

# Procurement Policy and Procedures

## Part 1: Purpose and Scope of Activity

### 1. Purpose and Application

This Procurement Policy applies to and binds all Directors, Managers and Employees of the University of Wolverhampton ('the University') in any situation where they are involved in a Procurement process, whether as requisitioners or specifiers, purchasers or negotiators, or those who validate or authorise payment. Adherence to the Procurement Policy is both an individual and a corporate/institution responsibility.

### 2. Policy Objectives

The Policy commits the University, and every individual involved in procurement and supply management processes within the organisation, to use their best endeavours to ensure that procurement and contracting activities are:

- Legal
- Accountable and auditable
- Ethically, environmentally and socially responsible
- Economically effective
- Open to continuous improvement and development, in particular by training, development and support.

### 3. EU Regulations

Being a body governed by Public Law, the University must ensure compliance with the EU Directives 2014 and the Public Contracts Regulations 2015 (PCR15, as amended) for all purchasing activity and procedures, including, but not limited to, procurement guidance issued by Managing Authorities for projects in receipt of external funding. This is demonstrated via the Procurement Thresholds within Schedule 1.

In addition, all Contract Awards in excess of £25K are published on Contracts Finder in accordance with Regulation 112 of PCR15.

### 4. Value for Money

Value for money is central to the University's Procurement Policy and Strategy; efficiency and effectiveness of our spend activity and will be attained by:

- Ensuring that the procurement process delivers the most economically advantageous results in terms of cost, quality and student benefits (supporting the Teaching Excellence Framework (TEF))
- Maximising influenceable spend by monitoring spend against thresholds
- Ensuring that appropriate procurement routes are available for all spend activities
- Ensuring that Contracts for common use items are easily accessible, avoiding duplication of effort and gaining maximum benefit from the University's purchasing power.
- Providing clear guidance through a high quality website and ensuring regular communications on the activities of Procurement and the procedures required for the various activities
- Ensuring all high value and strategic procurement projects (in-line with the University's Procurement Thresholds) involve timely consultation between the Stakeholder and Procurement
- Providing management information where appropriate, internally and externally, in a timely manner and in accordance with legislation.

### 5. Ethics

Procurement commits to comply with the University Core Values, although adherence is also to the 5 EU Treaty Principles embedded within EU Procurement Directives.

University Core Value	5 EU Treaty Principles
<ul style="list-style-type: none"><li>• Ethical</li><li>• Respectful</li><li>• Transparent</li><li>• Inclusive and Fair</li><li>• Challenging</li><li>• Confident</li><li>• Collaborative</li><li>• Professional</li></ul>	<ul style="list-style-type: none"><li>• non-discrimination</li><li>• equal treatment</li><li>• transparency</li><li>• mutual recognition</li><li>• proportionality</li></ul>

Procurement activities must also comply with the Chartered Institute of Procurement and Supply (CIPS) Code of Conduct in all aspects.

CIPS Code of Conduct:

- Enhance and Protect the Standing of the profession
- Maintain the highest standard of integrity in all business relationships
- Promote the eradication of unethical business practices
- Enhance the proficiency and stature of the profession
- Ensure full compliance with laws and regulations

Fundamental to our ethical conduct is assisting to eradicate unethical business practices including bribery, fraud, corruption and human rights abuses, such as modern slavery and child labour. Procurement processes must seek to protect the interests of the University by ensuring that all conflicts of interest are identified and acted upon. To this end, at the start of a Procurement activity, all Stakeholders involved in the process are requested to complete a Declaration of Interest form in relation to the potential tenderers. The stakeholder must also advise if a conflict arises following the notification of final respondents. In addition, tenderers are requested to declare any conflict of interest with the University as part of their tender submission.

The Procurement team will not only undertake the Universities central Anti-bribery training but also the specific Higher Education Purchasing Academy (HEPA) training when available. To highlight critical areas, a Risk Register for the section has been developed and this is communicated to all Procurement members in addition to being linked to the University's overarching risk management.

## **Part 2: Procurement Planning**

### **2.1 Analysis of Procurement Spend Data**

The University non-pay spend is circa £50M with most spend activity via the Agresso system although the use of Payment Cards for lower value activity is also in place, thus making the process more efficient.

### **2.2 Supplier Relationship Management**

In accordance with the University's Strategic Plan, Procurement aim to build stronger relationships with Suppliers through various mechanisms. These include regular 'Meet the Buyer' events which will ensure that all potential suppliers have the opportunity to liaise with Procurement face-to-face. The usage of a Procurement 'Twitter' (@WLVProcurement), where latest tender possibilities and regular updates from the section are published, as well as advertising opportunities on Find it in the Black Country, Contracts Finder, BravoSolution, and improving our web-based content, will ensure that all Suppliers, including SME's have the information they need to do business with the University. In addition, and in compliance with PCR2015, all Awarded Contacts over £25K will be published on Contracts Finder.

For simplification of processes, our e-tendering activities utilise BravoSolution, ensuring greater flexibility for using the system by the Procurement team and also ease of use for Suppliers.

We are monitoring the time to pay suppliers and publish this on our Web pages in accordance with the requirements of PCR2015.

Business Review/Contract Review meetings are held regularly in accordance with the requirements of the category/product/service and led by the Category Manager.

### **2.3 Customer Relationship Management**

The Procurement Team has a Category Management structure; this ensures one point of contact for our Customers and a knowledgeable team in relation to their category area. In addition, each team member has Faculty responsibility providing ad hoc support and guidance with the Head of Procurement meeting regularly with Faculty Deans. Regular meetings are in place with Departments and Faculties to formally discuss Procurement requirements, feed back on recent activities and provide guidance where required.

An electronic 'Procurement News' is issued quarterly via email to all staff concerning movements and updates for the Procurement section, including student and graduate benefits, number of contracts awarded, value of saving, contract award communications and key activities.

A 'Procurement Insights' flyer is included in all Induction Packs for new starters and provides an overview of Procurement, contact details for the team and details of the Procurement thresholds; this is also available to download from the Procurement intranet pages. Since September 2018, Procurement delivers a short presentation at the monthly Corporate Inductions.

'Procurement Awareness Sessions' have been launched internally to provide summary overviews of the Procurement function, processes and thresholds. The inaugural session took place in May 2019 with a further session arranged for September 2019.

## **2.4 Category Management**

Prior to a renewal, large or complex Tender activity being carried out, Procurement complete a Category Strategy to evidence the current contract, market research, supplier development, spend analysis, Sustainability impacts and recommendations for the procurement process. It is the responsibility of the Category Manager to run and manage the whole tender process including award and implementation meetings with the successful supplier. Where appropriate the Category Manager will also be involved in contract management activities throughout the life of the contract.

## **2.5 Contract Management**

Contract Management is led by the Category Manager, ensuring involvement with the key stakeholders and regular discussions with the Suppliers. Operationally the Contracts are managed by the key stakeholders. Business Review/Contract Review meetings are held at intervals suited to the nature of the Contract.

Where external Frameworks are in place, the Category Manager is involved, where possible, in structuring the requirements with the national Consortia to ensure input from the University.

High Value contracts such as Capital investment and/or Estates etc. (and critical Project Board Meetings) are usually represented by either the Head of Procurement or Procurement Manager. These are monitored closely via regular meetings with the relevant stakeholder and assessment of the market offerings for Procurement coverage.

## **2.6 Savings Benefits**

The structure of the Procurement team, and building greater and stronger internal relationships throughout the University, has secured greater savings and provided the University with enhanced value for money from the procurement service.

With Procurement displaying a greater presence in the University we are able to influence a broader range of Tender activity, there are also possibilities to negotiate with Suppliers prior to awarding the business, dependant on tender process and threshold. Also during the lifetime of the Contract, Suppliers are tasked with bringing innovation by way of: streamlining processes, improving usage of core items and reducing off-contract spend, in addition to providing benefits to students and/or Graduates and supporting the TEF.

Greater controls are in place for reviewing off-contract spend, monitoring payment card activities and complying with legislation. Furthermore, the entire Procurement Team is committed to developing the management of supplier relationships as well as growing those with our internal Customer base.

## **2.7 Environmental, Social and Economic Considerations**

All public sector procurement in the UK is required to achieve value for money and is governed by the public procurement rules to ensure that it is fair and open. In order to achieve value for money, we must also consider environmental, social and economic (ESE) impacts within our Procurement processes and utilising the Contract post award.

The "Flexible Framework", the Sustainable Procurement Programme for the Public Sector, is a widely used self-assessment mechanism developed by the business-led national Sustainable Procurement Taskforce, which allows organisations to measure and monitor their progress on sustainable procurement over time. In 2017 Procurement achieved level 3 of the Flexible Framework.

ESE impacts are included in all tenders, evaluations, contract discussions, general supplier visits and in our student and graduate benefits. ESE is integrated into the robust Procurement process and adds to the professionalism of the section.

### **2.7.1 Cross Working**

We meet regularly with City of Wolverhampton Council to discuss potential cross working and also take part in an annual joint public sector Meet the Buyer event. Procurement webpages also display a link to the City of Wolverhampton Charter and questions concerning supplier commitment to the 5 areas of this Charter are include in tender documentation. We continue to meet with various Public Sector bodies to review Procurement opportunities and secure cross working relationships such as local NHS Trusts, West Midlands Ambulance Service and Crown Commercial Services. We also have a strong relationship with our own University Purchasing Consortia (NWUPC) for inter sector support and Framework usage. These relationships will continue to be developed where it is deemed beneficial to University Procurement activity.

Our Head of Procurement is the Chair of the Midlands Universities Procurement Group that meets every 4 months in addition to being the Midlands Representative the Higher Education Purchasing Association (HEPA), One of our Category Managers is also the Procurement Lead for Midlands University Academic Libraries (MUAL).

### Part 3: Procurement Analysis

#### a. Strategic Situation Analysis

Reviewing a high level SWOT (Strengths, Weaknesses, Opportunities and Threats) for Procurement provides the following information:

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Experienced Procurement Team</li> <li>• Professional</li> <li>• Enthusiasm of team members to succeed</li> <li>• Knowledge of Procurement activities</li> <li>• Communications activity</li> <li>• Impact of communication events across levels of the University</li> <li>• Relationships with other University Procurement teams</li> <li>• Meet the Buyer activities</li> <li>• Understanding EU Directives and PCR2015</li> <li>• Evolution of the team and continued learning and development</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Potential lack of awareness of personnel with the initial spend requirement.</li> <li>• Development of interdepartmental/faculty relationships across the University to continue below Dean and Faculty Registrar</li> <li>• Limited visibility of forthcoming Procurement requirements across the institution</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Revised Procurement Thresholds and structure allowing opportunities to negotiate and provide VfM</li> <li>• Centralised Procurement function bringing efficient resource for complex activities</li> <li>• Relationship building – internal and external</li> <li>• New Procurement processes available via EU Directives</li> <li>• Developing relationships with Local providers and SME's for lower values identified within the new Thresholds</li> <li>• Sector and cross sector networking</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Historic processes in stakeholder Departments</li> <li>• Lack of understanding by stakeholders of significance and impact of not complying with Procurement Processes.</li> <li>• Supplier/contractor direct communications</li> <li>• Speed of requirement verses speed of resource being able to deliver – i.e. late sign off internally providing little time for the Procurement activity</li> </ul>

### 3.2 Capability Development

In order to improve the Institution's Procurement Capability we must continue to provide regular communications i.e. quarterly 'Procurement News' to all staff, Procurement awareness sessions, presentations at Faculty/Department events, Training for using Supplier websites i.e. Travel, Stationery etc.

In addition, the Procurement team must continue to investigate Continued Professional Development opportunities and knowledge of current Legislation and Procurement processes etc. A Training Matrix has been developed and identifies the present situation and also provides a gap analysis where additional training or guidance may be required.

Procurement have access to various online e-learning modules via Higher Education Purchasing Academy (HEPA) and the Chartered Institute of Procurement and Supply (CIPS) to support their awareness and provide up-to-date information on relevant areas. However attendance at specific tailored course will also assist the team to grow and development in their abilities across the sphere of Procurement.

### 3.3 Policy, Procedures, Processes and Systems Initiatives

A detailed Procurement Manual covering processes and procedures around Contract advertising, using the Contracts Management Database, creating tenders, thresholds guidance, communications, evaluation processes etc is held on the Procurement central drive. The Procurement Strategy and Policy documentation will continue to be available via the intra and extra net procurement pages.

The Contracts Management Database is accessible via the Agresso system and all Contracts which are processed by Procurement are recorded, the objective is to review the Contracts, monitor spend, savings, compliance through reports and enable expiry alerts to be pushed from the system to each Category Manager for review and action. This provides real time monitoring and allows forecasting of workload to be considered. An output of the Contracts Register is held on the Intranet and also shared externally on the web for suppliers to be aware of our Contract

expiry dates and potential tender activity timescales. Procurement continue to utilise BravoSolution for e-tendering requirements, this includes a Programme Manager facility providing a workflow for the users and key stages for approval in the system with 'hold points' at various stages of the Tender process.

A 'twitter' account (@wlvprocurement) was created in 2015 to aid external relations and communicate Tender opportunities to the market. Benefits of this were discussed with the City of Wolverhampton Council who use the same #tag as ourselves for communication activities i.e. #wolvstenders.

Procurement spend visibility continues to be a challenge and as such the reports from Agresso are constantly being reviewed and a process is in place to assess all spend via payment card. In most instances obtaining Management Information from suppliers gives a clearer picture than obtaining spend data from the Agresso system.

The version control document continues to be updated as templates/documents are amended. This is providing useful in monitoring compliance with current legislation and documentation structures.

## Part 4: Procurement Implementation

### 4.1 Performance Management and Monitoring

The updated Procurement Value Survey, where University provide data to HEPA, was launched December 2018. We monitor and report on the following indices as part of the annual return:

<b>Procurement Performance Indicator</b>	<b>Pest Practice Indicator Title</b>
PPI 1	Total Cost of Procurement function as percentage of impactible spend
PPI 2	Percentage of impactible spend channelled through collaborative procurement
PPI 3	percentage of impactible spend with SME's
PPI 4	Percentage of impactible spend included by the procurement function
PPI 5	Annual procurement savings as percentage of impactible spend