



Brunel
University
London

Brunel University London

Procurement Strategy

Version: 1.0

**“A centre for procurement excellence,
delivering commercial value
& optimum outcomes”**

Sign Off History

Version	Name	Title	Date of Sign Off
V 1.0 FINAL	Executive Board Approval		24 th April 2019
V 1.0 FINAL	Andrew Murphy	Chief Financial Officer Executive Board Owner	11 th June 2019
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Introduction

Brunel University London is a world-class educational institution offering a wide range of courses in London with over c12900 students and c2500 staff and a total income of circa £216 million (2017/18).

In 2016 Brunel celebrated its 50th Anniversary since being awarded its Royal Charter in 1966 and its mission has always been to combine academic rigour with the practical entrepreneurial and imaginative approach pioneered by namesake Isambard Kingdom Brunel.

The University's Procurement Strategy has been adopted for the period 2019 to 2022. The purpose is to set out a medium-term strategy for the transformation of Procurement Services and the delivery of procurement activity to support the University and align with Brunel's 2030 vision.

The annual third-party expenditure for the University is circa £100M which can be supplemented by significant capital investment aligned with our Capital Programme.

Procurement Services is a centre-led strategically focussed procurement function that will:

- Drive commercial value from the supply chain; providing the ability for driving innovation, delivering better services and creating savings.
- Recognise best practice maximising the opportunities for economic, environmental and social benefits through improvements to procurement practices and outcomes.
- Simplify the standardisation of procurement policies, governance, processes and systems in order to strengthen and at the same time simplify the activities for both the Colleges and Professional Services departments (our customers) and our suppliers.
- Assist aggregation of opportunities across the University and provide the ability to operate flexibly ensuring the Procurement Service are able to meet the needs of the University now and to respond to changes in future needs.
- Collaborate with key stakeholders to ensure that procurement rules and processes are fully adopted and teams work together towards common goals and in the best interests of the University.
- Drive the strategic objectives of the transformation of Procurement Services;
 - Implement a commercially focussed permanently staffed procurement function that operates collaboratively across the University
 - Appoint a Procurement Director
 - Adopt a common strategic approach for all tendered activity
 - Implement a common approach to support devolved Contracts Management and improved Supplier Relationship Management.
 - Create a Commercially savvy and high performing team.
 - Adoption of improved commercial governance.
 - Implement and embed a new eSourcing Suite.
 - Implement a new Operating Model that is both "fit for purpose" and drives value for money.

It is recognised that effective procurement is fundamental in supporting the delivery of the University's overall financial strategy and delivery of the University's vision "Brunel 2030".

Brunel University London

In 2016, Brunel celebrated 50 years as a university. However, our history can be traced back much further to 1798 through our predecessor colleges of Borough Road College, Maria Grey College, Shoreditch College and the West London Institute of Higher Education and as well as through Acton Technical College then Brunel College. Our rise since 1966 has been impressive and our reputation grows year on year. Now a university of 12,746 students – 3,309 students engaged in postgraduate and research study – our special approach is to combine academic rigour with the practical, entrepreneurial and imaginative approach pioneered by Isambard Kingdom Brunel.

Brunel 2030 Vision: A university for a Changing World

Brunel's 2030 vision was launched to external stakeholders at a dinner at the House of Lords in December 2017. Leaders from industry, government and the not-for-profit sector were told that the vision reflected the legacy of the University's namesake Isambard Kingdom Brunel, approaching new challenges in the sector armed with innovation and ambition.

Our vision:

- We will strengthen our position as a leading multidisciplinary research-intensive technology university delivering economic, social and cultural benefit. Excellence, innovation and an entrepreneurial spirit will be at the heart of everything we do.
- True to the words of our Royal Charter, we will continue to lead and innovate with new models of research, education and knowledge transfer, placing the needs of society at the heart of our academic activity.
- We will build on our heritage of working closely with businesses, governments and the not-for-profit sector to fulfil our mission
- We will establish strategic partnerships and commercial ventures to strengthen our position and support the University's long-term sustainability.
- We will be at the pinnacle of technology universities in the UK and firmly established in the top tier internationally of this special group of institutions.
- Our success will be a tribute to our students and staff, who will share this vision and work as one to achieve it.

Our mission

To bring benefit to society through excellence in education, research and knowledge transfer.

University Values

Open and honest: We work to high ethical standards, and are transparent in our dealings and decisions.

Fair and inclusive: We treat everyone with dignity and respect; we all have the same opportunity to succeed.

Determined: We are purposeful and agile in a changing world and work in innovative ways to achieve our goals.

Focused on excellence: We always aim to achieve the best and we value and reward excellence.

Procurement Services

The University's Procurement Services organisation provides strategic leadership, strategic sourcing, policy and governance setting for major procurement activity, and manages key strategic supplier relationships. Our overarching principals are that:

- Best Value shall be obtained for all works, goods and services.
- All procurements shall take place in an open and transparent manner.
- Fairness with all potential and existing suppliers being treated equally.
- All actions are compliant with UK Legislation.
- Responsible Procurement (including where possible social, economic and environmental characteristics) objectives are included in all strategic procurements

We also ensure that the supplier relationship management of our suppliers delivers high standards of performance, continuous improvement and innovation.

Procurement Services **Mission** is to deliver "**Commercial Excellence**".

Our **Vision** is to create "**a centre for procurement excellence, delivering commercial value and optimum outcomes**" which are delivered through four key goals;

- **To Transform** - by leading and driving change, we will enable the organisation to build its procurement operating model so that we become efficient and effective.
- **To Deliver Value** - by delivering value for money services we will protect the University and enable it to achieve its 2030 Vision.
- **To be Commercial** – by delivering the best outcomes across the organisation whilst maximising commercial opportunities.
- **To Collaborate** – by working together with our key stakeholders, to deliver the best outcomes by listening to others, challenging each other constructively and respecting each other's point of view.

The Procurement Strategy is underpinned by our Mission, Vision and overarching principals as above.

To deliver our Procurement Strategy, we support the development of professional procurement resources and membership of the Chartered Institute of Procurement & Supply. We further endorse continuous professional development to ensure our procurement team are building upon their knowledge and capabilities.

This Procurement Strategy sets out the approach we are taking to achieve best value through the use of professional and commercially savvy resources as well as the use of technology, innovation, best practices and procedures as part of the transformation of Procurement Services. This Strategy is an ambitious programme of improvement, which sets high standards for Officers and all staff across the University. It is supported by a three-year improvement plan to drive further improvement in procurement performance and match not only our own aspirations but national good practice benchmarks.

The University has adopted a Procurement Code that shall be followed in the conduct of all procurement and contract management activity. This document is designed to ensure that the University achieves best value from procurement activities, risks are minimised and procurement complies with the University's own Financial Regulations, the Public Contracts Regulations 2015 (PCR 2015), the Concession Contracts Regulations 2016 (CCR 2016) and other relevant legislation.

The Procurement Code sets the mandatory rules on behalf of Brunel University London including all officers of the University, and any persons or organisations that are responsible for supplier selection and awarding, managing and monitoring contracts on behalf of the University.

The Procurement Code also applies to concession contracts where the contractor has the right to exploit the works or services (for profit) together with some form of payment as well as taking on risks in the provision of those works or services.

Procurement Services employs a strategic sourcing approach to procurement that provides leadership, commercial insight, assurance, policy and governance to the procurement activity of the University. Procurement Services has adopted a Category Management approach for managing all procurement spend and leads on all sourcing activity over £30,000 excluding VAT.

Procurement Services will aim to aggregate spend and contract for goods and, or services over multiple years to ensure the University can drive maximum value from the procurement and contracting activity. The contract term will therefore be determined by Procurement Services in conjunction with the College/ Directorate.

Procurement Services primary role is to ensure that the University's procurement activity provides value for money (VFM) and meets the functional needs of the University. Through strong relationship management they ensure that our suppliers and partners deliver high standards of performance, as well as continuous improvement and innovation within the VFM framework.

A framework for procurement excellence is being created through the adoption of single ways of working, robust spend management, the adoption of Category Management, use of eSourcing and embedding Responsible Procurement with a strong centre-led approach to procurement.

Commercial value is being leveraged through; building procurement expertise in spend 'categories' through a greater level of proactive procurement planning and engagement with the market; identifying opportunities for reducing unit costs; sustaining the delivery of value by applying robust contracts management and strategic supplier development techniques, and the continued delivery of benefits and innovation within long-term contracts.

Risk of challenge from unsuccessful tenderers is mitigated through appropriately qualified procurement practitioners from the Centre being involved in all procurements above £30,000.

Optimum outcomes are created through a greater opportunity to reassess how money is spent on service contracts and how they are delivered; stronger officer governance and more transparent processes and, absolute focus on delivering the needs of the University through all external procurement processes.

Transformation Programme

The University's Transformation Programme which is underway is based on four Workstreams; People, Operating Model, Management Information & Technology, and Business Change. The programme of work below is managed under these four Workstreams.

1. Develop and implement a new 3-year Procurement Strategy for 2019-22 by;

- refreshing elements from the draft which was developed in 2016.
- creating link to the various University and corporate policies and procedures with short, medium and long-term objectives of the function clearly identified.
- addressing the role and positioning of Procurement in the University so that it is clear that it is a value-added service function and not a transactional / administrative service.
- clarifying the roles and responsibilities of procurement and the service functions so that the strategy can be delivered.
- update the Financial Regulations and communicate both internally and externally as part of a broad Communications Plan.

2. Implement a commercially focussed, permanently staffed procurement function that operates collaboratively across the University;

- rename function "Procurement Services" department.
- including all areas of expenditure and category expertise within scope.
- with senior management involved in setting procurement cost reduction targets and demanding results from strategic sourcing.
- adopting Category Planning, providing improved internal and external analysis of key areas of spend, market insight, suppliers and contracts.
- ensuring volumes, specifications and suppliers are fully leveraged across the University.
- with a clear definition of what the centre-led team are expected to deliver when working in collaboration with key stakeholders and what is to be delivered at a devolved level.
- ensuring cross-functional integration throughout the process (including post procurement stages and in to Contracts Management).
- incorporating a newly named Procurement Services organisation structure for the delivery of procurement.
- appointing and fund interim resources on a project basis as required to meet the needs of the University.
- consider role of procurement in broader commercial activity including traded services.

3. Appoint a Director of Procurement and permanent resources;

- reporting to the Chief Finance Officer.
- providing team and organisational leadership of procurement and contracts management activities.
- owning Procure to Pay policies and processes and works collaboratively with the Director of Finance to develop best practice, drive process efficiencies and deliver savings.
- ensuring Procurement is engaged in all areas of spend, and is embedded in the budget setting process to identify savings and opportunities for added value.
- is actively engaged in the sourcing process.
- ensuring Procurement is truly integrated with stakeholder functions and provides influence.
- owning the Contracts Management and Supplier Relationship Policy, Process and Systems.
- implementing target operating model and organisation structure.
- operating within the 3-year plan.

4. Adopt a common strategic approach for all tendered activity;

- utilising a common toolkit that ensure a strong fact-based driven process underpinned by strong data and analytics.
- annual and rolling sourcing plan linked to accurate and managed contracts register and budget planning process.
- ensuring requirements are developed in conjunction with procurement.
- ensuring there is an excellent understanding of key markets and trends influencing key categories of expenditure.
- ensuring there is good knowledge management – allowing use of insight / data from previous sourcing activity.
- where Procurement is specifically tasked with addressing demand.
- where Procurement is focused on total lifecycle cost.
- where strategic sourcing savings are maintained and improved through ongoing monitoring and management through contracts management and supplier relationship management activity.
- where the administration of key indirect categories (e.g., Temporary Staff, Facilities Management, Print, Travel) is outsourced where not already to Managed Vendors where appropriate.
- where buying channel strategy is clearly defined, clearly communicated and end users are fully empowered to carry out transactional procurement within an agreed framework.

5. Implement a common approach to support devolved Contracts Management and improved Supplier Relationship Management;

- adopt a single contracts register as a single “source of truth”.
- develop procedures and contract templates for contracting and administration.
- adopting a framework of best practice for managing key contracts based on spend and risk profile.
- developing and building a more commercial capability across the Services for managing contracts.
- adopting and reporting Supplier Measurement (KPIs) / Metrics to executive management for key strategic contracts.
- adopt an “Executive Supplier Board” or similar chaired by the Director of Procurement to review supplier measurement / metrics, compliance measurement of transactional suppliers, supplier performance and development opportunities.

6. Create a commercially savvy and high performing team by;

- balancing "strategic" versus "tactical" procurement activity in conjunction with other recommendations made in this report.
- ensuring all new resources are professionally qualified and commercially astute supporting a strong cadre of central category strategists.
- ensuring procurement skills clearly documented and communicated.
- implementing a training programme for both commercial and “soft skills” linked to personal development plans.
- creating a commercial ethos where annual cost reduction targets are included in objectives.
- creating opportunities for people exchange, principally with the Services to share knowledge and drive commercial best practice across the organisation.
- create Commercial Apprenticeship opportunities in order for the University to “home grow” its own talent and engage with the Business School to leverage student talent.

7. Adoption of improved commercial governance including;

- a robust but agile approach for 'Gate Reviews' for all procurements which will require the development of approvals for the Procurement Approach and the Contract Award.
- implementation of a programme to improve Officer accountability and decision making through training and personal development plans.

Category Management

The University has adopted 'Category Management' which is the process of managing spend through segmenting expenditure into discrete groups of similar or related products and services called categories. The categories are based on the supply market and how it is influenced by procurement strategies.

A category management approach will in principle, draw-together the future-looking procurement plans for each category of spend across the University.

Spend is then analysed to determine why we buy what we do, how we buy it, from whom and with what results. The categories are then managed through a continuous and systematic process to develop and implement sourcing strategies which deliver maximum value whilst managing risk.

The major spend categories as below are mapped to the Higher Education Procurement Classification system (HEProc).

Major Spend Categories
Soft Facilities Management
Construction & Hard FM
Information, Communications & Technology
Business & Administration Services
Medical, Veterinary, Agro & Laboratory
Miscellaneous/Unclassified

The Strategic Sourcing team within Procurement Services includes a number of specialist Sourcing Managers who provide expert knowledge and advice. All Sourcing Managers are aligned to the Major Spend Categories in order to deliver all procurements with an aggregated value over £30,000.

Procurement Operations

The Procurement Operations team within Procurement Services provides the framework within which procurement and contract management activity is performed, including policy, process, governance, performance and systems.

Procurement Operations supports the procure to pay (P2P) activity of the University, working closely with the Finance department, advising on all aspects of the procurement cycle and the use of the University's Finance & Procurement system known as "**CHIME**" for requisitioning through to goods receipting.

Procurement Operations is accountable for Catalogue Management in CHIME.

Procurement Operations is accountable for the management of the University Purchasing Card and Corporate Card Programmes.

Brunel eSourcing

The University has adopted an 'end to end eSourcing Platform' which encompasses spend analysis, strategic sourcing, evaluation, contract management and supplier performance management in an integrated suite which is commonly known as Brunel eSourcing.

Brunel eSourcing can be found at www.BruneleSourcing.com and is utilised by the University for all procurement activity above £30,000. Brunel eSourcing complies with The Public Contract Regulations 2015 (PCR 2015).

All University opportunities and the award of contracts for public procurements above the EU threshold are advertised in the **Official Journal of the European Union (OJEU)** and on Contracts Finder.

In addition, all opportunities and the award of contracts for public procurements below the EU threshold but above £30,000 where the University has chosen to advertise the opportunity, are advertised on **Contracts Finder**.

eSourcing automates stages of the sourcing process for the University from planning, analysis and qualification to sourcing, evaluation and contract award.

Brunel eSourcing can be accessed by suppliers who wish to register and express an interest in contract opportunities either before or when they occur.

The tendering and evaluation of all procurement activity above £30,000 is managed through Brunel eSourcing. To ensure the University treats all suppliers equally and without discrimination and in a transparent and proportionate manner, all communications with the University in relation to any procurement activity during the tendering process shall be conducted through Brunel eSourcing.

The University maintains a Contracts Register in Brunel eSourcing to increase visibility and report on every aspect of the contract's lifecycle. All types of contracts are instantly accessible to Officers providing a clear picture of contractual obligations and commitments.

Governance

Procurement Assurance “governance” is to be strengthened in order to underpin the one-way of working across all procurement activity.

A Category Planning phase (Gate 0) will be introduced to support the current 3-year Financial Planning process. The introduction of a Category Planning phase will be an annual process built in to the Business Planning process where officers would be expected to review their Procurement Strategies over the coming 3 years with a focus on the following areas.

- Opportunity Analysis – Spend/Contracts
- Demand Management
- Stakeholder Management
- Resource Planning
- Alignment with Council's Strategies and Values
- Budget and Financial Planning

Procurement Assurance also includes a process of reviewing major procurements at two stage which will commonly be called “Gates”;

- Gate 1 is a formal review of the Procurement Strategy once the lead officer wishes to formally go to market, and
- Gate 2 is a formal review of the Contract Award proposals once the procurement strategy has been delivered, tender proposals have been evaluated and the lead officer wishes to award a contract.

Anti-Bribery & Corruption

We are committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. Brunel University London has a zero-tolerance for bribery and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever in the country we operate.

We will constantly uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. We are bound by the laws of the UK, including the Bribery Act 2010, in regards to our conduct both at home and abroad.

We recognise that bribery and corruption are punishable by up to ten years of imprisonment and a fine. If the University is discovered to have taken part in corrupt activities, we may be subjected to an unlimited fine, be excluded from tendering for public contracts, and face serious damage to our reputation. It is with this in mind, that we commit to preventing bribery and corruption in our organisation, and take our legal responsibilities seriously.

Receiving Gifts or Hospitality

The University expects all officers involved in procurement to comply with the policy relating to Receiving Gifts or Hospitality. Failure to adhere to these conditions will result in disciplinary action.

Codes of Conduct

The University expects all officers involved in procurement to behave with the highest levels of probity and integrity in accordance with the Bribery Act 2010 and the Code of Conduct detailed in the University's Code of Conduct.

Slavery and Human Trafficking

The University is committed to acquiring goods, works and services for its use without causing harm to others. In doing so, the University is committed to supporting the UK Government's approach to implementing the UN Guiding Principles on Business and Human Rights.

Terms & Conditions of Contract

The University will only use and accept its own contract terms.

The standard terms and conditions of contract can be located at XXXXXXXX; these are updated in consultation with Legal Services and maintained by Procurement Services. Any variation to the standard Terms and Conditions will require express authorisation and advice from Procurement Services.

The University will issue its own contract terms when tendering that may differ from the standard terms and conditions and will take precedent over all other terms and conditions.

Responsible Procurement

The University spends circa £100 million on goods, services and works per annum and therefore has a significant opportunity to leverage its supply chain to deliver additional benefits to the University, students, local residents, businesses and communities.

The opportunity is realised by paying careful attention to how goods, services or works will be delivered, who may be delivering it and what else they can do to deliver added value where it will make the biggest impact for the University.

At Brunel University London the process of identifying the added value through our purchasing activities is termed Responsible Procurement.

Responsible Procurement forms part of our overall corporate social value strategy.

For all contracts with a total contract value of £150,000 or above the University requires a minimum of 5% of the total weighting of the tender evaluation score to be allocated for Responsible Procurement. This will be derived from the Quality section of the evaluation and will include social, economic and environmental characteristics (example: Quality has 40% overall weighting Social Value will be 5% of that weighting allowing 35% for other quality evaluation criteria).

All procurements conducted by the University and by those contracted by the University to act on their behalf will do so following the Government Buying Standards 'Mandatory' criteria.

Chartered Institute of Procurement & Supply

The University aspires to obtain the CIPS Global Standard in Procurement and Supply, which sets the benchmark for what good looks like in the procurement profession