



UNIVERSITY PROCUREMENT STRATEGY

1. Introduction

- 1.1 The Procurement Strategy supports the delivery of the University's Strategic Plan, in which one of the Strategic Aims is to: "Be environmentally sustainable and reduce our carbon footprint." The Procurement Strategy and the related Purchasing Policy are also aligned to the University's policy framework and Financial Regulations.
- 1.2 The Purchasing Strategy supports all departments of the University in the delivery of their services by securing effective procurement through the application of good procurement practices, thereby achieving value for money and managing risk for all non-pay expenditure. It also promotes best practice in order to contribute to the University's objective of providing excellence in teaching, research and support services.

2. Strategic Objectives

- To deliver the Corporate Objective in the University's Strategic Plan 2013-18 to: "Employ sustainable procurement policies and practices, using local suppliers wherever possible."
- To ensure that the University's Institutes and Departments achieve value for money by procuring goods, services and works in a legally compliant, efficient and effective manner.
- To operate in accordance with EU and UK purchasing legislation, ethical guidelines and University financial regulations.
- To promote procurement practices which contribute to the sustainability of the environment.
- To develop the skills of all staff involved in procurement through effective training, development and dissemination of good practice.
- To work in collaboration with Purchasing Consortia to ensure opportunities for achieving value for money are maximised
- To continue to develop, where appropriate, relationships with local suppliers for the supply of goods and services
- To maximise the use of procurement management and information systems to review progress in relation to Key Performance Indicators (see below).
- To continue to implement effectively the Purchasing Policy detailing the principles of procurement activities.

3. Operational Objectives

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3.1 The University's Procurement Office has the following operational objectives to support the implementation of the Procurement Strategy:

- **Selection** – choosing the most appropriate product or service for the stated purpose:
 - Enable standardisation as far as possible for equipment and consumables. This needs to be developed in conjunction and agreement with Academic and Support staff
 - Ensuring the proper planning and evaluation for the purchase of significant items including business cases, complete with an analysis of whole life costs
 - Include within business planning and capital bids the cost of replacement and maintenance for future years
 - Recognition of the environmental impact of purchasing decisions
 - Where possible implement a procedure for trial and evaluation of goods
 - Allocating sufficient time to ensure the appropriate procurement route is taken
 - Engage effectively with suppliers, making them aware of trading opportunities. This includes greater market engagement and pre-procurement meetings to secure their input and expertise.

- **Procurement** – ensuring that the products are ordered, handled and paid for in the most efficient manner:
 - Reduce the cost of ordering and reducing the number of low value orders by rationalising the Supplier database, standardising product ranges, aggregating orders and introducing minimum economic order values or sizes.
 - Examining the use of purchasing cards and their appropriate usage.
 - Development of Supplier relationships and potential 'partnerships' to reduce interface costs and improve operational service and flexibility.
 - Development of a front-end e-commerce system to enable direct ordering and invoicing with Suppliers (P2P).
 - Production of statistics to support the efficiency of the procurement process.

- **Value for Money** – Obtaining best value whilst minimising risk when procuring goods, services and works:
 - Achieving the best possible price for the goods and services by the use of pre-negotiated contracts and via the skills of the local purchasing team.
 - Obtaining the best value whilst minimising risk when procuring goods, services or works.
 - Reviewing non-monetary factors including quality, after sales support and environmental impact.
 - Using competition wherever appropriate to procure goods and services
 - Aggregate demand for products and service over time through effective business planning and co-ordination.
 - Using established contracts via Higher Education / Crown Commercial Services / NHS or other available frameworks to eliminate unnecessary duplication of workload
 - Maximising early discount payments where appropriate.

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- Exploring how poor supply practices at year end can be avoided through appropriate spending during the year through appropriate training.
 - Developing local Supplier relationships to help develop the local economy, the whole life costs of any purchase, including maintenance, consumables and disposal costs.
 - Considering the effect of procurement on wider University activities and reputation.
 - Working with key suppliers to eliminate costs and seek continuous improvement during the contract period.
 - Overseeing on-going contract management of all University awarded projects.
- **Policy and training** – Promoting a University-wide culture of sustainable and responsible procurement:
 - Ensuring that all staff involved in the procurement process are equipped with the necessary skills and receive the level of support appropriate for the financial level and strategic impact of their purchases from the procurement professionals.
 - Building and maintaining strategic alliances with other institutions within the HE sector, relevant consortia, funding bodies and where appropriate organisations in other sectors.
 - Minimising the costs of the procurement process by simplification of processes and the use of appropriate technology.
 - Embedding the principles of sustainable procurement into the procurement cycle.
- **Sustainability** - The University acknowledges that its purchasing decisions have major socio-economic and environmental implications, both locally and globally. All procurement activities should be undertaken in an environmentally responsible and sustainable manner, for example:
 - Making procurement decisions based on a balance between economic, social and environmental factors.
 - Providing guidance to staff involved in purchasing to help them make more sustainable purchasing decisions.
 - Actively managing and considering whole life costs and environmental impacts when making purchasing decisions.
 - Including environmental performance in supplier appraisal criteria during supplier selection.
 - Encouraging suppliers to operate cleaner production processes, supply more environmentally friendly products and help spread environmental improvements through the supply chain.
 - Encouraging suppliers to minimise the use of packaging.
 - Work to reduce the demand for goods and services by reducing waste and encouraging re-use and recycling.
 - Promoting increasing the use of Fair Trade or other ethically-sourced goods.
 - Promoting the use of local suppliers where appropriate.
 - Providing an annual statement on the Modern Slavery Act and recognise the use of Workers rights in the supply chain.
 - Encouraging the use of local supply chains.

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4. Role of the University Finance Team

4.1 To help deliver the objectives the University Finance team will do the following:

- Ensure that framework agreements for commonly used items are available, appropriately managed and readily accessible for departmental staff in order to maximise the University's purchasing power.
- Ensure that all high value and strategic procurement projects involve timely consultation between departments and purchasing professionals based in the Procurement Department.
- Ensure that all contractual documents are reviewed by an appropriate person prior to authorisation.
- Ensure that suppliers operating credentials and financial stability are sound and reliable
- Ensure appropriate segregation of duties by means of approved authorisation limits and definition of roles.
- Promote and monitor compliance with the University's Financial Regulations and Procedures.

4.2 The University Finance Team will also ensure that the University:

- Has representation on appropriate regional and national groups within the HE sector.
- Continues to develop links and explore collaborative procurement opportunities with local HE Institutions.
- Explores collaborative/partnership opportunities with other public and private sector organisations.

5. Performance Monitoring

5.1 The University will continue to monitor and report on performance in relation to the following sector measures to the Board of Governors through the University's Audit Committee and externally to HEFCE, and the North Western Universities Purchasing Consortium (NWUPC):

- KPI 1. Percentage of influenceable¹ spend channelled through collaborative arrangements
- KPI 2. Percentage of orders placed electronically and via purchasing cards
- KPI 3. Percentage of influenceable spend actively influenced by the procurement function
- KPI 4. Annual procurement savings as % of influenceable spend
- KPI 5. Percentage of orders raised after the supplier invoice date
- KPI 6. Number of suppliers used and level of expenditure with local suppliers per annum

¹ Influenceable spend excludes: Bursaries and scholarships; Payments to other institutions, charities, schools, NHS (e.g., franchised placements); Payments to banks, interest charges; Payments to individuals (e.g., staff costs included under the Operating Expenditure category); Payments in relation to research council grants, doctoral training, research bodies; Provisions relating to pension costs and bad debts; Payments to HMRC; Depreciation; Membership and affiliation fees (including payments to professional bodies); Conference fees; Rent and rates and planning fees to local authority; Payment to students' union and trade unions; Cost of student placements.

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