

Responsible Procurement Plan 2019 to 2023

1. Vision

- 1.1. The University of Bristol's vision is to sustain and improve upon our world-leading reputation for research and embrace educational innovation that will nurture skilled, adaptable and resilient graduates.
- 1.2. The mission driving the University's procurement activities is *to support research, education and the student experience in the University of Bristol by achieving excellence in procurement.*



2. Purpose

- 2.1. This plan, and its objectives, provides the roadmap to direct the Procurement Team(s) to continue to improve, deliver efficiencies and support the University in delivering its overarching Vision and Strategy to 2023. It embeds our strategic priorities into our procurement processes and ensures how what we spend has the desired purpose, meeting our requirements and demonstrating a positive impact for the University and society.
- 2.2. The University is operating in a turbulent marketplace with ongoing monetary, political, social, legal and environmental challenges as well as increasing demands for transparency and assurance of providing best value for our funders and students.
- 2.3. This plan has been developed to help us respond effectively and pro-actively to the challenges we face as an organisation and consider them as opportunities, helping us to drive progress, value for money and deliver excellence.

3. Aims for Responsible Procurement Practice

- 3.1. To be a team(s) of procurement experts delivering responsible procurement activities to secure good value for money whilst supporting research, education and the student experience.
- 3.2. To enable the University to deliver its Vision and Strategy, including the Green Pledges and commitments as a Global Civic University.
- 3.3. To achieve excellence in procurement.

4. Strategic Priorities for Procurement

- 4.1. Procurement's overarching contribution is to deliver excellent responsible procurement, and a set of strategic priorities have been developed, aligned to the delivery of the University's Vision and Strategy.
- 4.2. **Our strategic priorities are:**
 - Value for money
 - Commodity management
 - Contract and supplier management and development
 - Use of electronic Procurement systems
 - Customer service excellence
 - People development
 - Compliance and risk management,
 - Sustainability including Social Value
 - Collaborative procurement
 - Procurement policy and processes

5. Context

Table 1: SWOT Analysis: Strengths, Weaknesses, Opportunities and Threats faced by the UOB which this Responsible Procurement Plan addresses within the objectives

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Strong University strategic commitment to Social Value, responsible sourcing and sustainability, linked to the University's ambitions as a global civic institution. 2. Consistent HE Sector approaches for sharing practice and evaluating impact. 3. Skilled and knowledgeable procurement professionals 4. Effective Procurement Procedures 5. Customer Service Excellence Charter 6. People development, Procurement staff to external national standards (MCIPS) 7. Living Wage Foundation accreditation 8. Effective use of Collaboration agreements 9. Effective (informal) working arrangements between procurement teams across divisions. 	<ol style="list-style-type: none"> 1. Remit of the Procurement function limits area of influences for <£25k spend meaning opportunities for savings and efficiencies may not be fully realised. 2. De-centralised approach to Procurement within some departmental areas – central Procurement Team, Estates Contracting Group, Capital Projects, Facilities Management and National Composite Centre meaning opportunities for savings and efficiencies may not be fully realised. 3. Purchase to Pay, Electronic procurement system does not fully meet Procurement Team needs. 4. Spend Data quality, in particular product coding in MyERP. 5. Our reported savings are slightly below the HE Sector average. 6. Availability of sufficient Procurement resources to deliver the objectives.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Brexit may lead opportunities for procurement to achieve VFM and sustainability. 2. Commodity Strategies to realise opportunities for increase savings and efficiencies. 3. Our reported savings are slightly below the HE Sector average. 4. Development of Contract Management tools and approaches. 	<ol style="list-style-type: none"> 1. Continued use of non-contracted suppliers in some areas may lead to legal challenges from alternative providers. 2. Uncertainty over Brexit meaning effective risk management may be limited to only known risks.

6. Background

6.1. The Procurement Team is part of the University of Bristol's Finance Services division. It is responsible for the procurement of goods and services over £25k. The Estates Contracting Group (ECG) is a similar, aligned team within the Estates Division responsible for the procurement of goods and services over £25k in the Estates Division. In the 2017/18 academic year the two teams were responsible for directly influencing £63m out of the University's £186m impactable spend. In addition to this the Capital Programme spend £71.14m in 2017/18.

- 6.2. In addition to the Procurement Team and ECG, there are two further services within the Estates Division with some procurement responsibilities for specified projects (Capital Projects and Facilities Management). Finally, the National Composite Centre also procures goods and services for its own use, and contracts as the University. It is intended over the course of this plan to develop these procurement areas aligned with the Procurement Team and ECG.

STRATEGIC PRIORITIES FOR PROCUREMENT

7. Value for money

- 7.1. In the 2017/18 academic year the University of Bristol Procurement Team were responsible for over £63m influenceable spend and achieved £7m in annual savings (this being a 3.76% saving).
- 7.2. The Procurement Team seek to obtain value for money throughout the procurement lifecycle. In order to understand the opportunities available at the outset of a procurement activity it works with relevant stakeholders to determine the route to market and how to evaluate tenders to achieve value for money spending the University's funds efficiently and wisely.
- 7.3. The University uses a savings methodology set out by the Higher Education Procurement Authority (HEPA), to measure the process efficiencies and financial savings related to procurement activity.
- These are reported in an annual survey to HEPA (on behalf of the Office for Students) that enables the University to monitor its performance internally and externally within the higher education sector.
 - The national average for procurement cashable and non-cashable savings is 4%, indicating that the University's position (3.41%) is broadly similar but with capacity to improve.

Objective 1: to achieve a year-on-year increase in cashable and non-cashable savings. The University's proportion of savings will increase to top quartile for the HE Sector.

Objective 2: to achieve added value within the procurement processes, demonstrating benefits gained (benefits other than financial savings achieved by the procurement activities).

8. Commodity management

- 8.1. Commodity management has been identified by the University as a mechanism to more effectively manage its procurement activity, giving greater understanding of when and how to tender or to identify alternative options to achieve benefits to the University. It will help to identify areas where the Procurement Team can add value, determining best methods of procuring the goods or services, identify savings, efficiencies and opportunities in key areas whilst also enabling effective risk management and greater stakeholder involvement. Taking a holistic commodity management approach will better support the delivery of value for money and demonstrate our commitment to 'responsible procurement' as well as being an enabling mechanism to deliver the objectives outlined in this plan.

- 8.2. Commodity management should include contract and supplier management – the structure, coordination, planning and management of communication with suppliers throughout the life of a contract (not just during a tender process and contractual negotiations) to maximise the value of supplier relationships. The procurement team will analyse spend by commodity to determine priority areas.



Objective 3: Develop commodity strategies for high risk, high spend and critical supplies or services which will be agreed by senior finance management and stakeholders to implement change.

9. Contract and supplier management and development

- 9.1. The University has suppliers covering a broad range of commodity areas.
- 9.2. Many of these suppliers are in long-term relationships with the University. Procurement will continue to:
- Tender requirements and contract with suppliers as necessary to test that we are receiving the best Value for Money, for legislative compliance, internal regulations and as good procurement practice
 - Assess and develop suppliers to ensure that risks are managed
 - Exploit opportunities and develop efficiencies with suppliers
 - Encourage and support suppliers to share our values, especially where serving students or staff directly
 - Manage the supply base to ensure the University's research, education and the student experience has the right provisions in place at the right time

Objective 4: Set out procedures and guidelines for contract and supplier management for use by the Procurement Team as well as stakeholders within the University, considering at the outset of the procurement what this will look like for each specific procurement and the benefits it aims to achieve.

10. Use of electronic procurement systems

- 10.1. The value of effective systems and appropriate use of technology is significant. The University has implemented an integrated finance and HR system (MyERP) which provides an overall structure for purchasing, reporting and payments, among many other functions. The functionalities of this system will continue to be developed and exploited throughout the life of this plan.
- 10.2. The Procurement Team uses an electronic tendering portal which enables an efficient, auditable, transparent and consistent approach to all Procurement activity. An e-marketplace which allows efficiencies to be driven from low-value, high-volume purchasing, notably of common goods and pieces of equipment, is integrated within MyERP.
- 10.3. A spend analysis tool (Spend360) has also been employed, which helps to interrogate detail from expenditure to better inform decisions and category management.
- 10.4. These, together with well managed filing and information management processes, ensures all documentation is fully auditable to meet legal compliance and risk management obligations.

Objective 5: Ensure utilisation of technology continues to assist with providing value for money for the University by making best use of the tools we currently have (e-procurement, ERP, marketplace) and develop tools for other procurement activities such as recording savings (forecast v realised) and contract management activities

Objective 6: Maximise the data provided by our procurement systems to inform procurement decision-making including commodity strategies.

11. Customer service excellence

- 11.1. The Procurement Team provides services to internal colleagues, current or potential suppliers and other key stakeholders. It employs qualified procurement professionals who share the goal of the *Chartered Institute of Procurement and Supply* (CIPS) to “*promote and develop high standards of professional skill, ability and integrity among all those engaged in procurement.*” The procurement professionals commit to follow the [CIPS Code of Conduct](#), the [CIPS Code of Ethics](#) and also follow the University of Bristol [Code of Conduct for Professional Behaviours](#).
- 11.2. The Procurement Team will continue to monitor its collective performance against industry standards in addition to University commitments such as the Finance Services Charter.

Objective 7: The Procurement Team members will act and conduct themselves using The University’s professional behaviours model, upholding the Finance Services Charter.

Objective 8: Champion Procurement and the services we can provide to our customers through effective stakeholder management, in order to manage and deliver our customers’ needs and expectations within the relevant timeframes.

12. People development

- 12.1. The Procurement Team is structured to align with commodity areas (within the remit of Procurement) with a Procurement Manager responsible for procurement of each major element. This structure allows the Procurement Team to offer an efficient service to customers, effective management of risk and use of specialist knowledge to deliver value for money and fit-for-purpose contracts.
- 12.2. To be effective Procurement must continue to invest in the skills and competencies of not only the Procurement Team but also internal stakeholders.

Objective 9: Ensure all procurement professionals have the skills to deliver this plan.

Objective 10: Support the development of procurement and financial awareness across the University.

13. Compliance and risk management

- 13.1. Risk management is an essential activity. This is often recognised as conflicts of interest, confidentiality issues, procurement fraud and project delivery risks. The Procurement Team assesses and manages risk throughout the procurement lifecycle, recording risk and mitigation in a risk register and reporting this to the Associate Director of Finance Operations.
- 13.2. The University must comply with legislation, such as the Public Procurement Regulations (2015). The University must also be compliant with several regulatory and funding bodies including the Office for Students, UK Research & Innovation, and the Charities Commission. The University's own [Financial Regulations](#) apply to all financial business of the University irrespective of the source of funding and the Procurement Team maintains systems that allow the University to comply with these regulations.
- 13.3. A key aspect of every procurement process is to ensure that the appointed supplier is both capable and committed to meeting the University's requirements. It is important that the Procurement Team support stakeholders in identifying the requirements and setting the appropriate evaluation criteria for each competition

Objective 11: Actively manage risks (mitigating them where possible) to legally and contractually protect the University.

Objective 12: Ensure emerging risks (including political, economic, legal, environmental and social risks) are actively managed within the procurement process.

14. Sustainability including Social Value

- 14.1. The University of Bristol is a global civic institution which uses its resources, influence and connections to contribute to the economic, social and environmental well-being of the communities in which we all work.
- 14.2. Sustainability is not only about the reduction of our environmental impact but is also how we continue to demonstrate our positive social and civic contribution; this is also sometimes referred to as social value. Within procurement this means ensuring we include sustainability and social value considerations at every stage of the procurement process.

- 14.3. The Procurement Team will continually improve its understanding of sustainability and social value to ensure that it takes opportunities to reduce any of the negative impacts of its procurement activities and maximise the value it can bring to the environment and society. As part of the University's commitment to sustainability and social value the team is committed to support the University's [Sustainability objectives](#).
- 14.4. The University obtained Living Wage accreditation from the Living Wage Foundation in November 2018, requiring both a commitment to be made by the University regarding direct employees, and for the University to require a corresponding commitment from service providers.
- 14.5. The Procurement Team will work with the business community to develop and enhance relations and the procurement experience for small and medium sized businesses (SME's) as well as play our part in strengthening the local and regional economy. This includes targeted engagement with SMEs from a Black And Minority Ethnic (BAME) background.
- 14.6. The NetPositives project is reviewing procurement documentation to embed Sustainable / Responsible procurement into our processes, enabling Sustainable Procurement and Social Value to be considered in every procurement as a matter of course, developing a practical Whole Life Costing model to be used in the initial stages of a procurement, Improving our Flexible Framework Level and helping the University to achieve its enhanced ISO140001 Standard.

Objective 13: Embed sustainability, including social value, into procurement activities including the implementation of the NetPositives review.

Objective 14: Maintain Living Wage Foundation accreditation as part of the University's commitment as a global civic institution, and to ensure that suppliers continue to maintain this standard.

Objective 15: Increase the University's spend with SME's where suitable to do so.

15. Collaborative procurement

- 15.1. The University already has considerable experience in collaboration, notably by aligning common purchases with other institutions in the sector and the surrounding area, any by maximising use of national and sector frameworks, both those promoted by Higher Education purchasing groups (such as the Southern Universities Purchasing Consortium, of which the University is an active member), and those promoted by wider public sector purchasing bodies, such as Crown Commercial Services.
- 15.2. The University implements the findings of the ['Efficiency and effectiveness in higher education' report](#) into efficiency, effectiveness and value for money in British universities. In addition to seeking opportunities for collaboration with other institutions, this includes promoting consolidation between Faculties and Divisions within the University to improve value for money. Procurement's role in facilitating this collaboration and sharing best practice also extends to supporting subsidiary companies, sharing best practice in procurement and ensuring they have access to agreements and contracts that are established.

- 15.3. The use of frameworks can drive efficiencies, as it eliminates process costs for all parties involved.

Objective 16: Deliver efficiencies through collaboration across the University and the region.

Objective 17: Utilise consortia frameworks where appropriate to deliver value for money and explore the broadest range of potential consortia to meet the University's needs.

16. Procurement policy and process

- 16.1. To ensure that the University achieves many of the strategic priorities highlighted in this plan, it is crucial that we manage effective procurement processes (for the areas we are responsible for) aligned to the Universities Procurement Policy.

- 16.2. This requires clarity for internal stakeholders and customers on how the procurement process works and how it will be managed. The processes that have been developed and are maintained by the Procurement Team ensure the University effectively manages risk, is legally compliant, maintains focus on value for money and protects staff across the University.

- 16.3. The Procurement Team manages procurements over a value of £25k and operates a formal 'Options Appraisal' process to ensure that each procurement request or proposal is responded to with the most effective procurement solution. There is a clear and appropriate scheme of delegation to ensure that those procurement processes representing the highest level of risk, financial value and complexity receive the highest level of scrutiny and accountability.

Objective 18: Maintain excellent procurement process in line with national best practice, review and update procurement processes.

Objective 19: Support stakeholder awareness and compliance with the procurement processes of the University.

Objective 20: Review and update the Procurement Policy and processes, which may include support to review purchasing across the University and includes development on new policy and processes such as Sustainable Procurement Policy.

17. Review and Reporting

- 17.1. This plan will be subject to an annual review and approval of changes by the Chief Operating Officer
- 17.2. The Procurement Team will report annual progress against the objectives to the Finance & Infrastructure Committee

References

[UoB Financial Regulations](#)

[UoB Procurement Policy](#)

UoB Responsible Procurement Strategy – if you have any queries about the University of Bristol's Responsible Procurement Strategy, contact Procurement at procurement-office@bristol.ac.uk.

[Public Contracts Regulations 2015](#)