

Procurement Strategy 2024/27

1.0 Introduction

The higher education sector has faced long term financial pressures over the past number of years as a result of the devaluation of tuition fee income despite rising fixed costs. Changes in government policy affecting overseas recruitment during 2023/24 has created further pressure on the sector. The University of Northampton (UON) has developed a long-term transformational strategy to address the financial shortfall with various strategic workstreams.

Procurement will play a supportive role in helping faculties and professional service directorates deliver efficiencies in its operations to secure the long-term financial sustainability of UON, whilst simultaneously helping to address ethical sourcing standards and environmental challenges. UON's commitment to making informed, commercial, and responsible procurement decisions are essential to fostering innovation, efficiency and sustainability across the institute.

This Procurement Strategy will align with the UON core values as follows: -

- Inclusivity – Ethical Sourcing standards and Modern Slavery compliance.
- Sustainability – Financial Sustainability, social impact and environmental sustainability weighting on contract awards.
- Aspiration – Procure more innovative solutions to drive local economic growth.
- Trust – Development of internal and external stakeholder relationships.

Efficient and effective procurement of goods works and services to support UON in meeting its strategic objectives and priorities is essential. Historically procurement processes were viewed as a tool that sought value for money when committing the University's non pay expenditure, however a well-managed procurement provision

can assist in achieving UON's desired social, economic, and environmental outcomes, as well as a driver to encourage innovation.

This document sets out the UON's Procurement Strategy for the next three years up to 2027. It provides an overview of how procurement will be re-positioned to become a more strategic function in order to better support the delivery of the University's strategic plan. The strategy will be supported by a high-level operational plan along with a process for managing and reporting on progress and performance.

2.0 Strategic Objectives

The Procurement Strategy identifies four strategic objectives that are aligned to support the delivery of the UON's Strategic Priorities of Staff, Student Experience, Learning and Teaching and Research while ensuring alignment to the Universities core values.

- To improve collaboration with internal and external stakeholders to achieve value for money, delivering savings and benefits across UON.
- To manage supplier contracts to ensure continued value, effective performance, and minimise risk throughout the contract period.
- To embed sound ethical, social and environmental objectives into all procurement policies, processes and procedures.
- To support local economic growth, buying locally where appropriate.

Operational plans are detailed under section 4, which explain some of the short- and medium-term targets that have been identified, and a planned approach to delivering these targets ensuring a robust procurement service is developed to support UON in the long term.

3.0 Delivery of our Strategic Procurement Objectives

This section of the Procurement Strategy details the implementation approach the Procurement Team intend to adopt to deliver each strategic objective over the next three academic years.

- 3.1 To improve collaboration with internal and external stakeholders to achieve value for money, delivering savings and benefits across UON.

The Procurement Strategy will support the long-term financial sustainability of UON through the development of procurement practices which promote and support operational delivery and effectiveness throughout each faculty and professional service directorate. The Procurement Team will work collaboratively with Faculties and Professional Service Directorates scheduling regular meetings to establish common goals, building a culture of accountability, transparency and trust. Through these interactions they will promote a service to support each area achieving their strategic aims through delivery of procurement training, provision of procurement expertise and sharing best practice across UON. This collaborative approach will:

- Improve procurement governance.
- Enhance transparency of UON's contractual obligations and key strategic suppliers.
- Promote collaboration and better understanding of Faculty and Professional Service Directorate needs.
- Enable improved monitoring and reporting of efficiency savings.
- Encourage the exchange of knowledge and sharing of procurement best practice across the institute.
- Streamline procurement processes to improve operational efficiency.
- Provide better quality procurement data to support decision making.

The Procurement Team will work collaboratively with suppliers negotiating favourable contract terms to secure best value for money on non-pay expenditure. The Procurement Team will ensure our suppliers understand UON's values and objectives and in turn develop an understanding of our suppliers' key drivers. This will develop a culture of trust and transparency and facilitate better negotiation.

- 3.2 To manage supplier contracts to ensure continued value, effective performance, and minimise risk throughout the contract period.

UON will engage with suppliers in a fair, transparent way. UON's procurement processes and procedures will ensure all suppliers are compliant with procurement legislative requirements including the Procurement Act 2023 which is scheduled for implementation during February 2025. This legislation will support this particular objective with requirements to improve transparency for suppliers, to emphasise strengthened contract rules, and to facilitate the ability to award contracts based on the institution's award criteria, rather than the most economic and enhanced support (for small and medium sized enterprises).

The Procurement Team will create preferred supplier lists (PSL) for each category of operational expenditure to streamline procurement processes by eliminating the requirement to obtain three quotes or prepare a waiver, thereby simplifying the ordering process through pre-negotiated competitive terms and conditions.

Implementing a PSL will facilitate greater cost savings through economies of scale. By consolidating purchasing power with a select group of suppliers, UON will be positioned to negotiate better prices and terms. Additionally, the PSL will mitigate risks related to non-compliance and poor performance through established contracts and foster more collaborative relationships with suppliers.

Each PSL will be regularly reviewed and updated collaboratively with each Faculty and Professional Service Directorate to ensure contracts continue to offer value for money and high-quality performance and to ensure the PSL remains dynamic and inclusive.

The Procurement Team will introduce category management to gain a greater understanding of supplier expenditure, optimising purchasing decisions and delivering value for money. Through market analysis the Procurement Team will understand the supply market and pricing trends to identify saving opportunities and facilitate informed decision making. Category management is a collaborative procurement tool, the procurement team will engage with internal stakeholders to understand their requirements and align their procurement processes to support successful supplier negotiations.

- 3.3 To embed sound ethical, social and environmental objectives into all procurement policies, processes and procedures.

Socially and environmentally responsible procurement is fundamental for UON. UON's Sustainability Strategy outlines our approach to responsible procurement. UON will track and report on their achievement of these actions via the Sustainability Board. UON has committed to work with its supply chain to reduce Scope three carbon emissions through the implementation of our sustainability requirement in our procurement process, waste management, water management and travel plan.

UON maintains social impact at the heart of every activity it undertakes. The Procurement Team will integrate social value considerations into their supplier contract evaluation processes to ensure social economic and environmental objectives are given adequate consideration. Each tender will outline the social priorities for UON such as growing local businesses or

enhancing environmental sustainability. Each contract must include clear, measurable social value commitments and must create mechanisms to monitor and report on the delivery of social value.

The Procurement Strategy will embed equality, diversity and inclusion in all procurement policies, processes, procedures, practices and training guidance. This will include the Modern Slavery Act 2015, Ethical sourcing standards and the Good Business Charter and People and Planet.

- 3.4 To support local economic growth, buying locally where appropriate. Procurement activity can play a vital role in the economic growth of the local community. UON is committed to working with internal and external stakeholders to encourage local businesses to bid for contracts. UON recognises the benefits that local suppliers deliver such as cost savings through reduced delivery costs and stronger community ties and will encourage collaboration with local external stakeholders.

The Procurement Team advertise all open tenders on its e-procurement portal, suppliers are encouraged to register on this platform to view and register interest in potential procurement opportunities. This platform is accessible to all suppliers promoting transparency and inclusivity.

4.0 Operational Plan

Detailed below is the operational plan that the Procurement Team will use to define the steps required to deliver the strategic objectives set out above.

| Procurement Strategy | Objective 1 | To improve collaboration with internal and external stakeholders to achieve value for money, delivering savings and benefits across the University | |
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| Operational Action Plan | Desired Outcome | Measurement of Success | Timeline |
| Set up regular procurement meetings with internal stakeholders | <ul style="list-style-type: none"> • Build internal collaborative relationships. • Improve trust and transparency. • Greater understanding of procurement requirements. | <ul style="list-style-type: none"> • Positive feedback from internal colleagues. • Collaborative specification design. | Ongoing |
| Set up regular procurement meetings with suppliers | <ul style="list-style-type: none"> • Build external collaborative supplier relationships. • Improve trust and transparency. • Greater understanding of procurement requirements. | <ul style="list-style-type: none"> • Negotiation of favourable contract terms | Ongoing |
| Maintain a detailed contracts database that is shared with internal colleagues in a timely manner allowing sufficient time to plan internal requirements in advance of contract deadlines | <ul style="list-style-type: none"> • Facilitate better planning. • Provide adequate time for colleagues to investigate alternative supplier provisions. | <ul style="list-style-type: none"> • Effective contract management • Opportunity to negotiate better supplier terms and conditions and maximise cost savings | July 2025 |

| Procurement Strategy | Objective 2 | To manage supplier contracts to ensure continued value, effective performance, and minimise risk throughout the contract period | |
|---|--|---|--|
| Operational Action Plan | Desired Outcome | Measurement of Success | Timeline |
| Ensure supplier compliance with procurement legislation. | <ul style="list-style-type: none"> All procurement processes and practices comply with evolving legislations. | <ul style="list-style-type: none"> No complaints or challenges for suppliers for non-compliance. | Ongoing |
| Undertake regular benchmarking exercises to review and improve compliance, drawing comparisons between other University's and their implementation of procurement legislation | <ul style="list-style-type: none"> UON is fully compliant with procurement legislation. UON has adopted a sympathetic compliant approach the ensures compliance while minimising bureaucratic processes. | <ul style="list-style-type: none"> Streamlined effective procurement processes. | Academic year 2025/26 |
| Development and maintenance of preferred supplier lists | <ul style="list-style-type: none"> Opportunity created to secure pre-approved supplier rates and terms. Streamline procurement processes. PSL's must be inclusive and should be regularly reviewed to ensure new suppliers are given the opportunity to join the PSL. | <ul style="list-style-type: none"> Savings realised through favourable PSL rates and terms. Faculties and professional service directorates have more time to conduct business as usual (BAU) tasks, Positive impact on workloads | Development of PSL's by July 2025 with Ongoing Maintenance |
| Introduce category | <ul style="list-style-type: none"> Better understanding of non-pay | <ul style="list-style-type: none"> Realisation of savings through | Commence implementation |

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|--|---|---|---|
| <p>management techniques to maximise value for money on supplier spend</p> | <p>expenditure categories</p> <ul style="list-style-type: none"> • Better understanding of supply market • Greater understanding of pricing trends • Opportunity to utilise economies of scale and maximise savings. | <p>effective contract negotiation</p> <ul style="list-style-type: none"> • Availability of enhanced reporting to demonstrate buying trends across the University | <p>in 2024/25 with full implementation during academic year 2025/2026</p> |
| <p>Monitor non-pay expenditure to ensure budgetary control is maintained</p> | <ul style="list-style-type: none"> • Work with Finance Business Partners to monitor budgets and preview expenditure trajectories. • Put measures in place to minimise budget overspend. | <ul style="list-style-type: none"> • Faculties and professional service directorates achieve budget targets | <p>Ongoing</p> |

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| Procurement Strategy | Objective 3 | To embed sound ethical, <u>social</u> and environmental objectives into all procurement policies, processes and procedures | |
| Operational Action Plan | Desired Outcome | Measurement of Success | Timeline |
| Review all procurement policies and processes to ensure ethical, <u>social</u> and environmental reviews are embedded. | <ul style="list-style-type: none"> UON's approach to responsible procurement is clearly outlined in all policies and procedures. | <ul style="list-style-type: none"> Updated procurement policies and processes which include sustainable best practice. | Ongoing |
| Review UON's supply chain <u>in an attempt to reduce Scope 3 carbon emissions</u> where possible. | <ul style="list-style-type: none"> Introduce appropriate weighting into contract review for Ethical, Social and Environmental supplier practice. | <ul style="list-style-type: none"> UON's supplier portfolio can quantify sustainable best practice | Ongoing |

| Procurement Strategy | Objective 4 | To support local economic growth, buying locally where appropriate | |
|--|--|---|-----------------|
| Operational Action Plan | Desired Outcome | Measurement of Success | Timeline |
| Develop relationships with local suppliers and businesses to understand the services available and encourage collaboration. | <ul style="list-style-type: none"> Local suppliers bid for UON contracts. Local businesses look to UON to provide training opportunities and collaborative joint ventures. | <ul style="list-style-type: none"> Increased percentage of local businesses on UON's supplier database | Ongoing |
| Advertise open tenders on e-procurement portal and ensure this portal is fully accessible to the local community, offering training on the use of the e-portal where necessary | <ul style="list-style-type: none"> Local Suppliers BID for UON contracts | <ul style="list-style-type: none"> Review of turnover generated from local suppliers | Ongoing |

5.0 Summary and Recommendation

The Procurement Strategy will support UON's long-term strategic objective to ensure financial sustainability.

6.0 Equality Impact Assessment

A full Equality Impact Assessment has been completed. There is no adverse equality impact within this policy. All responses to breaches of rights will be dealt with in accordance with this Policy, Procedure, and relevant Appendices irrespective of an individual's specific characteristics.

7.0 Version Control

| Version Control | Author | Date | Updates |
|-----------------|--------------|---------------|----------------|
| V1 | Steve Booker | June 2021 | |
| V2 | Janet Baines | November 2024 | Revised Policy |