



# Procurement Strategy



2022 – 2025

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## Introduction

University of Worcester (UW) procurement strategy describes the value-added contribution the central procurement team will make towards the delivery of UW’s overarching Strategic Plan objectives, it’s alignment and signing the [Sustainable Development Goals Accord](#) and its declaration of a Climate Emergency and [net zero carbon target of all three scopes by 2030](#). It sets out how we will build on our strengths to influence the supply chain, providing benefits both within the University and beyond.

We are committed to embedding purchasing practice and decision making that follows principles of good financial governance and delivers best value to the university and its students. This will be achieved by ensuring we build appropriate flexibility into our sourcing decisions, develop sustainable partnerships, and encourage supply chain innovation. We will introduce initiatives that support a diverse range of supply chain partners and encourage local small and medium size enterprise to do business with us. We will support our suppliers to help them reduce upstream and down stream carbon emissions. We note that procurement carbon emissions account for approximately one third of the university’s carbon footprint.

Our aim is to adopt policies and processes that are fair and transparent, using suppliers who recognise the ethical, socio-economic, and environmental implications of their business and have demonstrably robust policies and practices in place, to minimise any negative impact, including reducing carbon emissions from their trading activities.

The Procurement Strategy supports the University’s strategy and other policies and procedures including the Financial Regulations.

## Procurement Vision & Mission

The Procurement 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, reducing carbon, and managing risk for all non-pay expenditure. It also promotes best practice to contribute to the University’s objective of providing excellence in teaching, research, and support services.

## How Procurement will support the University Strategic Plan

**We will create possibilities:** utilising the use of contracts, frameworks, and projects, we will ensure that Suppliers are engaged in the process by use of Advertising in appropriate journals and holding Open days, target support towards local suppliers to provide information on the University and its values and we will include opportunities for increasing Social Value. We will ensure the principles set down in guidelines of the UN Sustainable Development Goals (SDG) which are the blueprint to achieve a better and more sustainable future for all are included in tender opportunities.

We will work within the University to seek areas where there are student placement opportunities within the supplier network or offer placement opportunities within the team.

**We will develop potential:** We will continue to have a well-trained, qualified staff base to ensure that the University is working within legal requirements of procurement law. We will support these staff by ensuring they are given the ability to update professionally and attend appropriate training.

We will work with university staff to develop further opportunities for projects and interdepartmental working, including co-locating staff in departments and promoting interdepartmental working when opportunities are highlighted.

**We will increase Community Engagement:** we will work with all our potential suppliers to provide opportunities for students where practical, this could be in the form of placement opportunities or providing guest lectures or visits to the workplace. We will also work with suppliers to ensure that they consider sustainability in all forms, including buying locally, employing local tradespeople, carbon emissions and working to recognised standards relating to the environment and sustainability.

We will continue to work with the County and City Councils and the LEP and where possible try to engage with other public sector organisations to deliver strategic projects for the benefit of the Community.

## Procurement Strategy & Strategic Objectives

The following key objectives form the basis of the University's Purchasing Strategy:

- ❖ to support the University's corporate objectives outlined in the Strategic Plan
- ❖ to support the University's net zero carbon target by 2030
- ❖ to support the SDG Accord
- ❖ to ensure that the Universities Schools, Colleges and Departments achieve value for money by procuring goods, services and works in a legally compliant, efficient, and effective manner
- ❖ to maintain commitment to effective procurement from all stakeholders at the University to operate in accordance with EU and UK purchasing legislation, ethical guidelines, and University financial regulations
- ❖ to promote procurement practices that contribute to the sustainability of the environment and ensuring that all sustainable impacts are included in our procurement of goods and services
- ❖ 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 maximise the use of procurement management and information systems to develop and implement key performance indicators
- ❖ to develop and implement the Purchasing Policy detailing the principles of procurement activities
- ❖ supporting the maintenance and re-development of the University estate
- ❖ the development of agreements and contracts with local suppliers and collaborative procurement with other Universities or Local Authorities
- ❖ ensuring that the University complies with all legislative requirements

**Maximising Value for Money (VFM) - Obtaining best value whilst minimising risk when procuring goods, services and works.**

- ❖ Achieving the best possible price for the goods and services using pre-negotiated contracts and via the skills of the local purchasing team
- ❖ Targeting low and zero carbon wherever possible
- ❖ Obtaining the best value whilst minimising risk when procuring goods, services or works.
- ❖ Look at non-monetary factors including quality, after sales support and environmental impact
- ❖ Use competition wherever appropriate to procure goods and services
- ❖ Aggregate demand for products and service over time through effective business planning and co-ordination
- ❖ Use of established contracts via Higher Education / Crown Commercial Services / NHS or other available frameworks to eliminate unnecessary duplication of workload
- ❖ Maximisation of early discount payments where appropriate
- ❖ Explore how poor supply practices at year end can be avoided through appropriate spending during the year through appropriate training
- ❖ Develop local Supplier relationships to help develop the local economy, the whole life costs of any purchase, including maintenance, consumables, and disposal costs
- ❖ 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
- ❖ On-going contract management of all University awarded projects
- ❖ Ensure that we have measurable objectives for our key procurement projects through clear specifications and procurement strategies agreed with our clients
- ❖ Measure our success in meeting these objectives
- ❖ Remove duplication of procurement activity within the University
- ❖ Develop procurement processes and systems which are lean and adaptable to reduce the cost of procurement and cost of processing payments to suppliers
- ❖ Maximise the opportunities available through collaborative working
- ❖ Continue to deliver and embed VFM in everything that we do

**Delivering Strategic Procurement**

- ❖ We will engage with our leaders across the institution to support professionally led procurement in devolved and central activities and understand the importance of working with procurement professionals from the start of every activity and process to ensure a high-quality service is delivered and benefits are realised.
- ❖ Deliver quality services to our clients in a timely manner to increase satisfaction and compliance.
- ❖ Implement robust contract and supply chain management, understanding the need for supplier development, positioning and preferencing
- ❖ Implement and develop a robust Category Management approach to procurement
- ❖ Develop lean and effective processes which are constantly monitored and improved
- ❖ Work with our clients to ensure that objectives and end-user requirements are fully understood
- ❖ Appropriately utilise eProcurement systems, tools, and procedures to provide accurate and timely spend analysis, identify, capture, and report efficiencies and measure our progress against sustainable procurement
- ❖ Support new ways of delivering services through early involvement in projects
- ❖ 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
- ❖ 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 sectors, 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.

## Embedding Sustainable Procurement

Sustainability - The University acknowledges that its purchasing decisions have major socio-economic and environmental implications, both locally and globally. To manage the procurement activities in an environmentally responsible and sustainable manner will involve

- ❖ Reduce the demand for goods and services by cutting down on waste and encouraging re-use or re-cycling
- ❖ All white goods should be as a minimum a B in the new rating system (A-G), or A++ in old system. Ideally an A or A+++.

- ❖ Procure low and zero carbon goods and services wherever possible, including 100% renewable electricity
- ❖ Account for in-use carbon and whole life costing models
- ❖ Use the most environmentally friendly goods and services where appropriate
- ❖ Promote and increase our usage of Fairtrade goods where appropriate or other Ethically sourced goods
- ❖ Benchmark our performance against appropriate benchmarks
- ❖ Procure and drive improvements in energy, waste management and recycling in conjunction with Estates and Facilities department.

We will also work with our suppliers to:

- ❖ Promote awareness of our sustainability objectives including the University's work with the UN SDG programme
- ❖ Promote the awareness of net zero carbon targets in the supply chain and support our suppliers to reduce their upstream and downstream carbon
- ❖ Review their supply chain to adopt/improve sustainable approaches in their production and delivery of goods and services
- ❖ Improve their performance in relation to sustainability objectives.
- ❖ Encourage the consideration of Social Value in all contracts, with reference to the Public Services (Social Value) Act 2012
- ❖ Ensure compliance with the Modern Slavery
- ❖ 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 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
- ❖ By 2019, we will implement the SU-Eatable sustainable food project within our new catering contract to help promote suitable food choices for students and staff, including the roll out of the GreenApes App.

## Improving Communication

To help deliver the objectives the University the Procurement Team will do the following:

- ❖ Actively promote carbon literacy training in our sphere of influence and the understanding of our net zero carbon target by 2030
- ❖ Ensure that framework agreements for commonly used items are available, appropriately managed, and readily accessible for departmental staff 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 and where applicable with the involvement of the Project Management Office.
- ❖ 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
- ❖ Comply with the University's Financial Regulations and Procedures
- ❖ Work with faculties and departments to identify key stakeholders and engage with them to ensure a good understanding of procurement and that key information is disseminated across the University.
- ❖ Share our successes across the University
- ❖ Promote new and current contracts
- ❖ Provide regular updates using appropriate methods including the Procurement webpage and new staff inductions.
- ❖ Hold procurement events and deliver presentations for both internal and external stakeholders.
- ❖ Deliver training where appropriate on activities such as procurement, contract management, compliance, social value, commercialism, and e-tendering.

### **Strategic Alliances & Driving Collaboration**

- ❖ Have representation on appropriate regional and national groups within the HE sectors.
- ❖ Continue to develop links and explore collaborative procurement opportunities with local HE Institutions.
- ❖ Explore collaborative/partnership opportunities with other public and private sector organisations.
- ❖ 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

### **Performance Monitoring**

The Procurement function currently reports statistics to the Office for Students, NWUPC and the University Audit Committee on performance measures which are generic across the sector. These are currently listed below

To monitor procurement performance, the following performance indicators will be used:

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|--------|--|
| PPI 1. | Total cost of procurement function as percentage of impactable spend                     |
| PPI 2. | Percentage of impactable spend channelled through collaborative procurement arrangements |
| PPI 3. | Percentage of impactable spend with SME's  |

- PPI 4. Percentage of Impactable spend actively influenced by procurement function  
PPI 5. Annual procurement savings as a percentage of impactable spend  
PPI 6. The impact of the procurement function on value for students

## Definitions

**Impactable spend** is other operating expenses excluding:

- Bursaries and scholarships
- Payments to other institutions, charities, schools, NHS (e.g., franchised placements)
- Payments to banks, interest charges, etc.
- Payments to individuals (e.g., staff costs included under the Op Ex category)
- Payments in relation to research council grants, doctoral training, research bodies etc.
- 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