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INTRODUCTION

This document sets out a procurement roadmap for Kingston University (KU) and St Georges, University of London (SGUL) for the next three years in alignment with KU’s aims and vision and mission statements and SGUL’s mission, vision and CORE values.

Procurement is an enabler and strategic asset for achieving distinctiveness, innovation, efficiencies and effectiveness in the provision of goods and services through strategic collaborations and partnerships with key suppliers. Sustainability, added value, student employability and placement opportunities are also achieved through our relationship with key suppliers and their supply chains.

1.1 The Corporate Procurement Unit

The Corporate Procurement Unit (CPU) consists of four fully qualified procurement professionals, a procurement data analyst and a procurement officer providing services across KU and SGUL. It has a category management approach and builds contract management requirements into all ongoing contracts procured by the team.

The CPU are fully involved in ensuring compliance with the procurement policy, carrying out due diligence on new and existing suppliers, leading high value tenders and maintaining a database of centrally-procured contracts.

Category management and achieving value for money in its widest sense continues to be the main focus for the team.

The Head of Procurement reports to the Deputy Director of Finance at KU, leads the team and has overall responsibility for the strategic development of the function and delivery of the objectives set out in this document.

1.2 Procurement Systems and Tools

Devolved procure-to-pay tasks are automated across the Universities through an online self-service system – Agresso. KU also employs an In-Tend e-tendering system which is used for all procurements above a £50k threshold. Dunn and Bradstreet and Creditsafe are online tools the CPU uses in carrying out due diligence supplier checks and a sustainability engagement tool is made available to all new suppliers free of charge.

1.3 Procurement Policy

The procurement policy and guides for the respective universities are supporting documents which have been influenced by and have links to:

- The respective university’s Financial Regulations and Policies
- EU Procurement Directives and the related Public Contracts Regulations 2015
1.4 Scope of Procurement Activity

KU and SGUL have a combined average spend (other operating expenses) of £102m\(^1\) per annum on the external provision of goods, services and works (Figure 1) plus an envisaged combined spend of £40m\(^1\) on capital projects and other commitments as at 31 July 2018. On average, approximately 70%\(^2\) of combined operating expenses can be impacted by Procurement.

<table>
<thead>
<tr>
<th>Financial Year/Organisation</th>
<th>KU</th>
<th>SGUL</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/18</td>
<td>£71,714,000</td>
<td>£29,119,000</td>
<td>£50,416,500</td>
</tr>
<tr>
<td>2016/17</td>
<td>£77,070,000</td>
<td>£26,691,000</td>
<td>£51,880,500</td>
</tr>
<tr>
<td>Average</td>
<td>£74,392,000</td>
<td>£27,905,000</td>
<td>£102,297,000</td>
</tr>
<tr>
<td>Impactable by Procurement(^2)</td>
<td>76%</td>
<td>63%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Figure 1

2 PROCUREMENT VISION AND AIMS

2.1 Procurement Vision

In alignment with the Universities’ desired outcomes, our vision for Procurement is:

To provide a strategic and professional procurement service which engages suppliers to meet the universities’ requirements sustainably, achieve best value and enhance student experience in compliance with applicable regulations and legislation.

2.2 Procurement Aims

We aim to:

- Apply a category and risk management approach
- Provide professional procurement advice
- Achieve added value benefits that enhance student experience
- Assist buyers and other key stakeholders in above threshold procurements
- Achieve the delivery of innovative, quality and cost effective goods, services and works
- Achieve best value for money over the whole life of contracts

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\(^1\) Extracted from [KU Financial Statements](#) and [SGUL Financial Statements](#)

\(^2\) Based on impactable spend figures in the 2017/18 Procurement Value Survey (PVS) reports for KU and SGUL
3 PROCUREMENT STRATEGY

3.1 Category Management

Spend at the university has been divided into the following categories each area managed by a procurement category manager:

- ICT
- Estates and Facilities
- Corporate

This approach ensures category managers understand the market drivers for their respective category, are aware of new developments and trends, and can effectively manage the relationship with key and critical suppliers.

Category management also enables the consolidation and leveraging of combined spending power across the universities to maximise value and further enhance the benefits that can be derived from joint procurements.

3.2 Risk Management

To enable the deployment of the most appropriate procurement strategy, spend is categorised using the risk and value matrix shown in Figure 2.

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3 Corporate covers non-IT and non-E&F procurements such as services relating to legal, human resources, marketing and finance.
CPU also maintains a procurement risk register along with the mitigating/preventative actions required to manage identified risks. This is shared with the lead for risk management at KU and included in its corporate risk register.

3.3 Professional Procurement Advice

Procurement advice is provided as required by fully qualified members of CIPS (The Chartered Institute of Procurement and Supply) and purchasing advice by trained and experienced support staff members.

3.4 Enhanced Student Experience

The procurement process will be used as a means to encourage suppliers to provide solutions and added value benefits that will enhance student experience and increase customer satisfaction. This could be in a variety of forms such as job placements, internships, employment opportunities, specialist guest lectures, use of proprietary software, training, presentations, attendance at open days and fairs and special discounts or offers for students.

3.5 Above Threshold Procurements

The CPU team provide support for procurements that exceed the £50k threshold over the term of the contract or, if unknown, when aggregated over a term of four years. Requisitions raised on Agresso that fall within this threshold trigger an alert to the team or are workflowed to the team for approval or rejection. This provides an opportunity to ensure compliance with internal regulations and public procurement legislation. A cumulative spend report are generated periodically to ensure checks are kept on overall spend with suppliers approaching the threshold to ensure compliance and early involvement of the team.

The CPU keeps a database for all contracts it procures.

3.6 Innovation and Cost Effectiveness

This will be achieved through market research and the correct use of supplier expertise as an external resource. Harnessing innovation has the potential to improve the university’s distinctiveness and competitive advantage particularly in a climate of intensifying competition in the higher education sector.

3.7 Value for Money over Contract Duration

The use of framework agreements and collaborative arrangements will be encouraged to reduce sourcing costs and the whole life costs of goods and services will be taken into account to ensure best value for money (vfm) is being achieved.

Contract and supplier management through account management by suppliers, key performance measures, service level agreements, periodic contract reviews, clear issue escalation processes and the appointment of a university staff member as contract manager are built into the requirements from the outset.
This enables the early spotting of signs of failure, avoids complacency and ensures vfm is achieved throughout the lifespan of the contract. A service improvement plan can be developed and agreed for failing suppliers and their performance monitored more closely.

Through regular meetings with contracted suppliers, market knowledge and information about new developments can be gained to ensure the university remains on the cutting edge.

3.8 Sustainable Procurement

Sustainability will be further embedded into business as usual processes within CPU through:

- Capturing environmental, ethical and social considerations in the procurement initiation document (PRID) for new tenders such as the London Living Wage, waste reduction opportunities, increased recyclability, energy efficiency and other applicable sustainability elements;
- A checklist developed by the Sustainability Hub used by the team to incorporate sustainability requirements in contract specifications;
- Incorporating, where appropriate, sustainability criteria as part of the supplier evaluation process and in the award of contracts.
- A sustainability engagement tool rolled out to all third party suppliers;
- Referring buyers to Warp-It (a platform enabling the recycling and reuse of goods) as a first point of call instead of setting up a new supplier or placing an order for a new item;
- Standard Modern Slavery questions in the Selection Questionnaire for OJEU-tendered contracts;
- Evidence of incremental progress required in annual Modern Slavery statements;
- A close working relationship with the Sustainability team and their early involvement in relevant procurements.

3.9 Shared Service

The CPU provides procurement services to KU and SGUL. This provides opportunities to leverage combined requirements and spend, reduce sourcing costs and seek improved pricing and improved contractual terms for both organisations. Although requirements are combined in one procurement exercise, separate contracts covering the unique requirements of each organisation will be delivered.