

The University of Kent Procurement Strategy 2022 - 2026

Introduction

The University of Kent (UoK) Procurement Strategy is developed by the Assistant Director Of Finance (Procurement) and is a statement of the strategic intent of the Procurement Team for the academic years 2022 - 2026. It directly supports the University Strategy 2020-2025 and will be reviewed and updated annually to ensure the objectives are met and align to any subsequent University Plans and commitments, with specific reference to the Financial Improvement Plan and the UN Sustainable Development Goals Accord (SDG Accord) which the University committed to in March 2018. A progress report will be made available each year for the Director of Finance.

Strategy Statement

The strategy is aimed at enabling all Procurement activity within the University to operate in an effective, efficient, sustainable, compliant and professional manner. It will support **the University Strategy** in the following ways:

- **Maximising our financial leverage**

The intention is to deliver demonstrable Value for Money by maximising the leverage the University can exert on suppliers. We will achieve this through compliant and legal procurement activity, prudent commercial engagement internally and externally, accurate specifications, beneficial terms & conditions, and accurate reporting of spend.

The University needs to obtain maximum outputs for the expenditure using the following mechanisms:

- Always use competitive processes to award contracts unless there is a compelling reason not to
- Maximise the use of pre-negotiated framework agreements
- Agree long-term contracts with suppliers rather than pot-buying short term requirements
- Ensure specifications are 'fit for purpose' not 'nice to have'
- Challenge requests for inflationary price increases from suppliers

- **Maximise efficiencies internally and externally**

By ensuring all the University's activity is as cost-effective as possible, utilising the most efficient processes, the best solutions, and reviewing expenditure and activity to find the best value-for-money actions to help the University fulfil its objectives. The Non Pay Savings Task Force, formed in January 2020, will continue its activity to reduce expenditure and reduce costs wherever possible through identifying and improving activity. The team will continue to deliver a full reporting suite that will enable accurate timely reporting on the University / Supplier credit ratings, UBW and card transactions, contractual compliance, financial analysis of spend, suppliers, the wider market and sector, and any and all other spend information (internal or external) as appropriate.

- **Our positive impact regionally, nationally, and especially internationally.**

By engaging with the local and national business community, and supporting local and regional suppliers where possible, but not at the expense of regulatory or legislative obligations, compromising delivery or savings targets. This includes aspiring to, and building ways of, incorporating the 17 SDG Accord Goals into our activity, in alignment with the University's commitment. The University will continue to, and strengthen, its commitment to removing unethical activity at suppliers, in relation to Modern Slavery, Prompt Payment, and environmentally sustainability in supply chains.

- **Encourage, recognise and celebrate success**

The successes of the team and examples of good procurement practice identified across the University will be actively promoted within the University at all levels. In particular, value for money, savings made through procurement, and service improvements delivered by the team will be communicated.

- **Encourage diversity; promote equality of opportunity**

By ensuring all the University's purchasing activity is carried out in a fair, transparent and compliant manner, as much as reasonably practical, that adheres to legislation and regulation, and our objectives and policies. Each contract would be assessed to identify supply chains at risk of modern slavery and forced labour.

- **Maximise cultural and developmental opportunities for all our students and staff.**

Staff development and up-skilling the Team will be a key focus for 2022-26 and across the wider university, and staff where involved in procurement activity, will be encouraged to attend relevant training courses. Procurement staff will be experienced and skilled in their specialist areas. The Procurement Team has been staffed with high calibre, qualified experienced staff to more effectively deliver results, to ensure we have the right skills, knowledge, and experience in the right position to be as effective as possible. The Team will also work towards upskilling suppliers and potential suppliers to make it easier to access University spend. There will be an introduction of enhancing the student experience into University contracts where practical.

- **Work with partners in whom we have confidence for mutual benefit**

Procurement will continue to work with a Business Partnership / Category Lead delivery model with key relationships and stakeholders consulted regularly. Procurement staff will be selected by category specialism. The team will meet with their relevant department stakeholders on a regular basis. Major, cross-departmental projects will have stakeholder groups to understand their concerns and views. This will have a key role in promoting best practice in purchasing activity and the successful outcomes of key projects over the coming years, with a collaborative approach to service delivery in the team.

- **Locally, to promote employment opportunities and act in a socially responsible way**

Where possible, all tendering opportunities will be made available to local business taking into account the suitability of their proposal and there will be increased opportunities for local suppliers to participate. The Procurement function will also get more involved with the local business community to give advice and guidance on how to be successful in both the HE and wider public sector. The team will continue to build closer working relationships with local bodies, councils, and other local institutions. This will continue to 2026.

- **Nationally, to maintain the close working relationship with other leading higher education institutions and outside the HE sector on an ongoing basis**

Through playing an active role in the both the HE and wider Procurement community and being connected to the necessary forums and providers, and contributing to sector consultations. The Team also collaborates with other HE providers, councils, authorities, and consortia where practical and the use of collaborative framework agreements will be maximised.

- **Legislative and regulatory compliance**

Through co-ordinated best practice activity, the team aims to ensure that Procurement activity across the University is, as much as possible, fully compliant to the legislative and regulatory requirements and will also focus on any changes or updates to any instruments to ensure compliance.

- Ensure all procurement processes comply with the Public Contracts Regulations (PCR) 2015 ;
- Ensure that companies bidding for UoK contracts are treated fairly ;
- Guarantee the transparency, integrity, fairness and accountability of all procurement procedures ; and
- Regularly review and update procedures to ensure changes in legislation or good practice are adopted.

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- **Deliver an improved and more professional approach to Procurement activity**

The team will be populated with sufficient resources and skills which will support all of the above activity, and provide the University with full visibility of our commercial activity. We will continue to deliver a detailed reporting suite on activity, with the aim of delivering better results, and maintaining the improved SUPC PMA score of 47 (up from 38 in 2017). Staff are set objectives and managed formally with one-to-ones and annual reviews. In addition, environmental and sustainability factors will be strengthened.

What is Procurement?

The purpose of Procurement is not, as has traditionally been understood, just to obtain the lowest possible cost for a business. Procurement is more than just the buying of goods and services, there are a number of stages in the *Procurement Lifecycle*, these would typically include (but are not limited to):

- Reviewing the most efficient route from idea to solution, including the processes used;
- Identify the need, including an assessment of full life cost analysis;
- Information gathering, how much, what and how we buy as a University, potential for collaborative procurement, leverage, service improvement, engaging the supply market and the procurement options open;
- The best fit of specification to deliver our requirement, purchasing of goods and services, how we buy under contract, or non-contracted suppliers;
- The tender (or quote) process to ensure fair, transparent and compliant spend;
- Contract award including the final contract and any Service Level Agreement;
- Contract and supplier management, including ensuring continued benchmarking to ensure both value and quality of service offering;
- Post Contract Supplier Management and dispute resolution;
- Commercial and contractual advice;
- Disposal of any redundant or surplus equipment in an ethical manner;
- The decision on whether to extend, if possible, or re-tender a contract when it expires;
- Compliance to legislation and regulation;
- Maintaining an account management approach to key stakeholders and internal clients;
- Achieving lowest overall life cost for the provision of the requirement whilst delivering the best possible outcome.

Value for Money

The Procurement Team is committed to ensuring the five key Value for Money (VFM) procurement objectives are met and continually improved, these are to be:

- **Effective;**
- **Efficient;**
- **Economic;**
- **Sustainable;** and
- **Professional.**

Additional Key objectives for 2022 - 26

Delivery of Savings

Supporting the Executive Group in its objective to achieve financial savings as set out in the approved Budget and Financial Forecasts. This includes delivery of best Value For Money to the University, with tangible and verifiable savings that demonstrate the commercial and economic value added by the team and our work in reducing costs whilst not compromising outcomes or delivery.

Delivery additional outputs following Audit Recommendations

These outputs have become part of business as usual team objectives, under the steer of the Assistant Director Of Finance (Procurement), to become a Best Practice function delivering efficient working practices, high standard of delivery and reporting, and cost savings. The outputs include standardised documentation that reflects best practice, delivery of training off and online, and an improved presence with peer groups internally and externally that will result in better results. The team has taken the approach of Continuous Improvement in its activity and continues to seek better delivery and results in activity. Audit recommendations will be taken onboard to enhance reporting and information, publication of a Procurement Pipeline, Category Strategies and stakeholder management, as well as ensuring continuity between UK and EU sites. A full document and process review, including an adapted process for the arts and performance offering, is intended to take place in FY22-23.

Best Fit Of The Procurement Team to University Requirements

To ensure the team reviews all areas of University expenditure and commercial activity to carefully consider how to yield maximum effectiveness from the resources, skill, knowledge and opportunities available.

“No PO No Pay” Initiative

Introduction of a “No PO, No Pay” initiative in 2020 will be maintained.

2022/26 Tender activity

Particular priority areas for tendering in the three years to 2025 includes a full and deliverable long term plan aligned to the Contracts Register to ensure that the University is in contract with all major suppliers at all times and a managed, sustainable workload that brings benefits

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to the University. This register is now used as a tool for managing workloads, contracts, and issues effectively. Working with key stakeholders for 2021 - 25 the intention is to review the procurement across the following areas of spend:

- Property and Estates (Refurbishments and Minor Works programme) in FY 2022/23
- Journals, publications, books, resources and content purchasing in FY 2022/23
- Office Furniture in FY 2022-23
- Pest and Bird Control Services in FY2022-23
- Postal Services in FY 2022-23
- Paper in FY2022-23
- Stationery and Office Supplies in FY 2022-23
- External Audit Services in FY 2022-23
- Debt Collection Services in FY 2022-23
- PSL / Recruitment Services in FY 2022-23

A number of projects planned for 2021-22 were not completed due to market uncertainty, distressed supply chains, and unstable socio-economic conditions resulting from Covid and Brexit, as well as significant shortfall in category management staffing due to staff churn. Other projects for FY 2022-23 will be populated in due course. The above deliverables are subject to adequate resourcing of the team.

How Value for Money will be achieved

<i>Objective</i>	<i>Desired outcome</i>	<i>How will we achieve this</i>
Effective	All buyers and those who make the strategic procurement decisions are trained and qualified where appropriate and clear guidance and resources are available to assist them.	Ensuring that Procurement Team staff and others involved in the procurement process are trained in the skills appropriate for the financial level and strategic impact of their purchases. This will be done through training delivered to stakeholders involved in procurement decisions. The Intranet site will be expanded and where prudent, redesigned and rewritten with standardised documentation and guidance added. Ensuring the knowledge gained within the team and by buyers within UoK is provided to all through the 'Procurement Updates' email list and regular News articles in the Finance Blog.
	Procurement is seen as an enabler of innovation, enterprise and creativity.	Actively seek the views of internal stakeholders and external suppliers to understand their needs and learn from them how we can improve processes together. Delivery of a high quality, knowledgeable service that will exceed previous performance and be legally compliant and operationally effective.
	Risks are noted and reduced /managed where appropriate and UoK Procurement continues to avoid negative outcomes.	Ensuring the balance between efficiency and risk is set correctly and that spend across UoK is monitored to ensure compliance. Training of Procurement staff is sufficient to understand the legal aspects of procurement and dissemination of knowledge and best practice as well as appropriate training to internal clients. Areas where there is a high risk of fraud, supplier failure, or other impacts will be vigilantly monitored.
Efficient	Procurement involvement in University-wide projects is sought after and leads to improved ways of working. Key suppliers feel a valued partner in assisting the UoK to meet their objectives.	Working within Finance and beyond to look at new and improved ways of working. Procurement will actively seek involvement in projects at an early stage to help deliver efficiencies where possible.
	Buyers and decision makers have the knowledge to make the right purchasing decisions	Ensuring all stakeholders have the knowledge and skills to know where and how they can achieve best value. Information supply will be primarily through UoK Procurement Updates emails, regular category management and stakeholder engagement, our website and visibility and

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		presence of the team on our committees, boards, forums, and decision-making bodies.
	The majority of transactions carried out within UoK are carried out using the UBW Purchase Order Processing module or Purchasing (credit) cards where no contract is available. E-tendering and E-procurement are widely implemented and used.	Minimising tender and transaction costs by simplification and using appropriate easy to use processes and technology through the Simplifying Kent Programme. Increase take up of card purchases with appropriate reporting and controls over card usage and monitoring. Standardised documentation and methods implemented.
	The Procurement function is seen as an enabler by Schools and Departments.	By ensuring all new tender projects deliver efficiency benefits as well as financial ones, and looking at and improving current processes when we are looking at new suppliers. Helping schools and departments to obtain best value from their budgets.
Economic	Value for Money is achieved with costs driven down and quality improved.	Regular Value for Money reviews across areas of spend, increasing our market knowledge through the potential move to a category Management approach, regular benchmarking of our current suppliers to ensure we are getting the best price and quality available. Category Management strategies will be designed and created.
	Demand management to reduce unnecessary expenditure	Economically prudent management of demand; reducing excessive activity, number of purchases, and looking at economic and lean use of demand by reducing and consolidating multiple purchases to obtain maximum delivery for minimum cost.
Sustainable	Sustainable policies are embedded in all Procurement activity. The UoK is seen as an opportunity by local suppliers.	Incorporating the principles of sustainable procurement – including the 17 Goals of the SDG Accord - into the procurement cycle with consideration to any socio-economic and environmental implications including Equality, Diversity, Accessibility, and targeting Modern Slavery. Support innovation in waste and energy reduction and assist the UoK to meet our targets on Carbon reductions. Presence at the Environmental Sustainability Forum. Further work will be carried out to ensure full life cycle costs are taken into account when procuring, to avoid more costly short-term decision making.
	UoK Procurement seen as a centre of excellence and partner of choice within our peer group and by suppliers and can deliver	Collaboratively procure within the HE/FE sector and beyond at both national and regional level. Jointly tendering with partners when appropriate. Actively encourage new entrants

	savings through joint buying projects.	to become UoK suppliers by engaging with and working with local businesses through the B2B forum and other local business organisations.
Professional	UoK Procurement is seen within The University, the HE sector and beyond as a centre of excellence delivering best practice to buyers and managers.	<p>By keeping up to date on what is happening within the profession and within the HE sector, through active membership of Chartered Institute of Purchasing and Supply (CIPS), Southern Universities Procurement Consortium (SUPC), LUPC, HEPA, TUCO and other relevant Public Sector bodies. Regular reviews and benchmarking ourselves against our peers, through the Procurement Maturity study. Communication through the UoK Procurement Forum and Procurement Updates e-mailing list. Recognised internally and externally as a trusted source of good practice, including in PMA assessment scores.</p> <p>Professional development of Procurement staff.</p> <p>By delivering a service to internal clients that is practical and professional.</p> <p>By working with external partners and suppliers in a professional manner.</p> <p>Advising University Senior Management of issues and changes within Procurement regulation or other factors affecting Procurement, where there is likely to be a significant impact on the University's operations, financial sustainability or reputation.</p>

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