

Procurement Department



PROCUREMENT STRATEGY

2016 to 2020

1 Introduction

This document sets out the University's Procurement Strategy. It supports the University's overall mission, strategy and values and sets out the plan for the future of procurement activity at the University for the period 2016 to 2020.

2 The University's Mission Statement

Our **vision** for 2026 is that the University of Reading will be a vibrant, thriving, sustainable, global and broad-based institution, responsive to, stimulated by and informing changes in the world around us. As a result, we will also be significantly larger in terms of students, global reach and presence, and revenue.

Our **ambition**, now and towards 2026, is to enhance our standing as a leader in research and higher education that defines and responds to the needs of individuals and societies, and, by so doing, to be counted among the very best universities in the UK and internationally.

We will articulate that ambition through the **LIMITLESS** concept.

This reflects our mind-set: optimistic, forward-looking and open to new possibilities. For prospective students and staff, it will capture an aspirational outlook and a commitment to ground-breaking teaching and research.

3 Vision of the Procurement Department

The Procurement Department vision is to become a sector leading procurement function that supports the University's vision and operating model. It will strive to lead in the education sector and other sectors on its approach to delivering procurement activities.

The Department will focus on three strategic priorities

- strategic leadership in procurement
- improved collaborative procurement
- improving capability and capacity in procurement

4 Ownership and Approval of the Procurement Strategy

The Procurement Strategy will be owned and signed off by the Procurement Board and senior management will endorse and follow the strategy. The Procurement Department will put the plans in place to ensure the strategy is implemented.

The progress of the implementation of the strategy will be reported to the Procurement Board and the Audit Committee. This will be carried out on an annual basis.

5 Procurement Service Statement

The Procurement Department is responsible for working with colleagues across the University to buy all our goods and services in the most effective, appropriate and compliant way possible.

We strive for value for money and suitable quality in the goods and services we buy and the suppliers we contract with. We have adopted a category management approach, which looks at aggregated categories of spend across the whole institution not just within specific schools or functions - this is a best practice, professional approach. We benefit from consistency, whilst being mindful of the flexibility that we need in such a large and varied organisation.

We provide:

- Suppliers who have a University-level agreement and contract with us and who any member of staff can access directly e.g. stationery supplier, IT hardware supplier, travel provider.
- Support to individuals, Schools and Functions with more specialised requirements and/or who need to buy something that is covered by specific UK or public sector procurement legislation and processes

6 Considerations by the Procurement Department

In order for the Procurement Department to achieve its ambitions it needs to continually evaluate the procurement activities within the University and where appropriate reinvent what we do, how we work, and how we sustain ourselves. We must be alert to changes and opportunities within the external environment and ensure that we keep pace with developments within the sector and elsewhere and show continuous improvement.

The function must take into consideration:

- University's strategic objectives
- UK government initiatives
- Financial strategy
- The University risks relating to achievement of the strategic objectives
- evolving requirements.
- factors influencing risk
- local environment
- priorities of the business benefits to be achieved
- ability of the market to respond.
- sustainable procurement issues

7 Who are the Stakeholders

There are many stakeholders and customers that Procurement need to consider and involve in the strategic aims of the department. They include:

- University Executive Board
- Budget Holders
- University staff
- Suppliers
- Other Universities
- Higher Education Funding Council for England (HEFCE)
- Research Councils
- Purchasing Consortia
- Crown Commercial Services
- Government

8 Strategic Aims

The Procurement Department aims to be an enabling service by:

- Optimising the value of third party spend in both reducing costs and achieving appropriate quality

- Activity is coordinated within the procurement community with a clear understanding of roles and responsibilities, clear governance mechanisms are in place
- Working in a collaborative manner whilst demonstrating continuous improvement
- The function is proactive in direction setting and providing recognised professional support
- The focus is on strategic value added activities across the entire University
- The aim is to become a trusted advisor with the confidence of stakeholders in the ability of procurement to add value to the business outcomes
- The level of benefits increases to above best practice in the sector as measured by the best practice indicators.
- Information on policies and procedures related to procurement that is easily accessible with relevant and regular training provided to key users across the organisation
- will lead the international procurement agenda to support the University's aspirations globally

9. Objectives

The following objectives will support the Procurement Strategy and ensure the vision and aims are met.

a) **Category Strategies will contribute to the University's vision**

To deliver advanced procurement solutions such as category plans that will be developed for all appropriate expenditure to ensure that they are in line with the University's vision. These will be developed with all stakeholders including any relevant external bodies.

Once the plans are approved procurement staff with the key stakeholders will monitor the plans and put in place appropriate reviews ensuring continuous improvement.

The process aims to ensure that savings and value improvements realised as part of the sourcing and contracting process are sustained in the long term through the effective management of suppliers.

b) **To ensure strategies and contracts deliver best value and manage risk**

To improve our understanding of the requirements for the University and the related market. To ensure that framework agreements for commonly used items are available, appropriately managed and readily accessible for staff in order to maximise the University's purchasing power.

That all high value and strategic procurement projects involve timely consultation between stakeholders and purchasing professionals based in the Procurement Department.

All standard contractual documents are developed and reviewed in collaboration with the Legal Services Department and other relevant stakeholders and ensure the appropriate review prior to authorisation.

To work with suppliers and monitor them to ensure they are reliable and manage potential risks. To identify improvements and manage the supply chain and all stakeholders effectively. To report risk where appropriate and seek to prevent fraud where possible.

To comply with the University Procurement Policy and any other related policies and legislation.

c) Ensure the appropriate level and skills of resources are available

Ensure that there are appropriate skills and expertise in all relevant areas of procurement.

To understand resource requirements and plan according to the University's needs.

To increase the level of professional competencies in the Procurement Department and all involved in the end to end procurement processes. To make available a range of suitable training courses, guidance for staff and suppliers.

To support and develop leadership competencies, commercial and technical skills, behaviours and ethical codes. To develop procurement staff to obtain where appropriate professional qualifications e.g. membership of the Chartered Institute of Purchasing and Supply.

To share knowledge, skills and collaborate as appropriate with other Higher Education, Consortia, Public Sector and the supply chain.

d) To improve Procurement Processes, Contracts and Systems

Review, revise and ensure improvements of the processes involved in purchase transactions whether by purchase orders or by purchase card.

Develop a business case and procure and implement an electronic marketplace and investigate opportunities for process savings around electronic invoices.

To review and improve the use of current technology such as the e-tendering system and spend data tool.

To obtain feedback and work in partnership with stakeholders both internal and external to ensure continuous improvement of processes, contracts and systems.

e) Improving Strategic Relationships

Have representation on appropriate regional and national groups within the HE sector to allow collaboration.

Continue to develop links and explore collaborative procurement opportunities with local HE Institutions.

Explore collaborative/partnership opportunities with other public and private sector organisations as appropriate

Manage the relationship with the supply chain through effective contract management

f) Ensuring Sustainable Procurement

Ensuring that our suppliers are compliant with all necessary legislation and policies, as well as striving for best practice, is a key element of our procurement activity.

To support this, we will:

- Develop sustainable Procurement skills amongst staff and key stakeholders.
- Minimise environmental impact across the supply chain through the use of sustainability criteria where appropriate.
- Collaborate with other organisations and associations in the sector and beyond, such as consortia and universities, to share best practice and knowledge.
- Promote sustainability in the marketplace by engaging current and potential suppliers and ensuring that they are aware of our key policies and procedures.
- Continue to embed sustainability factors into our category plans. In addition, work closely with the Sustainability Team as these plans develop and evolve.
- Pursue areas of collaboration with the Sustainability Team both internally and externally

10 Measurement of Procurement

Procurement at the University will be measured through a number of routes with aims set to match the business requirements:

- a) Procurement Maturity Assessment conducted by the Southern Universities Purchasing Consortia. The aim will be to achieve 'Superior' in all categories by 2018
- b) Internal and External Audits carried out annually
- c) To conduct biennial staff surveys
- d) To obtain feedback from the supply chain on a regular basis through a managed process
- e) Performance will be tracked against key indicators that include the 6 Best Practice Indicators (BPI's) designed by Universities UK and recognised by HEFCE following the Diamond Report. These targets need to be reviewed and agree they are viable for the University. Once agreed further review will take place on an annual basis.

