PROCUREMENT STRATEGY

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1. PURPOSE

The University has a non-pay expenditure of £180m across goods and services from external providers each year. The University of Glasgow Court requires the institution to be fully compliant to EU procurement regulations. All spend is required to deliver best value for money in compliance to agreed budgets. This document sets out Procurement Office, road map strategy for the period of 2013 to 2018 and sets our objectives through the Balance Scorecard for FY2016/17, which is reviewed and updated yearly.

2. OUR ROLE

To provide professional, qualified procurement expertise, advice and services; for all spend with external suppliers; in compliance with the Public Contract (Scotland) 2015 Regulations, the Procurement Reform Act 2014, the Procurement (Scotland) Regulation 2016 and any other EU Directives. We will procure all goods, services and works, with high ethical standards focussed on social, economic and environmental considerations by applying principles of sustainable procurement. As part of our role we will:

- develop, promote and implement appropriate procurement strategy, category procurement strategies and procedures
- deliver maximum value for money (VFM) through whole life costing
- Maintain or enhance Chartered Institute of Procurement and Supply (CIPS) Corporate Certification valid until 01/2018
- Maintain or enhance CIPS Sustainable Procurement Review GOLD Award valid until 06/2017, drive sustainability through all tendering activity
- Identify high risk categories through both Marrakech and DEFRA
- Measure and monitor high risk Suppliers through CIPS Sustainability Index (CSI) rating
- Measure and monitor that modern slavery and human trafficking is not taking place in any place in any parts of the University’s supply chain
- advertise all tender opportunities greater than £25k on Public Contracts Scotland portal (including mini-competitions and quick quotes)
- drive sustainability through all tendering activity
- Promote and engage in the implementation of relevant technology solutions, including e-procurement, to minimise purchase to pay costs
- Create and embed optimum procurement strategies across the University in consultation with stakeholders
- Engage effectively with Centres of Expertise, Scottish Government and APUC in relation to issues of policy, practice, information sharing and collaboration
- Act as a central point of contact for University staff and our external suppliers in relation to all procurement and supply chain related topics
- Embed Supplier Relationship Management (SRM) with key strategic suppliers and mitigate supplier risk to the University
- Establish a comprehensive contract register
- Measure and report procurement performance, including Best Practice Indicators (BPIs)
- Co-ordinate training development of procurement officers and Purchasing Card holders
- Conduct market engagement and research
- Compliance to Supplier Charter
- Promote Fairtrade
- Promote Workforce Matters (Living Wage) in alignment to statutory guidance
- Promote and enable where possible, supported businesses and SMEs to share and grow in the market
• Create, implement and monitor Community Benefits where appropriate, such as Estates & Buildings
• Fully support internal audit of devolved responsibility of spend less that £25k, external audit of suppliers for compliance to contracts and audits of the Procurement Office by internal auditor, PWC and/or external funders to the University
• Key role as a member of University Sustainability Delivery Board
• Key role as a member of University Finance management team
• Key role as a member of the Glasgow Student Village (GSV) Operations Board
• Leading procurement role in University’s capital programme circa £750m investment (2015 – 2025)
• Maintain or enhance PCIPS performance assessment rating of Ranked No.1
• Mandatory use of the APUC Code of Conduct for all tenders greater than £50k.

3. UNIVERSITY STRATEGY 2015-2020
Inspiring People, Changing the World

People
To bring inspiring people (staff, students and international colleagues) together. Students are the lifeblood of our University: they are our partners in learning, our future colleagues and our ambassadors worldwide. We need to offer our students more than a degree if we are to continue to attract the best: an end-to-end excellent experience for all. Research, teaching and engagement give our University community purpose, but it is people who drive our success. We won’t achieve our ambitions without talented, passionate and motivated staff; and so it’s vital that Glasgow provides a world-class working environment. Our staff and students are drawn from over 120 different nationalities and cultures. But we don’t just want to bring people together here in Glasgow: we want to connect with other prestigious institutions and expand our reach and reputation worldwide.

Place
Inspiring and transforming environments. The next five years will bring about the most significant development of our estate in over a century as we begin a £775m programme of investment. Whether at Gilmorehill, Garscube, Dumfries or overseas, our aim is the same; we want to create forward-looking, cohesive settings that inspire us and transform the way we live, learn and work together. We have invested heavily in information management over the past five years, introducing new systems for staff and student records, student support, timetabling, finance and research. We must continue to enhance our systems and processes and bring about transformative benefits for our users and the way we work. Teaching, research and engagement are the core of our mission. But we can’t achieve excellence in these areas without the right support behind them: and so it’s vital that our administrative, managerial, technical and operational staff are world class.

Purpose
Discover and share knowledge that can change the world. A responsive learning environment underpinned by passionate and motivated teaching is vital to the quality of the Glasgow student experience. We must offer a more flexible model of learning to our students and ensure that teaching staff are properly valued and supported. Glasgow has truly exceptional expertise within each of its colleges. Bringing our multidisciplinary talent together creates teams capable of tackling the most pressing challenges facing local and global society. The University of Glasgow was founded for the benefit of the city and its people. Today, we remain committed to helping Glasgow to flourish – but we are also looking beyond the local area to engage a broader global community in our work.
Implementation
The ambitions of our strategy require a step change in our culture and the way we work. We have created three key work streams, each led by a member of senior management, and drawing on staff resources across the University, to drive the strategic change necessary to secure our world-class status.

4. SPEND DATA

The University of Glasgow spend c£180m per annum, with 100% of all spend processed through the finance system “Agresso”. The University structure has 4 Colleges, Medical Veterinary Life Sciences (MVLS), Science & Engineering, Social Sciences and Arts and University Services of which Estates & Buildings has the largest budget.

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**University’s annual non-pay spend analysis (FY15/16)**

**Total Expenditure 2015/16 - £564.5m**

- Staff Costs: £24.4m
- Glasgow Student Village buy/sell costs: £3.8m
- Other operating expenses: £295.1m
- Depreciation: £122.0m
- Interest and other finance costs: £11.3m

**Non-pay spend by colleges FY 15-16**

- Arts: 22%
- Corporate Overheads: 1%
- Estates & Buildings: 37%
- MVLS: 11%
- Science & Engineering: 13%
- Social Sciences: 21%
- Transnational Education: 0%
- University Services: 2%

**Supplier vs Partner* spend FY15/16**

- § Partner refers to other educational bodies or institutions such as the SRIF

- Total Influenced Spend (incl Var): £181,112,979

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5. ROAD MAP

The University of Glasgow Procurement Office contributes significantly to the University Strategy of Inspiring People, Changing the World. The Procurement Office “Road Map” sets out 3 key phases to achieve excellence.

<table>
<thead>
<tr>
<th>CREATION</th>
<th>DEVELOPMENT</th>
<th>EXCELLENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Phase 2</td>
<td>Phase 3</td>
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<tr>
<td>• Create the structure</td>
<td>• Increase momentum</td>
<td>• CIPS GOLD</td>
</tr>
<tr>
<td>• Create goals &amp; objectives</td>
<td>• Develop skills set</td>
<td>• High quality outputs</td>
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<tr>
<td>- Balance scorecard</td>
<td>• Maximise collaboration</td>
<td>• Wider influence</td>
</tr>
<tr>
<td>• Re- Brand</td>
<td>• Improve KPI indicators</td>
<td>• Greater portfolio</td>
</tr>
<tr>
<td>• Governance – Rules &amp; Regs, Bribery Act, Conflict of Interest</td>
<td>• Improve commercial / market knowledge</td>
<td>• High performing team</td>
</tr>
<tr>
<td>• Create and implement Performance Management</td>
<td>• Benchmark across other universities and government sectors</td>
<td>• Employer of choice</td>
</tr>
<tr>
<td>• Challenge everything</td>
<td>• Embed SRM</td>
<td>• Annual Supplier Conference</td>
</tr>
<tr>
<td>• Supplier workshops</td>
<td>• Maximise efficiency and effectiveness</td>
<td>• Superior category for PCIPS</td>
</tr>
<tr>
<td>• Communications</td>
<td>• CIPS Corporate Certification</td>
<td>• CIPS Sustainable Procurement Review Gold Award</td>
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<td></td>
<td>• code of conduct register</td>
<td>• CIPS Sustainable Index rating for 50 high risk Suppliers</td>
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</tbody>
</table>

Re-active ➔ Improve ➔ Pro-active

0 - 2 years ➔ 2 - 3 years ➔ 3 - 5 years
6. STRATEGIC INTENT

This provides the strategic Intent from the University Vision, Values and Strategy and demonstrates how the Procurement Office contribute and support the Glasgow 2020 Vision as a team and individually.

![Strategic Intent Diagram]

7. OBJECTIVES

To support the University to achieve its strategic vision and its day to day operation by delivering professional procurement solutions to our stakeholders who include management, academics, researchers and students through our 8 core values that are fully embedded in all aspects of our service:

1. Governance
2. Compliance with Regulations
3. Efficiency and Effectiveness
4. Sustainable Procurement
5. Risk Management
6. Stakeholder engagement
7. Performance
8. Brand Professionalism
7.1 Governance

We will commit to support the delivery of the University of Glasgow Strategic Plan 2015-2020. We will maintain and enhance the Procurement Policy. We will maintain and enhance the Procurement strategy.

TARGETS

- Clear alignment of the Procurement Strategic Intent with the University Vision, Mission and Strategic Objectives.
- Annual review/refresh of the Procurement Policy
- Annual review/refresh of the Procurement Strategy
- Annual review/refresh of the Supplier Relationship Development (SRM) Policy
- Annual review/refresh of Procurement’s Balanced Scorecard
7.2 Compliance with Regulations Objectives

We will deliver a best in class professional service with quality output compliant with policies and ethics and Procurement legislation and EU regulations.

To provide guidance to key Stakeholders to achieve best practice and improve governance.

**TARGETS**
- Compliance with EU rules and regulations, Public Contracts (Scotland) Regulations 2015, the Procurement Reform Act 2014, and the Procurement (Scotland) Regulations 2016.
- 95% compliant spend to EU rules and regulations (Monthly compliance dashboard Report)
- Annual review/refresh of all policies and procedures to capture new regulations and SPPN’s
- 100% completion of annual declaration form for use of Contractors for personal use by all Procurement team
- 100% completion of online anti-bribery act training by all Procurement team
- All conflict of interest recorded and registered
- Modern Slavery Act 2015 statement included in Procurement Policy and published on webpage
- 24 month tender activity plan communicated through Annual Report

7.3 Efficiency and Effectiveness Objectives

To create an environment in which the University obtains the best possible value for all non-pay expenditure.

**TARGETS**
- Total Savings benefit of £3m, measurement aligned with Scottish Government’s Procurement Benefit Reporting Guidance
- Direct cost saving of £1.5m measurement old cost verses new cost
- Category Strategies for FY16-17 for all spend areas
- Annual declaration of use of Contractors completed by all Procurement team
- Training on anti-bribery and corruption online completed by all Procurement team

7.4 Sustainable Procurement Objectives

To apply principles of sustainable procurement across all spend. Incorporate Corporate Social Responsibility, Fair Trade, Community benefits, Living Wages, Supported businesses, Sustainability Code of Conduct, CIPS, Anti-bribery & Corruption, ethical sourcing and environmental considerations across procurement practices.

**TARGETS**
- 100% compliance with Code of Conduct Sustainable for all tenders greater than £50k
• Promote Living Wage Compliance
• Annual completion of the Marrakech Categorisation
• Annual review / refresh of the DEFRA Tool
• Ring fence spend to engage with Supported business
• Capture Community Benefits where appropriate
• Annual review / refresh of the Modern Slavery Act 2015 Statement
• External Sustainability Training for all Procurement team
• 50 high risk Suppliers measured through CIPS Sustainability Index

7.5 Risk Management Objectives

We will champion risk management ensuring that we effectively manage, monitor and control all internal and external supply chain risks.
To create a supplier risk profile for key strategic suppliers
To create a commodity and category risk matrix

TARGETS
• Pre-alert warning on financials for all key strategic agreements through DNBi
• Quarterly reports created for the Finance Committee measuring compliant spend
• Create and monitor a Risk Register for the Procurement team aligned with the University format
• Effective management and monitoring of Procurement Policy Exception (PPE) forms
• Actively monitor contract expiry to ensure agreement coverage for key, complex, critical spend across the organisation

7.6 Stakeholder Objectives

We will work in collaboration with our key stakeholders both internal and external government bodies to provide procurement solutions to achieve agreed target aligned with procurement policy.
To provide effective service on processing Purchase Cards across the business
Effective interface and engagement with Suppliers
Effective interface and engagement with Internal Stakeholders

TARGETS
• Annual engagement with Heads of College by Head of Procurement
• Annual meetings with Heads of Finance regarding budgets for their area of responsibility
• Deliver Procurement training to 70 x Purchasing Officers
• Deliver Purchasing card training for all new requests
• Request Procurement survey feedback from stakeholders on all OJEU tenders completed in FY16-17

7.7 Performance Objectives

We commit to measure, manage and improve key strategic supplier performance to ensure value assurance is delivered as per Tender commitment
To create a supplier leader board based on performance for key strategic suppliers
To setup a mini supplier workshops on performance management
We commit to measure, monitor and improve the University of Glasgow's PCIPS ratings
We commit to measure the individual performance of the Procurement Team members

**TARGETS**

- 30 key strategic suppliers monitored through our Supplier Relationship Development (SRM)
- Establish a Supplier Leader Board for Estates and Builders
- Maintain or enhance Ranked No.1 for PCIPS
- Maintain or enhance CIPS Corporate Certification Standard
- Maintain or enhance CIPS Sustainable Procurement Review GOLD Award
- 100% completion of annual Performance and Development Review (P&DR)
- 100% completion of annual skills audit template per individual team member
- 100% completion of all audits targeted for spend less than £25k

### 7.8 Brand Professionalism Objectives

We will build our credibility and enhance our reputation acting with integrity as a professional Procurement Team.

Individual CIPS qualification for all Category Managers

Continuous Development of the Procurement team to enable delivery of Procurement best practices

Understand clear annual performance targets

**TARGETS**

- Positive engagement to achieve MCIPS for all Category Managers
- Creation of individual development plans for all Procurement team members
- GO Award entry for Sustainability in FY16/17
- Positive engagement and participation at all Finance team meetings
- Positive engagement and participation at all Estates & Buildings Finance team meetings
- Positive engagement and participation at all Sustainable Delivery Board meetings
- Positive engagement and participation at all Glasgow Student Village (GSV) Operational meetings
- Positive engagement and participation at all College Finance and Purchasing HUB meetings
8. UNIVERSITY STRUCTURE - Stakeholder Engagement

College and School Structure from August 2010
9. PROCUREMENT INFORMATION COMMUNICATION TECHNOLOGY (ICT) Strategy

All spend is processed through the finance system Agresso. The Procurement Office ICT Strategy

<table>
<thead>
<tr>
<th>Information Share information about:</th>
<th>Communication Internal and External Communication:</th>
<th>Technology IT Toolkits:</th>
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<tr>
<td>Procurement Office Web page</td>
<td>Vision</td>
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<td>Processes</td>
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<td>Procurement Training</td>
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<td>Information for Suppliers</td>
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<td>Templates</td>
<td>APUC</td>
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Procurement Office will review this document annually and in line with the University of Glasgow’s Strategic Vision. For any questions or further information relating to this document, please contact Procurement Office at procurementhelpline@glasgow.ac.uk
10. PROCUREMENT STRATEGIC SOURCING JOURNEY >£25K

All spend >£25k is procured by the Procurement Office. The procurement strategic sourcing journey demonstrates the process conducted by all Procurement team members to ensure we will:

- Comply with the Public Contract (Scotland)2015 Regulations, the Procurement Reform Act 2014, the Procurement (Scotland) Regulation 2016 and any other EU Directives
- Deliver open honest fair and transparent competition
- Deliver the most economically advantageous tender
- Reduce the administration burden for all stakeholders during the tender process
- Drive the right solutions to support University’s vision
- Promote eProcurement transaction process as appropriate