



# Kingston University & St George's, University of London

## CORPORATE PROCUREMENT STRATEGY

February 2023

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## 1 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 [Townhouse Strategy, vision and mission statements](#) and SGUL's [Strategic Vision 2030](#).

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 procurement services across KU and SGUL. We have a category management approach and build contract management requirements into all ongoing contracts procured by the team.

CPU members 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 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 respective online self-service systems – Unit 4 Business World (UBW). KU also employs an In-Tend e-tendering system which is used for all procurements above a £50k threshold. The team use online Dunn and Bradstreet and Creditsafe tools to carry out due diligence supplier checks. A NetPositive sustainability engagement tool is also used and 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
- The UK Public Contracts Regulations 2015 (Revised)

## 1.4 Scope of Procurement Activity

KU and SGUL have a combined average spend (other operating expenses) of £98.7m<sup>1</sup> per annum on the external provision of goods, services and works (Figure 1) plus a combined spend of £27m<sup>1</sup> on capital projects during 2021 and 2022. On average, approximately 73.6%<sup>2</sup> of combined operating expenses can be impacted by Procurement.

Other Operating Expenses			
Financial Year/Organisation	KU	SGUL	Average
2021/22	£83,069,000	£25,220,000	£54,144,500
2020/21	£64,969,000	£24,249,000	£44,609,000
<b>Average</b>	<b>£74,019,000</b>	<b>£24,734,500</b>	<b>£98,753,500</b>
<b>Impactable by Procurement <sup>2</sup></b>	<b>65.48%</b>	<b>81.78%</b>	

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 devolved 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

<sup>1</sup> Extracted from [KU Financial Statements](#) and [SGUL Financial Statements](#)

<sup>2</sup> Based on impactable spend figures in the 2021/22 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<sup>3</sup>

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.

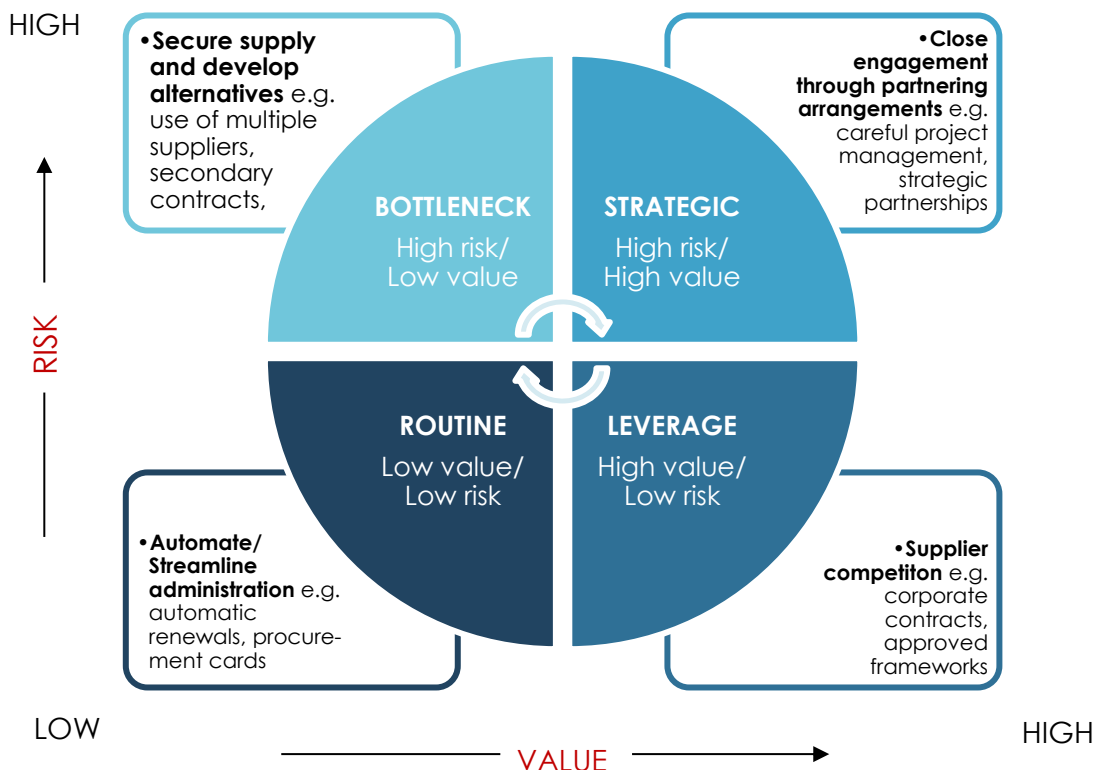


Figure 2

<sup>3</sup> Corporate covers non-IT and non-E&F procurements including services relating to legal, human resources, marketing and finance.

## Corporate Procurement Strategy

A procurement risk register is also maintained 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 the University's corporate risk register.

### **3.3 Professional Procurement Advice**

Procurement advice is provided as required by 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 work placements, internships, employment opportunities, specialist guest lectures, discovery days for students, shadowing, competitions and rewards, use of proprietary software, free training, presentations, site visits, 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 in UBW that fall within this threshold trigger an alert to the team (at SGUL) or are workflowed to the team for approval or rejection (at KU). This provides an opportunity to ensure compliance with internal regulations and public procurement legislation. Cumulative spend reports will be 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 an environment of intensified 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.

This is achieved by ensuring that the following key elements are built into each contract:

- An account manager is nominated by the supplier
- Clear key performance measures

## Corporate Procurement Strategy

- Defined service levels
- Periodic contract reviews
- Clear issue escalation processes and
- A university staff member is nominated to manage the contract on a day to day basis

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 and Net Zero Carbon Aims

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 sustainability elements as applicable;
- A checklist developed by the Sustainability Team is used by CPU to ensure sustainability requirements are included in contract specifications;
- Incorporating sustainability criteria, where appropriate, as part of the supplier evaluation process and in the award of contracts.
- A sustainability engagement tool rolled out free of charge to all third party suppliers;
- Referring buyers to the Sustainability Team as a first point of call for furniture requirements instead of setting up a new supplier or placing an order for new furniture;
- Use of the Selection Questionnaire for UK-tendered contracts which includes standard modern slavery questions;
- The provision of evidence of incremental progress required in annual Modern Slavery Statements;
- A close working relationship with the Sustainability team and involving them early in relevant procurements.

KU aims to achieve net zero scope 3 carbon emissions (NZC) by 2050. This will be achieved by liaising with the sustainability team to develop and roll out NZC procurement training to corporate and devolved buyers. Buyers will learn how to:

- Build Net zero KPI into procurement contracts and tenders as appropriate
- Prioritise the need to minimise carbon emissions with a view to achieving net zero and reduce the negative impacts of packaging and transportation when purchasing goods and services
- Re-use, repair, repurpose goods as much as possible and use recycled products and/or products derived from reclaimed materials as appropriate.
- Give preference to ethically sourced goods and/or suppliers with net zero carbon targets, a carbon reduction plan and/or a circular economy approach or indeed to goods top-rated for energy efficiency where feasible.

## Corporate Procurement Strategy

- Encourage local enterprises to bid for contract opportunities.
- Encourage suppliers to submit their own carbon reduction plans when bidding for high value contracts (£100k or more).

### **3.9 Shared Service**

The CPU provides procurement services to KU and SGUL. This presents unique opportunities to leverage the universities' combined requirements and spend, resulting in reduced sourcing costs, 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.