



THE UNIVERSITY *of* EDINBURGH
Finance

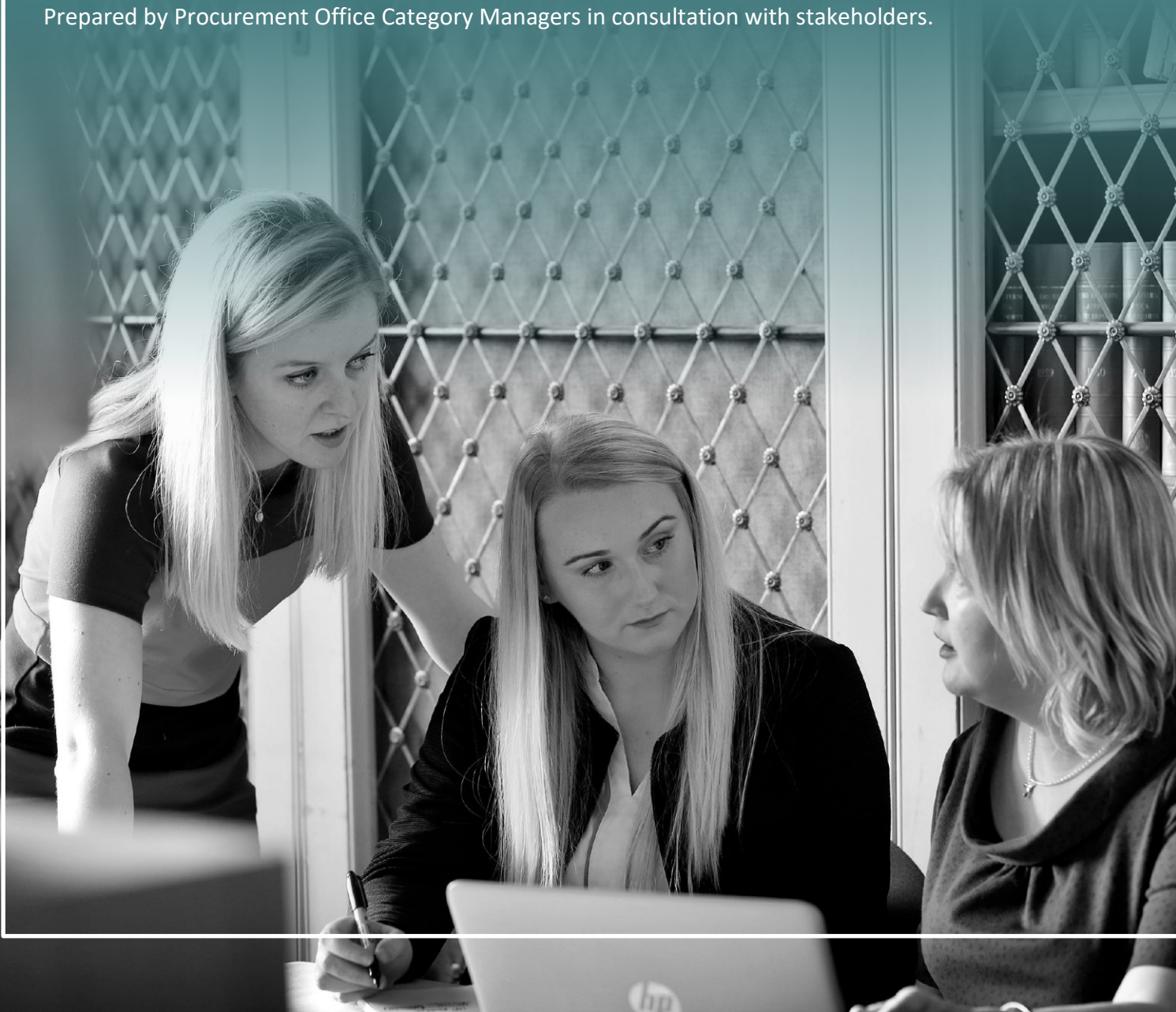
Procurement

Category

Strategic Plans

The vision and mission of University Procurement is “to meet the needs for goods, services, and capital works as a truly global University, rooted in Scotland’s capital city and achieve value for money on a whole life basis generating benefits not only to the University, but making a significant, sustainable and socially responsible contribution locally and globally.

Prepared by Procurement Office Category Managers in consultation with stakeholders.





Executive Summary

The University procures approximately £300million of goods, services and capital works annually, our aim is to drive best practice and deliver benefits.

In order to demonstrate that we comply with transparency and proportionality principles, University staff will choose routes to market, following an appropriate [Procurement Journey](#).

The University will publish and maintain its contracts register and improve information for buyers to use contracts so that third parties (e.g. local firms, potential bidders for future business) can be aware of agreements we use, or may offer services to our [contractors](#).

The University Strategic Procurement services is staffed with professional Members of the Chartered Institute of Procurement and Supply (CIPS) to advise colleagues of the appropriate procurement routes and what to consider, against global professional standards and to uphold CIPS code of ethical conduct, which is re-assessed regularly. Procurement Office is part of Finance and its Joint Directors sit on the University Finance Executive and other senior groups.

Principles of the University of Edinburgh procurement activities are:

- equal treatment
- non-discrimination
- transparency
- proportionality
- mutual recognition

[Category Strategies](#), developed with key stakeholders, have recommendations for developing strategic procurement for:

- **Estates**
- **Information Services**
- **Laboratory and Medical**
- **Professional and Campus Services**

1. Strategic Procurement

*Best-in-class procurement organizations are increasingly turning to category management as an effective lever to drive greater strategic value and growth for the business. A structured category management approach can not only help you generate higher savings, but also improve supplier performance, mitigate supply risks, and drive innovation and continuous improvement.*¹

¹ <https://www.cips.org/knowledge/procurement-topics-and-skills/strategy-policy/category-management-gep/>



Strategic Procurement services will continue to be based in Finance, Corporate Services Group, working with all Colleges and Schools and Professional Services Groups as Business Partners, providing strategic procurement strategy, policy and professional advice and support for regulated procurement. Strategic Procurement teams assist Court delegated authorities in risk mitigation, value for money and sustainable and socially responsible procurement.

Category strategies inform the planned procurement activity and local (future procurement hub) priorities as we are one team and one legal entity for acquisition. Policy development will continue assist teams account of internal and external factors and legal services available within the procurement team.

Strategic fit of a category approach

The category procurement strategy will underpin the [University Strategy](#) and the University Court determines who is responsible for delivering its purpose. The University strategic procurement category teams are part of Finance. Our category leads engage key stakeholders internal and externally in planning.

We organize our procurement plans into category strategies, and monitor the impact of our procurement professional services on the overall approach.

We aim for sustainable procurement to influence industry, innovation and infrastructure and to help the University (and its suppliers) to aim for more sustainable consumption and production targets. Our Category Procurement Strategy identifies **‘supporting social responsibility and sustainability improvements in supply chains’** as a shared key priority. Our category strategies are flexible to meet the needs of the University as demands and issues arise.

These plans should be read in the context of the latest University Procurement Strategy and delivery outcomes will be reported in Annual Procurement Report (APR) each year during the [Strategy to 2030](#), Procurement Strategy and Annual Procurement Reports are public documents available [here](#)

2. Sustainable Procurement

The University of Edinburgh is committed to civic and social responsibility. Our vision, set out in the [Strategy 2030](#), is to make the world a better place by ensuring that our actions and activities deliver positive change locally, regionally and globally.

As a signatory of the Sustainable Development Accord, the University signalled its commitment to advance the UN Sustainable Development Goals (SDG). Through our Zero by 2040 Climate Strategy, the University is working to tackle climate change and respond to the climate crisis. Through our community engagement strategy we are improving the impact for society.

Procurement Category teams are established to drive continuous improvement in our sustainable and socially responsible (SRS) approach to procurement. They work closely with the SRS department specialists and consider appropriate, proportionate and transparent decisions on SRS priorities for all projects.



Our Procurement Category Strategy identifies ‘**supporting social responsibility and sustainability improvements in supply chains**’ as a shared key priority.

Sustainable Procurement is expected to make a sustainable and strong contribution through our influence to the University’s priorities for SDG9 and SDG12, but our category procurement services will help clients to influence all SDGs as part of our sustainable procurement duty and best practices.

Business Pledge - Living Wage and Fair Work

We will conduct open and fair competitions in accordance with our public commitment to uphold the University’s Business Pledge, and its Social impact pledge and our commitment accredited to implement the real Living Wage and act as a [fair employer](#).

Community Benefit through procurement

The University is committed to deliver impact for society through all of its activity, including through enhancing the deliverables achieved for communities through procurement and supplier relationships. We refer to this as Community Benefit from procurement (CB).

A CB policy has been approved, and the University intends to work in partnership with its suppliers in major and other contracts to embed appropriate CB requirements². Our category procurement services encourage suppliers in partnership activity to improve the economic, social or environmental wellbeing of the Edinburgh City region and beyond, and to promote innovation and [Inclusive Growth](#). We will clearly identify in our sourcing plans when bidders are required to include a CB method statement as part of their tender bid response. Project CBs should be robust, relevant and proportionate and targeted to help the University achieve strategic aims, for example the University’s [Data Driven Innovation Programme](#) (DDI) and inclusive growth commitments as a key partner of the Edinburgh and South East Scotland [City Region Deal](#) (EDESCRD).

DDI programme projects require the development of talent and skills, research, innovation, data sets, adoption, entrepreneurship and social inclusion.

The aim is to leverage the region’s strength in innovation to position Edinburgh as the *data capital of Europe*.

Data Driven Innovation and procurement

The timing of relevant contracts in relation to DDI can provide an excellent opportunity for suppliers to collaborate, to discuss with us how to participate in the DDI Programme to promote inclusive growth and mutual benefits. Funding bodies will expect measuring and reports of CBs from the project manager.

² Community Benefits requirements are mandatory for public bodies for major contracts and encouraged for all regulated contracts under the Procurement Reform (Scotland) Act 2014 and related [Statutory Guidance](#). The University of Edinburgh [Community Benefits Policy](#) has information about our commitments and priorities for this activity.



Research, Innovation, Entrepreneurship and Third Sector opportunities arise for the University to maximise engagement, impact and revenues from developing broader relationships, in line with sustainable procurement and community benefits agenda, without compromising procurement ethical codes.

Around 200 companies are currently sourced at a level of over £150k p.a. and are priority contacts, others with long standing relationships or offering innovative partnerships.

Regulated procurement (>£50k) suppliers, small & medium enterprises, third sectors will be given information to help them create a Community Benefit plan which will incorporate Research, Innovation, Entrepreneurship and Third Sector benefits. Those requesting assistance to understand will get business development support and procurement advice where pertinent to the subject matter of the contract, and proportionate to the category and requirements.

This service is under development and not yet fully resourced. It will underpin the University's Community Engagement and Social Impact pledge ambitions.

3. Service Excellence ambition

In line with our University vision and goals, a [Service Excellence Programme](#) (SEP) has been established with a focus on creating unified professional services across the University, the programme will deliver change and improvement that will make it easier for our students to join and study with us, make life easier for our staff and help reduce costs so that we can focus investment in other important areas. Procurement leaders are actively engaged in the design of the new ways of working.

The SEP evaluation criteria guides our decision-making and enables assessment of outcomes and prioritisation of solutions:

- Enhanced end-user experience
- Increased efficiency and effectiveness
- Enhanced data quality and consistency
- Increased process standardisation and/or simplification

[Finance Transformation implementation](#)

Finance want to be recognised as a trusted partner in the successful delivery of the University's academic mission. We see opportunities to build upon our strengths and so our focus is on building a strong, professional Finance community with clear roles, consistent policies and ways of working and increased professional development, delivering trusted Finance support that is easy to access simplified tools, systems and processes, all with the aim of removing complexity and duplication and making life easier for our staff, and students. In the early years of this category plan, we will be introducing new service Procurement Hubs, Contract Management and a Core System (for HR, Finance, Payroll, Procurement and Student Services) to deliver the changes.

Procurement Category strategies are led from procurement specialists reporting through Joint Directors of Procurement transforming 'from good to great'.

We are aiming to develop to meet the global standards for procurement and supply cycles

<https://www.cips.org/en-GB/knowledge/procurement-cycle/>



Strategic value-led behaviours

Finance Values and related behaviors will create and manage relationships going forward:

- ✓ **Expert**
- ✓ **One Team**
- ✓ **Transparent**
- ✓ **Innovative**
- ✓ **Customer Focused**

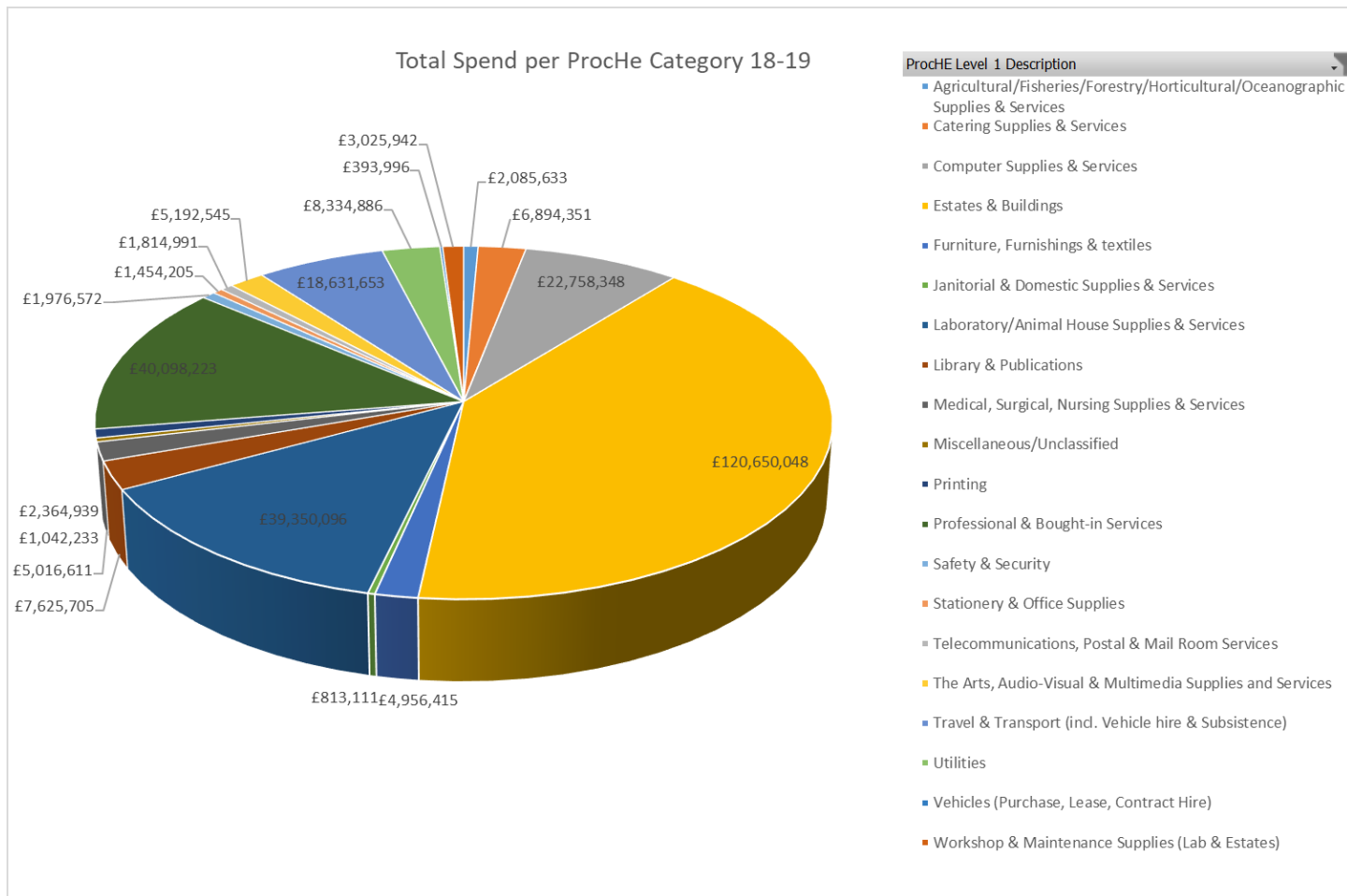
4. Legal Risk mitigation

Procurement Category teams are established to drive category strategy plans and are kept in review and follow relevant regulations and legal duties, including, but not limited to (procurement rules, effective on 18th April 2016), as amended.

- *The Public Contracts (Scotland) Regulations 2015* which covers EU-regulated procurement,
- *The Procurement Reform (Scotland) Act 2014*, the *Procurement (Scotland) Regulations 2016* and related *Statutory Guidance*, which covers above/below EU level regulated procurement,
- Any other legislation, relevant case-law , and formal policy requirements, as amended.



5. Procurement Categories



6. Key stakeholders

All staff who procure goods, services or works in any category is a client/stakeholder.
The key contacts and drivers for category plans involved in delivery and outcomes are:

PRiME – Procurement Risk Management Executive - senior representatives of the University Executive and its subsidiaries, College representatives from Science and Engineering, Medicine and Veterinary Medicine, Arts, Humanities, Social Sciences and Deputy Director of Finance engage in PRiME.

Category- specific internal stakeholders

Estates : Estates Department
Information Services Group, academic community

governance: University Estates Committee:
governance: Knowledge Strategy Committee



Lab : CMVM, SCE academic community, research funders governance: Heads of Colleges

P&C : Corporate Services Group & University Secretary’s Group
governance: Heads of Support Group

SRS Committee – senior representatives of the University and Students leading on Sustainable Development Goals

Finance Executive – senior representatives of all Colleges, Support Groups and Finance Senior Management Teams

DDI Team – for CBs and City Deal deliverables

7. Procurement Category: Estates

“An Estate which exceeds expectations, responds flexibly to changing student and staff needs and showcases the University.”

Gary Jebb, Director of Estates

The University [“Estates Vision 2017-2027”](#) reflects the ambitious vision the University has for the development of its estate infrastructure with a goal of creating a world-class estate for a world-class University. It is set against a backdrop of continued growth in the University’s activities and a commitment to raise incomes and invest £1.5 billion during this 10-year period whilst considering a context of significant uncertainty around future levels of income from all major sources. The Capital Investment Priorities are kept under review. The Estates Procurement Category Strategy underpins the Estates Vision, aligned to the University’s Strategy 2030 and sets out the known direction for the Estates category procurement activity looking ahead for two years at a time

Shared team values

Strategic Procurement is one of the professional groups within the University’s Finance Team. The Estates Procurement team strive to embed the Finance **Values** together with the Estates **‘Values and Behaviours’** as a joint approach to influence everything that we do to deliver this Estates Category Strategy.





One of the key components to successfully achieving the Estates Vision is the selection of the right people to provide services, deliver supplies or undertake works required by the University in the most efficient and effective manner possible. We obtain value for money whilst ensuring that we fulfil our social, environmental and legal responsibilities. It is our intention for Estates and Procurement teams to work closely together as “One Team” to focus on common goals and to achieve Estates’ priority of *creating a world-class estate for a world-class University*. Estates need to be responsive to changes in their internal and external operating environment and be flexible in their approach to the planning and delivery of Estates projects. It is therefore essential that Estates Procurement Category Strategy remains agile and can be adapted and updated regularly in the most optimal way whilst maintaining high-quality services.³

Trends and deliverables

The data shown in the table below illustrates a sustained increase in the percentage of procurement influenced spend

Financial Year	Expenditure	Number of Suppliers	% Procurement Influenced
2015/16	£88.3M	1314	86.2%
2016/17	£148.6 M	1342	93.7%
2017/18	£166.8 M	1159	92.7%
2018/19	£139.0M	1096	93.1%

During Financial Year 2018/19: -

- ✓ Estates Procurement: awarded 32 Contracts with a total value of £182.01million
- ✓ Procurement value for money efficiencies were recorded as £3.658 million.

Non-financial benefits

- Reviewed and updated the Estates Procurement Protocol, introducing new ways of working to assist in undertaking the procurement process as efficiently and effectively as possible. Participated in Estates Collaborative Inquiry Workshops to review procurement practices and strive for best possible approaches to create a world class estate.
- Conducted a Procurement Tender Process Mapping exercise to identify opportunities to help establish more efficient and effective ways of working.
- Developed an Estates Procurement Resource Planning Tool⁴ to increase visibility of contract requirements and the priorities, thereby improving the management of the contract programme.
- Established Estates Procurement “Drop-in Clinics” as part of plan to increase staff awareness and ease of access to procurement information/advice.

³Footnote: the ability to undertake actions in the Category Strategy will be largely determined by the available resource which is heavily impacted by the significant scale of the Estates Capital Programme.

⁴ (known as Procurement Project Planner - PPP)



- Continued to develop and maintain a level of Estates Procurement expertise within the “One Team” on an ongoing basis (see details in URL)

Priorities for 2018- 2020

Estates Procurement team will work closely with colleagues to support the implementation of the Finance Transformation Programme, including during the creation and operation of Procurement Hubs to ensure the level of service provided is delivered consistently and successfully to meet all requirements identified, regardless of value. This will be in addition to the normal Category Strategy actions planned for the period as follows:

- Increase and/or maintain procurement influence on spending within the Estates sub-categories, where genuine value can be added.
- Prioritise regulated threshold expenditure⁵, (and in particular, the Estates Capital Development Programme) or high-risk areas of expenditure where no legally compliant contract is yet in place.
- Establish a suitable contracting arrangement for Principal Contractor requirements.
- Continue to support improvement in supply chain sustainability and social responsibility
- Work with Estates Trade Teams to develop a plan of action that will ensure access to frameworks/contracts which meet their requirements and essential supplier service levels are achieved to support the trade teams’ ability to purchase consumables in a timely manner
- Develop a comprehensive Contract & Supplier Relationship Management plan and create standard templates to be used to record information, measure performance and facilitate continuous improvement, working with the newly established Procurement Contract Management Team
- **Work with Estates specialists to**
 - identify contract requirements, on Capital Programme or Operations contract renewals or when new opportunities are identified;
 - maintain a prioritised contract programme, reviewed and adjusted regularly to reflect the changing Estates environment and business needs.
 - Review and develop the Estates Procurement Protocol to meet evolving best practice, legislation, lessons learned as “One Team”.
 - We will continue to work with Estates to communicate the changes and support consistent application of the Protocol to all procurements.
 - Review templates to support the Protocol; update as required or create new templates where gaps are identified or to deliver Core System.
- **Increase staff awareness of procurement information and ease of access to this information:** create a dedicated Estates Procurement “intranet” in Estates Sharepoint tool being developed. Continue initiatives from FY 2018/19 such as the Procurement Drop In Clinics;

⁵ Regulated procurement thresholds are for Works (£2million) and for Goods or Services (£50k) under the Procurement Reform (Scotland) Act 2014 and related [Statutory Guidance](#).



introduce further plans or initiatives in developing communications via Social Media, “Meet the Supplier and Procurement” events, and develop an appropriate staff training plan.

➤ **Embed the Procurement Project Planner tool as “business as usual” to support planning and progress reporting across Estates procurement activity**

Finalise the Procurement Process Map and associated Action Matrix to be shared amongst our “One Team” members and used as a reference tool for Core System implementation to enable service excellence criteria of ease of use, efficiency, effectiveness, data quality, standardization and simplicity.

Trend on Estates procurement and stakeholder engagement

Showing nett spend (ex VAT) in Estates sub-categories and level of Procurement Influenced expenditures (percentage in relation to the total expenditure)

Estates Sub-Categories	Spend 2016/17 (£000s)	Procurement Influenced %	Spend 2017/18 (£000s)	Procurement Influenced %	Spend 2018/19 (£000s) Last Year	Procurement Influenced %
Estates	132,915	96%	150,783	94.5%	120,629	95.18%
Furniture	3,726	76%	4,035	77.6%	4,968	84.36%
Janitorial	891	76%	960	74%	815	76.76%
Utilities	7,560	88%	7,259	90.9%	8,347	91.29%
Workshop & Maintenance	2,085	51%	2,295	43.5%	2,344	51.37%
Safety & Security	1,427	30%	1,512	46.9%	1,959	54.29%
Overall Total	148,604	93.7%	166,843	92.7%	139,063	93.1%

Estates sub-categories priorities are to harness the benefits from extending the level of procurement influence. Specific areas are identified within the above sub-categories thereby enabling us to develop a plan of action for these areas, which require contracting action.

This will bring

- Compliance with all relevant procurement legislation and best practices
- Results for customers which helps deliver the aims of the Estates Vision 2017-2027
- Contribute to achieving the [University’s Procurement Strategy](#) and ultimately the [University Strategy 2030](#).
- Deliver Value for Money efficiencies as defined by the Scottish Model of Procurement
- Assist procurement activity which contributes to the Sustainable Procurement Duty and the University’s priorities for Social Responsibility and Sustainability (SRS)



- Realise Community Benefits for all of our communities, locally, nationally and internationally. The University's aim is to build ties with our industry partners and achieve impact for society that aligns with core priorities such as our [Community Engagement Strategy](#), [Widening Participation Goals](#), [Zero by 2040 Climate Strategy](#) or work to [enhance the student experience](#).
 - Risk Management by working together to identify and avoid or mitigate risk wherever possible
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- **Continue to contribute to the development of collaborative contracts (CCs)**, participating in sector wide user intelligence groups (as appropriate). We will lead/participate in local CCs where opportunities are identified. Assess existing CCs to identify suitable framework agreements adopted or promoted in consultation with Estates teams, where they add value.
 - **Aim to start development of online training modules** to be promoted via the Estates Procurement Sharepoint as well as face to face training sessions.



8. Procurement Category: Information Services

Information Services Group mission and vision is to be "a Knowledge Management and Information Service appropriate for supporting and enabling learners, researchers and teachers in a world-class University."

Gavin Ian McLachlan, Chief Information Officer and Chief Librarian to the University

The main objective for this category strategy is to work as one team between IS specialists, across the University, and the IS procurement category team, to educate stakeholders and influence future procurements and spending plans. This will incorporate Contract Management team and Hubs, in its delivery:

For 2018 - 2020 top four objectives:

- To underpin the IS Vision and the University Procurement Strategy in the acquisition of goods, services and works.
- Adopt and embed 'One team' approach, this will work with key partners across the University. Enhancing the team expertise, skills and individual strengths.
- Create IS category 'handbook' for use by new Procurement Hubs. Work closely with the Head of Hubs and Head of Contract Management to ensure knowledge transfer.
- Review existing supply base and assure all Legal and regulatory requirements – reduce risk: to demonstrate compliance with legal duties, the University Court uses delegated authority schedule.

Trends and deliverables for IS Procurement engagement

Previous four years Spend/Engagement	2015-16 (£000's)	2016-17 (£000's)	2017-18 (£000's)	2018-19 (000's)	Procurement Influenced 2018-19 (%)
Arts Humanities Social Science	£2,851	£3,290	£3,222	£5,154	48%
University General (major projects)	£1,003	£1,714	£1,928	£1,885	92%
Central University (projects)	£403	£344	£288	£597	1%
College Science & Engineering	£5,143	£7,101	£10,213	£10,726	84%
Corporate Services Group	£2,651	£2,797	£2,523	£3,115	49%
Information Services	£13,967	£19,641	£18,489	£15,951	78%
Medicine & Veterinary Medicine	£3,129	£2,876	£3,736	£3,529	62%
University Secretary's Group	£1,263	£1,299	£1,434	£1,919	54%
Overall Total	£30,412	£39,065	£41,836	£52,609	71%



Achievements 2016-18: the IS category team successfully delivered 26 projects (£11.6 million) and progressed 2 major innovative projects which were recognized in external procurement excellence award schemes, and completed 34 other new procurement projects (£14.9million).

Priorities for 2018- 2022

There needs to be a consistent and proactive approach to IS procurement relationships, time to plan for this and upscale the team's ability to build relationships on an ongoing basis for internal and external connectivity, our plan includes short or long term priorities building on client engagement patterns (above).

Short term priorities

- Re-establish the IS category team
- Collaboration and engagement - Re-establishment of the IS Category team in Finance (procurement) within the Finance community
- Review the product (Proc HE) codes for future planning purposes
- Identify quick wins Seek opportunities e.g. fewer local managed contracts, Library published books
- Establish foundations of relationships with key stakeholders, across the University and within the Service Excellence transformation programmes.
- Produce a common set of standard procedures for engagement
- Sustainability and Social responsibility priorities for the University
- Support Service Excellence, and major projects like DDI and City Deal

Long term priorities

Major transformation programmes, for example, Service Excellence Programme, Finance, HR, Estates and Digital Transformation, continue for the long term and any objectives identified may change through the life of these programmes and prioritised by the Programme Board priorities.

Many of the IS long term priorities are to further develop the short term objectives. Once initial development of the short term priorities are underway, a review will be conducted on progress. Aims and objectives from work in the previous four years will help highlight areas to develop in subcategories too (table a). For example:

- Lessons learned processes
- Sustainability and social responsibility
- Critical suppliers and contracts
- Software as a service
- Escalation and resolution



IS procurement subcategories expenditure is predominantly procurement influenced

(one year data 2017-8 shown)

	Total	Locally Managed	Procurement Influenced	Difference from total %
Audio Visual	£2,807,730.97	£1,290,876.79	£1,516,854.18	54.02
Books	£5,631,229.04	£943,578.13	£4,687,650.91	83.24
Computing	£17,237,918.86	£2,660,561.47	£14,577,357.39	84.57
Telecoms & Postal	£1,012,481.24	£521,212.83	£491,268.41	48.52
Grand Total	£26,689,360.11	£5,416,229.22	£21,273,130.89	79.71

Subcategories within the IS Category show differences on procurement influence, which future procurement hubs and contract management services will help to address any gaps to reduce any risks.

With the right and consistent approach, building relationships with buyers and suppliers, gaps in knowledge skills and service offerings can be quickly identified and rectified. For example, locally managed procurements to common standards, reducing potential security or data protection risks and avoiding University reputational risk.

The approach will allow the IS category team and eventually the new functions (Hubs and Contract Management) to fully understand each other's roles and responsibilities, for example, how to identify risks prior to a purchase occurring and when these need escalated. Many below regulated threshold (£50k) can still be high risk to the University.

Bespoke IS procurement processes need embedded to identify these prior to any purchase occurring. Likewise certain contract checks will need to be undertaken on high risk supplier contracts, this is a partnership between Procurement Contract management team and Clients to embed these continuous checks within the contract as part of the Procurement whole life cycle process.

Key actions are described in the annual IS procurement category

The successful engagement model will achieve:

- Early sight of annual planning – to allow proactive management of projects;
- Value for money increased - as existing contracts are managed proactively and costs controlled.
- Review of critical projects – production of exit strategies and the use of the Service Risk Assessment;
- Planned Projects are reviewed - clients influenced to adopt the most effective and efficient sourcing route.
- Vendor Management Strategy – a consistent and ethical approach to transparent tri-party engagement;
- Resource planning for future projects – over the 2-10year window;
- Proactive engagement with the IS category team members – to engage staff and support development



Measures and Reports:

Value for Money	Monthly update procurement VfM reports central/locally managed - reviewed for consistency
Sustainability: Non Financial Community Benefits Fair Work Electronics Watch Conflict Minerals	Create and agree measures for all non financial benefits with ISG and Finance (procurement). Identify pro-actively for projects and for each subcategory: potential inclusion of all relevant SRS risks and mitigation (UN sustainable development goals and University policies).

9. Procurement Category: Laboratory & Medical

Strategic category procurement should start with reviewing retrospective, repeat purchases and any forecast spend analysis available. As procurement specialists will be influencing all local purchasing in future, we need to be responsive to key client priorities, but to date have limited forecast patterns to take to longer term views. We assess, with that caveat, the priorities according to best practice, as follows:

Priority 1. Increase dynamic agreements

Increase the range of relevant University-wide Framework Agreements (if we cannot find collaborative agreements that add value for money and meet our clients’ needs). We consider the cost/benefit and resourcing for possible new Dynamic Purchasing Systems where suppliers are continuously added with limited procedural checks. The benefits of increasing our contracting portfolio in this way would result in greater influence on markets, reduce time of acquisition, increase compliance, reduce complexity and adding reportable value for money.

Priority 2. Support capital programme

Capital equipment procurement: acquisition of buildings and capital equipment contents must be completed within strict project timescales to meet University strategic objectives. This team supports Estates managed projects which shall continue as a high priority for the University, These procurements are often prioritised over category specific strategic procurements or new frameworks, to meet the University objectives.

Priority 3. Research procurement

Research procurement is a strategic priority of the University and for academic externally funded research, procurements are often seen as challenging. They can be difficult to plan support for, arriving at the procurement desk with little or no notice, as colleagues may not be aware of the steps they have to take and funding bodies requirements are subject to strict delivery / payment times. These procurements are often prioritised (over priority 1 above), to meet the client and funding body expectations and to reduce reputational risks/issues.



Sustainability

Products in this category share some common environmental issues with IS procurement (electronic equipment). Using highly energy intensive lab and medical equipment, the depletion of finite raw materials and the production of hazardous waste. Lab and medical consumables are also associated with long supply chains that carry a high risk of poor working conditions or forced labour. For example, there have been reports of modern slavery and worker or child labour exploitation in the manufacturing of disposable gloves. Disposing of lab and medical waste also causes environmental challenges, because some items cannot be reused or recycled due to potential contamination risks. Furthermore, 'safe' lab items that could potentially be recycled may not be getting recycled due to a lack of awareness amongst lab users of relevant risk assessment or recycling routes. A heavy reliance on polystyrene packaging is another key sustainability issue to be addressed in this category. Some improvements have been made in projects in previous years on packaging reduction/return.

Many computational components (ICT) are within or support laboratory devices, and like IS products rely on rare earth metals, which are increasingly scarce. The human rights issues associated with complex global electronics supply chains are well documented. There are high risks of poor working conditions, forced labour and the use of conflict minerals (minerals mined in conditions of armed conflict and human rights abuse). For more information see the Information Services Category here

Trends and deliverables in 2018:

Cash savings: The team achieved efficiency savings of £5.746million. This equates to 27% of the overall Procurement efficiencies report.

Equipment Framework Agreement for The Institute of Regenerative Repair, circa £1.5million spend. This project was used as a "live project" to establish one of the largest University Frameworks Agreements for research equipment, valid for the next 8 years, with a value anticipated as £30million. As a sourcing platform, these Frameworks are already being used for other projects, saving time, resource effort and money.

Pre-Clinical MRI scanner required urgent replacement due to service support being withdrawn, created new supply & installation contracts.

Selling unwanted equipment assets: we co-led an initiative for the selling unwanted equipment assets which will go to the University Executive as a new process to be endorsed for clients to self-manage future disposal plans, safely, economically and for sustainability.



Case Study: Collaborative cross-team procurement

Project	List Price (£000s)	Final Price (£000s)	APUC Framework savings (£000s)	UoE negotiated extra saving (£000s)
MT0827	840.35	418.92	294.12	124.79
MT0830	678.04	369.34	237.31	71.38
Sub totals	1,518.39	788.26	531.43	196.17
Totals discounts realised by the University				£727,609

High value client microscope purchases required by different research teams were brought together and achieved outstanding value for money.

A Framework Agreement direct award permitted direct negotiations with a ranked supplier that could supply either or both microscopes in a short timescale. This approach produced the discounts: adding efficiency benefits of £728k.

Trends and deliverables for Laboratory and Medical Procurement engagement (seven years shown 2012-2019)

Commodity	Year 2012/13	% on contract 2012/13	Year 2015/16	% on contract 2015/16	Year 2017/18	% on contract 2017/18	Year 2018/19
Total Category Spend	£28,189,971	83	£48,735,833	77	£57,802,060	68	£55,434,619
ON Contract	£23,421,979		£37,735,137		£39,377,799		£35,061,446
OFF Contract	£4,767,992		£11,000,696		£18,424,261		£14,416,835
Foreign Currency On Contract	Not previously analysed						£5,370,639
Foreign Currency Off Contract	Not previously analysed						£585,699
Laboratories commodity							
Cat' sub total	£23,746,523	90	£42,369,388	83	£47,929,490	75	£45,306,433
On contract	£21,440,699		£35,172,549		£35,745,629		£30,039,727
Off contract	£2,305,824		£7,196,839		£12,183,860		£9,310,368
Foreign Currency On Contract	Not previously analysed						£5,370,639
Foreign Currency Off Contract	Not previously analysed						£585,699
Medical commodity							
Cat' sub total	£2,669,671	29	£3,262,465	49	£4,600,405	46	£5,016,611
On contract	£779,666		£1,595,322		£2,103,142		£3,317,159
Off contract	£1,890,005		£1,667,142		£2,497,262		£1,699,452
Agriculture commodity							
Cat' sub total	£1,772,877	68	£1,600,971	20	£2,275,674	3	£2,085,633
On contract	£1,200,713		£312,738		£60,000		£217,956
Off contract	£572,163		£1,288,233		£2,215,674		£1,867,678
Workshops commodity							
Cat' sub total					£2,999,489	49	£3,025,942
On Contract					£1,469,026		£1,486,604
Off contract					£1,527,463		£1,539,337

Challenges for 2019-22



- **Priority 1. Increase dynamic agreements,**
- **Priority 2. Support capital programme,**
- **Priority 3. Research procurement.**

UK leaving the EU

Leaving the European Union with no transition period: so called 'No Deal Brexit' may result in disruption to our supply chains, shortages, price increases, currency fluctuations, business failures & delivery delays. Procurement teams prioritised, during 2018-19, for engagement, key suppliers, whose relationships impact on our basic services. Suppliers were asked to provide assurances on their readiness for a no deal Brexit with no transition period. Their responses were formulated into advice for senior leaders on what should be considered at School & Professional Services units. This will be kept updated via the Business Continuity team.

Preparations Procurement tasks and practical advice to clients are updated for 31st January 2020, although the Exit Date may change. This may require us to include adjustments to our terms of contract, contracting in different currencies, new e-tendering processes, “localising” import routes & logistics capability, advanced purchasing, standardisation or rationalisation of goods & investing in off campus storage facilities. We are working with Business Continuity and Legal specialists.

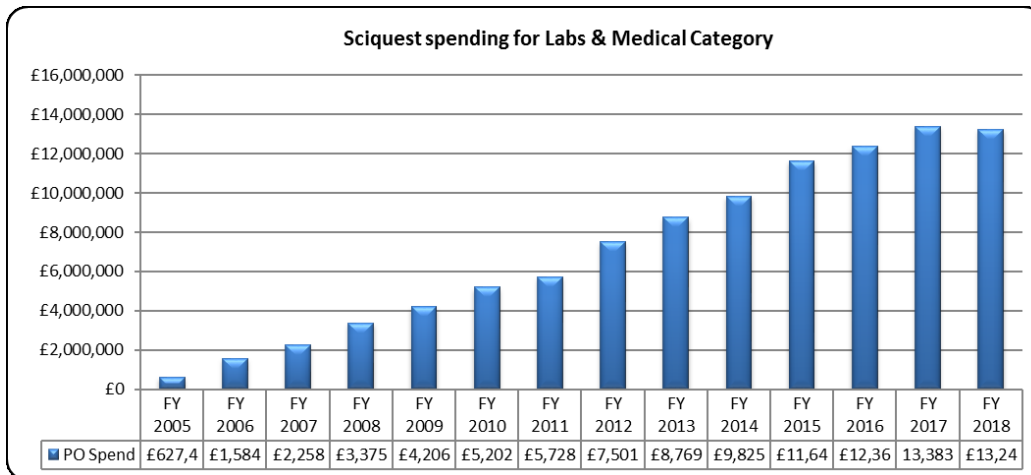
Contract & warranty management: Procuring cutting edge equipment systems can be high risk to performance as this type of equipment is more prone to failure. Maintenance/Service even on what is seen as routine lab equipment may include calibration/quality control tests vital to research outputs. Lower value equipment can be critical to individual research outputs, staff need to be aware of the risks.

A better risk management approach to procurement and servicing needs to be instilled with clients and can involve earlier pre-market engagement, considering factory testing, dividing payments into staged payment plans or to contract for performance retentions over a long period post-implementation. Supplier/market engagement plans will be developed and new Contract Management service added.

Team resources: Secondments and the administrative tasks through this period of change need collaboration within category teams and managers in order to ensure impacts fully being considered, tasks are reallocated according to priorities and contingency plans are prepared for staff looking at proposed timelines, considering prioritized risks and issues, individual workloads and reassignments. This will ensure skills are developed for a flexible workforce and individuals are supported during changes and periods of high workload/demands.



eProcurement: We predicted that we would achieve £16M laboratory spend on our e-Procurement solution for the end of the 2018, but this has been an over-estimate, as £13M is the latest annual figure. The growth trend may be levelling off for operational (resources moved) or market (mergers) or efficiency (less waste, demand management) and this will not be possible to confirm. We are moving to a Core System in a Finance Transformation Programme and establishing Procurement Hubs to manage eOrdering more effectively.



10. Procurement Category: Professional and Campus Services

Professional Services: procured from external third parties for internal stakeholders needs. Each College and Professional Services Groups require external professional advice such as consultancy, legal, financial services, HR and training services or formal external audits etc. from time to time, or **specialist creative services** procured for University-wide teams such as

- Communications and Marketing
- Development and Alumni
- To support Internal Service providers - IS media and University Printing Services

Campus Services can be referred to as “**Everyday Services**” and tend to cut across support, academic and specialist business areas. The services which we procure in this category include:

- Catering
- Stationery
- Printing
- Travel
- Coach. Taxi and Vehicle Hire
- Postal/courier Mail Services
- Events management



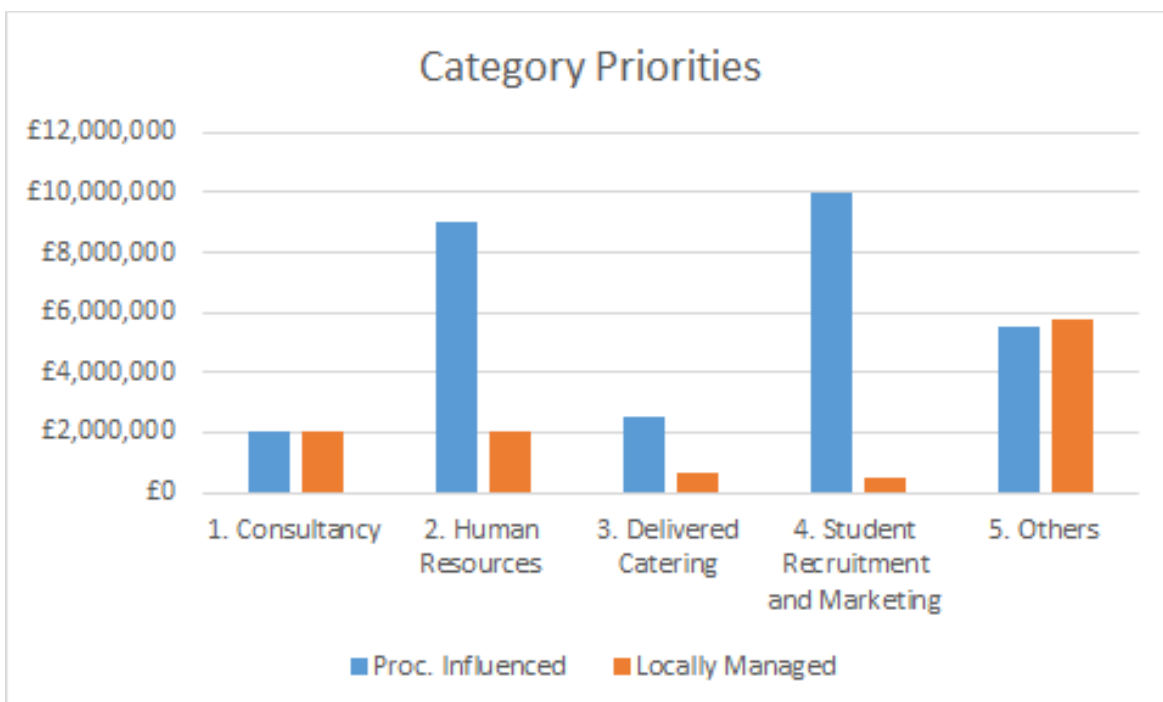
The category procurement team recognise that to ensure we provide an effective customer service and ultimately get the best service provision bought-in for the University that we work as a partner with our internal clients. Working together with strong Procurement Project Leadership and expertise to offer our Buying Partner (internal client) who is the real expert in their own requirement, and often in market and supplier awareness that needs due attention.

Category spend and priorities:

The total spend on this Category in FY 2018-19 was **£40m**.

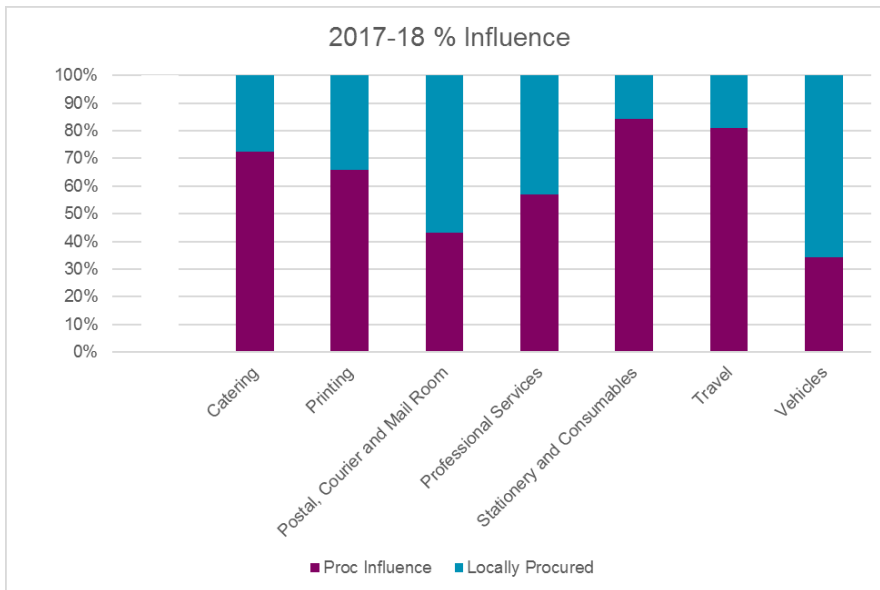
£29m Procurement Influenced (72%). £11m Locally Managed (28%)

2018-19	Proc. Influenced	Locally Managed
1. Consultancy	£2m	£2m
2. Human Resources	£9m	£2m
3. Delivered Catering	£2.5m	£655k
4. Student Recruitment and Marketing	£10m	£0.5m
5. Others	£5.5m	£5.8m





Snapshot of procurement engagement (one year shown 2017-18)



Priorities for 2019-22

Consultancy

This broad sub-category has shown a growth in nett (ex VAT) spend over two or three years:

Financial Year	Procurement Influenced £s (% of total)	Local Managed Spend
2016-17	290k (29%)	723k (71%)
2017-18	2.4m (41%)	3.4m (59%)
2018-19	1.7m (45%)	2m (55%)

220 suppliers have been used for this service over the last Financial year. Consideration to create a DPS for this category for specialist areas.

Human Resources Professional Services

Commodity	Proc Influenced	Locally Managed	Notes
Recruitment	£9m (91%)	£345k	As there are now established Framework Agreements and HR manage relationships with the service providers who are sourcing candidates, the recruitment external services are reasonably now well controlled.



Staff Training	£352k (19%)	£1.5m	This is not the case for staff training service providers where a decentralized staff training is acquired, steps taken to rationalize suppliers are not yet effective and this sub-category needs to be reviewed. The role of new Procurement Hubs service and HR operations under Service Excellence may assist this.
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Catering Campus Services

Through partnership working with the University Accommodation, Catering and Events the procurement expenditure being professionally managed is now 72% (£6.6mil)

The University catering services now account for 80% (£2.5mil) of Catering Service category spend (£3.1mil).

- Palm Oil Policy Supplier Engagement will be a priority
- Good Food Policy refresh and implementation (2019)

Student Recruitment and Marketing

Edinburgh Global currently have agreements with multiple agencies which are additional to above reported spend. **£1.4m per annum**

A procurement strategy and regulated contract opportunities are required in 2020.

Photographic/Videography Services: £185k (FY 2018)

Procurement Influenced Spend £43k **(25%)**

Locally Managed Spend **£142k**

44 suppliers providing this service over last four years.

This may be suitable for a dynamic purchasing system or for Procurement Hubs, ad hoc.

This publication can be made available in alternative formats on request.

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