

*THE UNIVERSITY OF SOUTHERN DEN-  
MARK'S PROCUREMENT POLICY*



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## 1. Introduction

This procurement policy sets out the University's general procurement guidelines and the requirements for purchasers.

The procurement policy is based on a holistic approach. In the procurement area, the University must function as one overall customer in relation to the suppliers. The University must:

- Coordinate procurement across the organization.
- Enter into attractive, user-oriented joint procurement contracts by standardizing services and realization of major customer benefits for the benefit of the University.
- Ensure profit for the University.

By using its procurement resources optimally, the University can negotiate prices and terms for large procurement volumes, resulting in commercial and administrative benefits.

When entering into contracts, the University should consider financial, environmental, OSH, social and ethical aspects.

The "Procurement Handbook" provides advice on how to put this procurement policy into practice.

Procurement must be made from a total cost point of view given in the product lifecycle.

More savings mean more money for the University's core tasks, such as research, education and Dissemination.

## 2. Purpose

In general, the procurement policy must ensure that the University of Southern Denmark purchases goods, services and construction and engineering works based on the principle of “the best and the cheapest”, while also ensuring compliance with legislation on procurement.

Employees may find that products covered by a procurement contract can be bought cheaper elsewhere, but they should bear in mind that there are a number of other costs to be added to the procurement price, such as the employee's working time, increased administration of disbursements, setting up the supplier, and transport.

## 3. Vision

The University of Southern Denmark's vision for procurement is that:

- Procurement work should help bring down costs.
- Users should feel participation in the formulation of requirements for the joint procurement contracts.
- The users and the decision makers should have the greatest possible insight into the total costs associated with procurements.
- Procurements should be carried out efficiently and professionally.

**Coordinating procurement across the University has many benefits! Large volumes create favorable contracts**

**Definition of a principle of sufficiency**

#### 4. Aims

The following overall aims have been set out for the procurement policy:

- 1) To promote the holistic approach at the University in order to ensure that internal procurement resources are fully exploited, and favorable joint contracts are entered into - based on volume discounts due to the total procurement volume of the University.
- 2) Effective cost reduction by procurement through:
  - a. Increased use of joint procurement contracts.
  - b. Increased use of the University's electronic procurement system.
  - c. Minimization of the number of suppliers, invoices and standardization if possible, within the individual procurement categories.
  - d. Training and guidance of purchasers to make their tasks as simple as possible.
  - e. Measurements and monitoring of whether the aims of the procurement policy is being achieved.
- 3) To increase the number of tenders that take environmental, social and ethical issues into account.

Purchasers should not buy products and services that are more expensive and are of a higher quality than necessary – a principle of equity. However, the University does not wish to make savings at the expense of quality.

An evaluation of whether the aims have been met will take place annually and will be submitted to the Board. The procurement policy will be reviewed within four years after implementation.

External funding, rentals and leases are covered by the procurement policy

The University cannot make procurements freely

For goods and services procured at regular intervals, the value shall be calculated over a 12 months period

When services are procured without a total price being specified, the value is estimated over a 48 months period

As an employee at the University, you must comply with legislation when making procurements

## 5. Scope and limitations

This procurement policy establishes the framework for the procurement activities at the University and covers all contracts to purchase goods, services and construction and engineering works.

All of the University's faculties, departments and other units are required to comply with the procurement policy.

Procurement are understood as any transactions that are invoiced.

Rental and leasing contracts are processed in the same way as direct procurements. However, please note that equipment should only be rented or leased if it is deemed more appropriate to rent than to buy. Leasing may only take place with the Procurement office's involvement. Lease contracts must be approved by the University Director. Financial leasing is not allowed.

## 6. Procurement obligation

The EU has laid down compulsory rules for public authorities' procurements of goods, services and construction and engineering works.

One purpose of these rules is to ensure effective competition for public contracts in order to obtain better prices and greater efficiency.

The University of Southern Denmark is obliged to purchase goods and services in accordance with the Public Procurement Act (Udbudsloven) with associated notices. Purchases that exceed EU thresholds must thus be put out to EU tender, whereas purchases under EU thresholds should be announced if there is a cross-border interest, i.e. the contract is of interest from abroad. In this context, each procurement must be assessed individually, whether it exceeds DKK 100.000, and cannot be carried out by using existing contracts. The assessment must be done by the Procurement Office at SDU. When an acquisition accounts for less than DKK 100.000, the assessment can be done locally without the involvement of the Procurement Office.

### 6.1 Responsibility

All employees of the University of Southern Denmark who make procurements are responsible for complying with the procurement policy and the rules for tendering. If joint contracts are not complied with, any fines or damages that may be imposed on the University as a result of non-compliance with EU and national tendering rules will be passed on to the purchaser's main area.

When University of Southern Denmark organizes a tendering procedure, this is for the purpose of achieving the best possible procurement contract for the University. Therefore, it is imperative that users of the contract and those with expertise in the area will be heard and participate in a user group concerning the tendering process

You can always contact the Procurement office at [udbud@sdu.dk](mailto:udbud@sdu.dk)

## 7. Procurement, tendering and user influence

The Procurement office's joint procurement contracts are mandatory for the entire University, and the contracts must be used by all employees.

Mandatory contracts and EU tenders are drawn up in close cooperation with representative users with expertise in the relevant area. It is important for the University to ensure close links between the Procurement office and the users, as the Procurement office exists for the sake of the users.

The users are involved in order to ensure a level of expertise in the selection of products and suppliers, consideration of local needs and the effective implementation of the procurement contracts. The users thus contribute knowledge of the market and specific expertise to the preparation of specifications of requirements, and also have decision-making competence in the evaluation of tenders.

The joint procurement contracts are primarily entered into in areas where there is overlap between procurement needs or interests.

Proposals for new contract areas may be made by the tendering office, the faculties, departments and other units.

At the start of the tendering process and when contracts in new procurement areas are established, the user group participants are appointed by the procurement coordinator and his or her line manager.

## 8. Cooperation on tendering

The University of Southern Denmark uses both its own contracts and external national contracts (entered into by *Statens og Kommunernes Indkøbsservice* (SKI) or *Statens Indkøb*), as it deems appropriate. The University also participates in joint tendering arrangements with, for example, other universities, ministries and boards. All the contracts must ensure compliance with the EU procurement directives and the national rules governing tendering processes.

Some goods and services may be bought in areas not regulated by any contracts. If in doubt, please contact the Procurement office.

**The final authority to make decisions on what should be standardized, and how the product ranges should be composed, lies with the University Director, the Deputy Director of Economics and the Faculty Secretariat Directors**

**The central procurement function is expected to be established no later than 1 January, 2015**

**Day-to-day procurements are made on the basis of the contracts for the relevant areas**

## 9. Standardization

Standardization is intended to increase competition among potential suppliers for the benefit of the University of Southern Denmark. Standardization supports the comparability and thus allows for a greater degree of substitution of goods. The University's staff are expected to contribute knowledge about requirements, functionality etc. to ensure that the University benefits from the standardization as much as possible.

## 10. Procurement organization

Procurement at the University of Southern Denmark is organized by four main groups:

- The Procurement office
- The procurement coordinator group
- The central procurement function
- All employees who make purchases

At the University of Southern Denmark, the Procurement office is organized under Financial Services in the Central Administration under the coordination of the Deputy Director of Economics.

The Procurement office enters into and implements joint procurement contracts for the entire University, and in this connection has an obligation to provide guidance on the use of these contracts.

The procurement coordinator group is the link between the Procurement office and the purchasers/users. Its main objective is to ensure user influence in the tendering process and that the University's strategic contracts are complied with.

The central procurement function is organized under Technical Services and makes procurements and distributes standardized goods that are paid for centrally.

The day-to-day procurements of goods, services and construction and engineering works are made by staff at the faculties, departments and other units based on the contracts made for the various areas. Where possible, the procurements should be made via the electronic procurement system.

## 10.1 The Procurement office

The Procurement office's main function is to enter into joint contracts on behalf of the University, including preparing a supplier portfolio to suit the University's needs for goods, services and construction and engineering works and ensuring that the legislation on procurement is complied with.

In addition, the Procurement office has the following specific responsibilities:

- To update the tendering plans.
- To implement the University's EU tenders and national advertisements.
- To ensure dialogue between the Procurement office and the local purchasers/users by:
  - Coordinating and facilitating user groups and the procurement coordinator group.
  - Coordinating and facilitating implementation and communication.
  - Coordinating and facilitating the skills of the purchasers.
- To provide information on concluded procurement contracts and to put other relevant information up on the university's procurement website.
- To provide operational support with legal issues regarding procurement law and/or contract law.
- To ensure contract management.
- To carry out studies and procurement analyses of the University's procurements.
- To update the University's procurement website and procurement manual.
- To update the electronic procurement system.
- To ensure effective monitoring of contract compliance.
- To prepare and submit annual procurement reports and other management information to the Board and other stakeholders.
- To register reported errors and discrepancies in specific contracts and follow up with the suppliers.
- To prepare proposals for the procurement policy that is adopted by the Board.

**The procurement coordinator is the contact point between the users / purchasers and the Procurement office**

## 10.2 Procurement coordinator group

The procurement coordinator group consists of one procurement coordinator from each faculty and four procurement coordinators from the Central Administration and the Procurement Manager. The Procurement Manager is chairman of the procurement coordinator group.

For the Central Administration, one procurement coordinator is appointed from each of the following units:

- Technical Services
- IT Service
- The University Library
- The rest of the Central Administration (Communications, Financial Services, HR Services, Student Services, SDU Business and the Management Secretariat)

The individual procurement coordinator helps streamline the procurement process within their own faculty or area and serve as the contact points for the Procurement office on all procurement matters.

The procurement coordinator's tasks are to:

- Participate in regular coordination meetings with the Procurement Manager as the overall coordinator.
- Identify staff from the relevant environment within their own faculty or area who can participate in regular and ad hoc user groups in connection with the tendering process.
- Review the Procurement's proposals and strategies.
- Coordinate and communicate with the purchasers in their own faculty or area to stay informed about the needs, expectations and demands at strategic level.

Procurement coordinators meet regularly and as needed to ensure sufficient information, coordination and communication on SDU's contracts under the procurement policy. The meetings are convened by the Procurement office.

By “nulvarer” means goods, which are paid centrally and distributed to local depots

A consignment stock is a stock of goods which the supplier makes available to the University

All purchasers must keep abreast of current procurement contracts

### 10.3 Central procurement function

The central procurement function’s tasks will include:

- Central procurement function for goods that are bought centrally and distributed throughout the University (“nulvarer”)
- Service and support function for procurement of standard products
- Handling of consignment stocks
- Stock control, local depots
- Reception and distribution
- Work clothes and uniforms
- Cooperation with the Procurement office on tenders and framework contracts

### 10.4 Purchasers

All purchasers must be authorized by their managers (head of department, head of office, etc.) and must be ensured the necessary procurement skills.

The purchaser is responsible for:

- Complying with the University’s procurement policy and applicable regulations.
- Keeping informed of relevant contracts on goods, services and construction and engineering works.
- Ordering goods, services and construction and engineering works based on University’s, SKI’s or Danish national procurement contracts.
- Reporting errors and omissions in the University’s existing procurement contracts.
- Making purchases via the e-procurement system as far as possible
- Correcting invoices by checking prices

Users or purchasers with any questions regarding procurement contracts can ask their nearest procurement coordinator.

The occupational health and safety organization is involved as an advisor

Information in the procurement contracts is confidential

## 11. Social and environmental considerations

The University of Southern Denmark places great emphasis on ensuring a good working environment and a high level of occupational health and safety. When purchasing goods and services, the University must comply with applicable standards and legislation. To ensure this, the University's OSH organization is involved as a consultant when strategic contracts are entered into. The OSH organization formulates questions and requirements related to the working environment, which are incorporated into the tender documents. The Procurement offices responsible for involving the OSH organization.

The University must also endeavor to take into account environmental, energy-related, social and ethical issues when choosing suppliers and products.

## 12. Information, confidentiality and contracts

The Procurement office should regularly provide information about contracts and tenders on the University's intranet.

Information in the procurement contracts must be treated as confidential (partly out of consideration for the competitive aspects), and as a general rule may therefore not be disclosed to third parties.

All purchasers are expected to familiarize themselves with the contents of the contracts. The Procurement office ensures that the purchasers have access to the contracts.

## 13. Trading

The University attaches importance to ensuring constructive and dynamic relationships with its suppliers in order to develop a common business platform. SDU is committed to working with its suppliers with integrity and sincerity and in a professional manner. The University's suppliers are expected to provide the University with appropriate information about market conditions, products, product development, and the like.

The University's suppliers may not negotiate contractual or sales terms with individual faculties, departments or other units when it comes to the procurement contracts that are entered into centrally by the Procurement office.

The Procurement office is responsible for ensuring ongoing assessments of the University's suppliers. As far as possible, the University must be independent from individual suppliers.

Using the electronic procurement system offers a number of advantages for the University:

- The accounting procedures are followed
- Time-saving on invoicing and billing
- Better overview of what is ordered and received, as well as the total purchases

There should be no doubt about the impartiality of University staff

## 14. The electronic procurement system

The University's procurement process is supported electronically from the tendering phase to the ordering phase, to bookkeeping and payment.

Where possible, contracts concluded by the University will be set up in the electronic procurement system.

Once staff have been introduced to the e-procurement system, its use is mandatory.

## 15. Special rules for employees

Employees at the University who are or are related to a bidder/supplier may not obtain or process offers or check a delivery, or a job made by that supplier.

Employees at the University who run their own separate businesses may not make deliveries of goods, services or construction and engineering works to the University without special authorization from the University Director.

Under Section 144 of the Danish Penal Code, public-sector employees are prohibited from receiving gifts, grants and the like from suppliers.

SDU employees may not make private use of contracts entered into by the University.