



PROCUREMENT STRATEGY

2017-2020



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1 Introduction

The University Procurement Strategy is a statement of the strategic intent of the Head of Procurement for the period 2017-2020 and supports the University Strategic Plan 2020. This Procurement Strategy has been reviewed and approved by the Director of Finance, Chris Hall.

1.1 Higher Education Sector Context

The HE Sector is currently undergoing significant change: student funding, international student numbers, tuition fees and research income are in a state of flux. Collectively, these are having a significant impact on the financial and competitive position of higher education institutions (HEIs). All HEIs are considering their responses at a strategic level and are seeking to deliver more efficiency.

As a result of this, there is intense focus on cost effectiveness (Value for Money) and collaboration across the sector. There is an expectation that Procurement will play a supportive role in helping faculties and service departments deliver efficiencies.

1.2 University Context

Birmingham City University core values and the University Strategic Plan 2020 will underpin the Procurement Strategy moving forward and will be reviewed annually by the Head of Procurement and the Director of Finance to ensure it remains aligned with the University's objectives.

2 Procurement Vision & Mission

2.1 Vision

"To be a customer focused Procurement function which proactively supports the corporate plan, is recognised as a Strategic Business Partner, which continually adds value and uses best-in-class tools & techniques to support the development of our people"

2.2 Mission

"To deliver an effective and efficient procurement service that maximises value and minimises risk through appropriate supply arrangements"

3 Procurement Strategy

The University Procurement Strategy is designed to support and add value to the Student Journey and has the following key objectives:

- A. Maximising Value For Money (VFM)**
- B. Delivering Strategic Procurement**
- C. Embedding Sustainable Procurement**
- D. Improving Communication**
- E. Driving Collaboration**

Progress against the key objectives above will be monitored and reviewed by the Head of Procurement and the Director of Finance, and reported to UEG and the University's Audit Committee where appropriate.

A. Maximising Value for Money

In pursuit of value for money (VFM) we will:

- Deliver financial and non-financial benefits through procurement activities
- 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
- Review the need for and how contracts have been performing prior to developing replacement strategies
- Benchmark the University's procurement activities against other HE and public sector organisations
- Remove duplication of procurement activity within the University
- Develop procurement processes and systems which are lean and adaptable to reduce the cost of procurement
- Maximise the opportunities available through collaborative working
- Continue to deliver and embed VFM in everything that we do

B. Delivering Strategic Procurement

In pursuit of 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

C. Embedding Sustainable Procurement

In pursuit of Sustainable Procurement we will work with staff and students to:

- Reduce the demand for goods and services by cutting down on waste and encouraging re-use or re-cycling
- Use the most environmentally friendly goods and services where appropriate
- Promote and increase our usage of Fairtrade goods where appropriate
- Benchmark our performance against the Flexible Framework¹
- 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
- Review their supply chain to adopt/improve sustainable approaches in their production and delivery of goods and services

¹ The Flexible Framework is a widely used self-assessment mechanism developed by DEFRA/the Sustainable Procurement Task Force which allows organisations to measure and monitor their progress on sustainable procurement over time.

- Improve their performance in relation to sustainability objectives.
- Encourage the consideration of Social Value in all contracts, with particular reference to the Public Services (Social Value) Act 2012
- Ensure compliance with the Modern Slavery Act 2015

D. Improving Communication

In pursuit of excellent communication to our stakeholders we will:

- Create and develop a faculty/department facing procurement team who will be the first point of contact for support and advice
- 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.

E. Driving Collaboration

To improve upon our collaboration opportunities, we will work in partnership with:

- The faculty and department budget holders to support delivery of their strategic objectives.
- Each of our internal customers to deliver a procurement process and end result that will meet their specific requirements
- Colleagues in the Southern Universities Procurement Consortium (SUPC), other national consortia and Universities, particularly in the West Midlands region, such as the West Midlands Combined Universities group.
- Strategic supply chain partners to maximise value throughout the lifetime of contracts
- Faculties, departments and budget holders to assist them in the delivery of their strategic objectives
- All colleagues to support the delivery of corporate projects and initiatives

4 How Procurement will support the University Strategic Plan 2020

A. Transforming Students

We will ensure that contracts facilitate our students learning and maximise student satisfaction through fitness for purpose and value for money. We will engage with students in procurement processes and contracts where appropriate.

B. Transforming Birmingham and the Region

We will develop strong partnerships with other Universities in the West Midlands region, particularly the West Midlands Combined Universities, and strive to award contracts that support economic, social and cultural improvements to the area, with particular reference to the Public Services (Social Value) Act 2012 and Corporate Social Responsibility.

C. Transforming Practice

We will engage with leading local businesses as part of procurement activities to support the University's aims.

D. Transforming the University

We will streamline procurement processes, deliver savings through procurements to support the University's financial position and ensure effective external engagement with supply markets to achieve strong relationships and support for the University. We will work closely with internal and external audit services to identify areas of exposure in terms of procurement governance and compliance management of University and EU regulations and establish more robust university wide monitoring and reporting mechanisms to aid with this.

5 Procurement Best Practice Indicators (BPIs)

In common with most HEIs, Birmingham City University will measure Value for Money (VFM) against a set of best practice indicators (BPIs) designed by UUK and recognised by HEFCE for benchmarking purposes. This will be reported on annually:

	Best Practice Indicator	Best Practice Targets
1.	Cost of procurement function as % of influenceable spend	0.9%
2.	% of influenceable spend via collaborative arrangements	25%
3.	% of orders/invoices processed electronically and via purchase cards	90%
4.	% of influenceable spend actively influenced by procurement	90%
5.	Procurement savings as % of influenceable spend	5%
6.	% of professionally qualified procurement staff	66.6%
7.	Progress against the Flexible Framework for Sustainable Procurement	Level 3