supporting information such as a quotation will be rejected

**Why is this done?** By providing all relevant information regarding the selection of the supplier, this will ensure that when the subsequent purchase order is raised, all the necessary checks have been done in advance to ensure a smooth passage for the approval of the PO.

**What does this involve**? The New Supplier Request is routed to the Procurement Department to review

**Why is this done?** The Procurement Department check the request to ensure that any potential issues with the supplier are resolved prior to engaging in a commercial relationship. If the new supplier is in competition with an existing preferred supplier, we will review the reasons for request. If pricing is the reason, we will ask our existing preferred supplier to provide a competitive quotation. Unless there are specific issues with a particular request, the Procurement Department aim to have completed within 48 hours of receipt of the request

Appendix B

Glossary

**P2P Users**

All Imperial College staff registered on the College’s Financial Management System (ICIS) to raise or approve purchase requisitions and orders.

**Preferred Suppliers**

A supplier that has been appointed to specific provide goods or services to the Imperial College following a competitive tender exercise led by the Procurement Department. The Procurement Department contract manage these agreements to ensure they provide best value for the duration of the agreement. Having been appointed following a competitive process, these should be the first-choice supplier for these goods or services and use of these suppliers negates the need to follow the full requirements for competition under the Purchasing Regulations when placing higher value orders. The full list can be found [here](https://www.imperial.ac.uk/finance/purchasing/recommended-suppliers/).

**Regular Supplier**

A supplier which is live on ICIS but does not appear on the list of Preferred Suppliers. They do not have any preferential position and use of them is subject to the full Purchasing Regulations.

**New Supplier**

A supplier which is not on ICIS but is required to be set up for specific goods or services and will be subject to several checks and authorisations before being set up.

**Procurement Department**

The Procurement Department within Financial Services and Procurement. The Procurement Department are responsible for the supplier database and have the authority to block or remove suppliers from being used.

**Finance Service Centre**

The Finance Service Centre are responsible for the setting up of suppliers on ICIS once the Procurement Department have approved the supplier.

**ASK**

The Imperial College’s enquiry management system which houses the new supplier request form. All communication regarding the supplier set up is held within the individual request ticket to have an audit trail for the approvals and checks carried out.

**Virtual Credit card**

A single use 16-digit credit card which can be generated for one-off purchases

**3rd Party Supplier**

All suppliers of goods and services to the College.