Kingston University

CORPORATE PROCUREMENT STRATEGY

October 2024

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1   INTRODUCTION

This document sets out a procurement roadmap for Kingston University (KU) for the next three years in alignment with KU's Town House Strategy.

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 a team of procurement professionals, a procurement data analyst and a procurement officer providing services across KU and CSG's Tooting Campus. It has a category management approach and builds contract management requirements into all ongoing contracts procured by the team.

The CPU 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 best 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

Procure-to-pay tasks are devolved across the Universities and automated through an online self-service system – Unit4 Business World (UBW). KU also employs an In-Tend e-tendering system which is used for all procurements above a £200k threshold. Dunn and Bradstreet and Creditsafe are online tools the CPU uses towards carrying out due diligence supplier checks and Sustainability Engagement and NET Zero Carbon tools are made available to all new third party suppliers free of charge.

1.3   Procurement Policy

The Procurement Policy and Guide is the supporting document which has been influenced by and has links to:

- KU's Financial Regulations
- The Procurement Act 2023

1.4   Scope of Procurement Activity

KU has an average spend (other operating expenses) of £78.9m[1] per annum on the external provision of goods, services and works (Figure 1) plus a spend of £15m[1] on capital projects and other commitments as at 31 July 2023. On average, approximately 72%[2] of combined operating expenses can be impacted by Procurement.

Financial Year	
2022/23	£81,813,000
2021/22	£75,931,000
Average	**£78,872,000** [1]
Impactable by Procurement [2]	**72.3%**

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
- Embed sustainability within procurement following ISO20400 guidance
- Achieve added value benefits that enhance student experience
- Assist 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

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[1] Extracted from KU Financial Statements

[2] Based on impactable spend figures in the 2022/23 Procurement Value Survey (PVS) reports for KU

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[3]

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 spending power across KU to maximise value and further enhance the benefits that can be derived from combined 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.
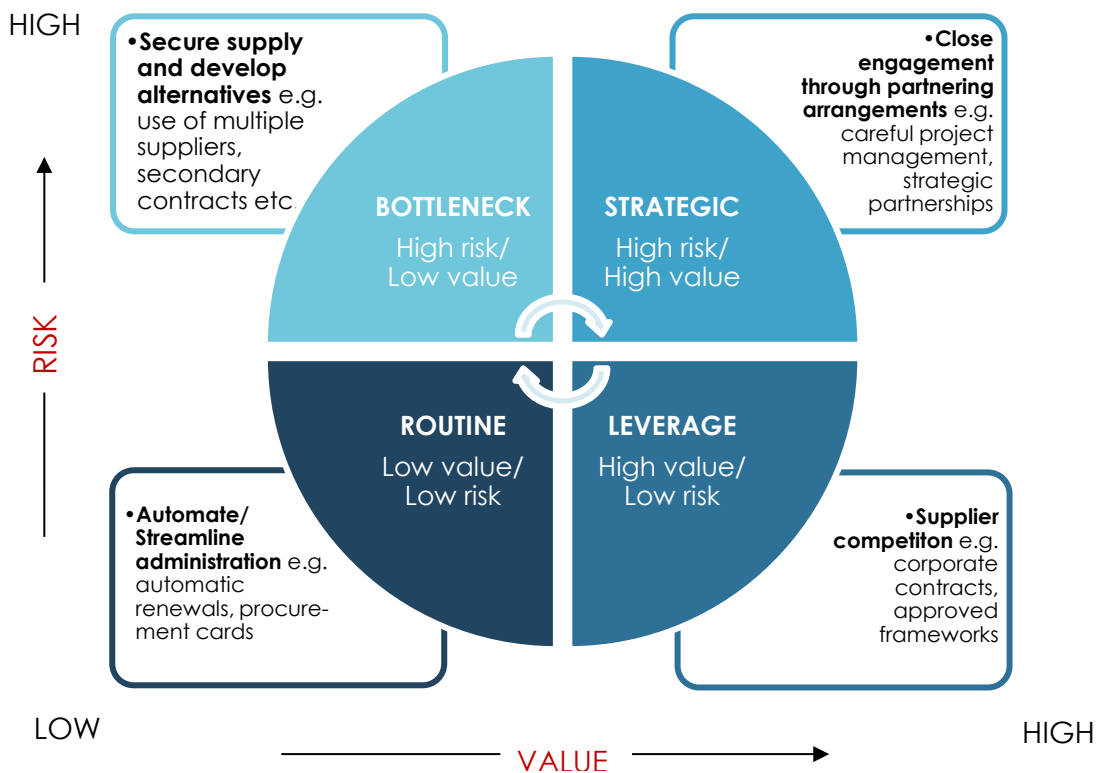
HIGH

- **Secure supply and develop alternatives** e.g. use of multiple suppliers, secondary contracts etc.

- **Close engagement through partnering arrangements** e.g. careful project management, strategic partnerships

RISK

BOTTLENECK
High risk/
Low value

STRATEGIC
High risk/
High value

ROUTINE
Low value/
Low risk

LEVERAGE
High value/
Low risk

- **Automate/ Streamline administration** e.g. automatic renewals, procure-ment cards

- **Supplier competiton** e.g. corporate contracts, approved frameworks

LOW   HIGH

VALUE

Figure 2

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[3] Corporate covers non-IT and non-E&F procurements such as services relating to legal, human resources, marketing and finance.

CPU also maintains a procurement risk register 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 its corporate risk register.

3.3   Professional Procurement Advice

Procurement advice is provided as required by fully qualified members of CIPS (The Chartered Institute of Procurement and Supply) and purchasing advice by trained and experienced operational 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 job placements, internships, employment opportunities, specialist guest lectures, use of proprietary software, 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 £200k (£166K ex VAT) threshold over the term of the contract or, if the duration is unknown, when aggregated over four years. Requisitions raised on UBW that fall within this threshold trigger are workflowed to the team for approval or rejection. This provides an opportunity for the team to ensure compliance with internal regulations and public procurement legislation. Cumulative spend reports are generated periodically to identify suppliers approaching the threshold and ensure compliance and early involvement of the team.

The CPU keeps a database for all contracts it procures or is involved in procuring.

3.6   Innovation and Cost Effectiveness

This will be achieved through market research, pre-market engagement and the correct use of supplier expertise as an external resource. Harnessing innovation has the potential to KU's distinctiveness and competitive advantage particularly in a climate of intensifying 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.

Contract and supplier management will continue to be built into the requirements from the outset through account management by suppliers, key performance measures, service level agreements, periodic contract reviews, clear issue escalation processes and the appointment of a KU staff member as contract manager.

This enables the early spotting of signs of failure, avoids complacency and ensures best value 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

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 applicable sustainability elements;

- A checklist developed by the Sustainability Hub used by the team to incorporate relevant sustainability requirements in contract specifications;

- Incorporating, where appropriate, scored sustainability criteria as part of the supplier evaluation process and in the award of contracts.

- Sustainability Engagement and Net Zero Carbon tools rolled out to all of KU's third party suppliers;

- Referring office furniture buyers to the Sustainability Team as a first point of call instead of setting up new suppliers or placing orders for new items;

- Standard Modern Slavery questions in the Selection Questionnaire for publicly tendered contracts;

- The updating of the procurement-related aspects of KU's annual modern Slavery statement;

- A close working relationship of procurement leads and the Sustainable Procurement Manager with the Sustainability team and involving them early in relevant and strategic or high value procurements.

3.9   Shared Procurement Service

The CPU provides procurement services to KU and CSG's Tooting Campus. This provides the unique opportunity to leverage the spend of both organisations, reduce sourcing costs and seek 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.