



PRIFYSGOL
BANGOR
UNIVERSITY

PROCUREMENT STRATEGY

2023-2026

1. Background and Purpose.

Bangor University's vision is to be a globally connected university, realising opportunities for success through transformative, innovative, impact-driven research and teaching, with a focus on sustainability – safeguarding the environment, revitalising society's health, and promoting economic, social, bilingual and cultural vibrancy¹.

The University's Strategy 2030 is underpinned by institutional sustainability which includes priorities for the striving of financial resilience, service delivery through modern professional services and a digital first approach.

The efficient and effective procurement of goods, works and services to support the University in meeting its strategic objectives and priorities is essential. Critically, it is a process that ensures value for money (the optimum combination of whole life costs and quality) when committing the University's non pay expenditure (approx. £38m). Well managed procurement can assist in achieving the University's desired social, economic, bilingual and environmental outcomes, as well as being a tool to encourage innovation.

This document sets out the University's Procurement Strategy for the years 2023 to 2026. It describes 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 action plan and annual improvement plans, along with a process for managing and reporting on progress and performance.

2. Definition of Procurement

For the purposes of this strategy document, procurement will be defined as:

“the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment”²

3. Procurement Mission

Bangor University's mission for procurement is to provide a high quality, fit-for-purpose, compliant procurement service which will deliver value for money whilst supporting and contributing to the University's innovation, equality, social and sustainability objectives.

¹ Bangor University (2021) *Strategy 2030 – A Sustainable World for Future Generations*. Available at [BU-Strategy-2030-English.pdf \(bangor.ac.uk\)](https://bangor.ac.uk/strategy-2030-english.pdf) (Accessed 07/04/22)

² DEFRA (2006) *Procuring the Future*. P10

4. Procurement Vision

To be a respected commercial and strategic partner working in collaboration with academic and other professional services staff to deliver procurement projects that are innovative, sustainable and demonstrate value for money.

5. Ownership and Approval of the Strategy

This Procurement Strategy is owned and maintained by the Deputy Director (Procurement & Payments) and is sponsored by the Chief Financial Officer. Annual action and improvement plans will be prepared to demonstrate progress against the strategy and to continually measure performance. Performance will be monitored by the Chief Financial Officer and will be reported bi-annually to the Executive Committee and the Audit and Risk Committee.

6. Spend Data (High level)

Bangor University procurement expenditure can be split into 9 broad categories and expenditure within these categories can be seen in the pie chart below:

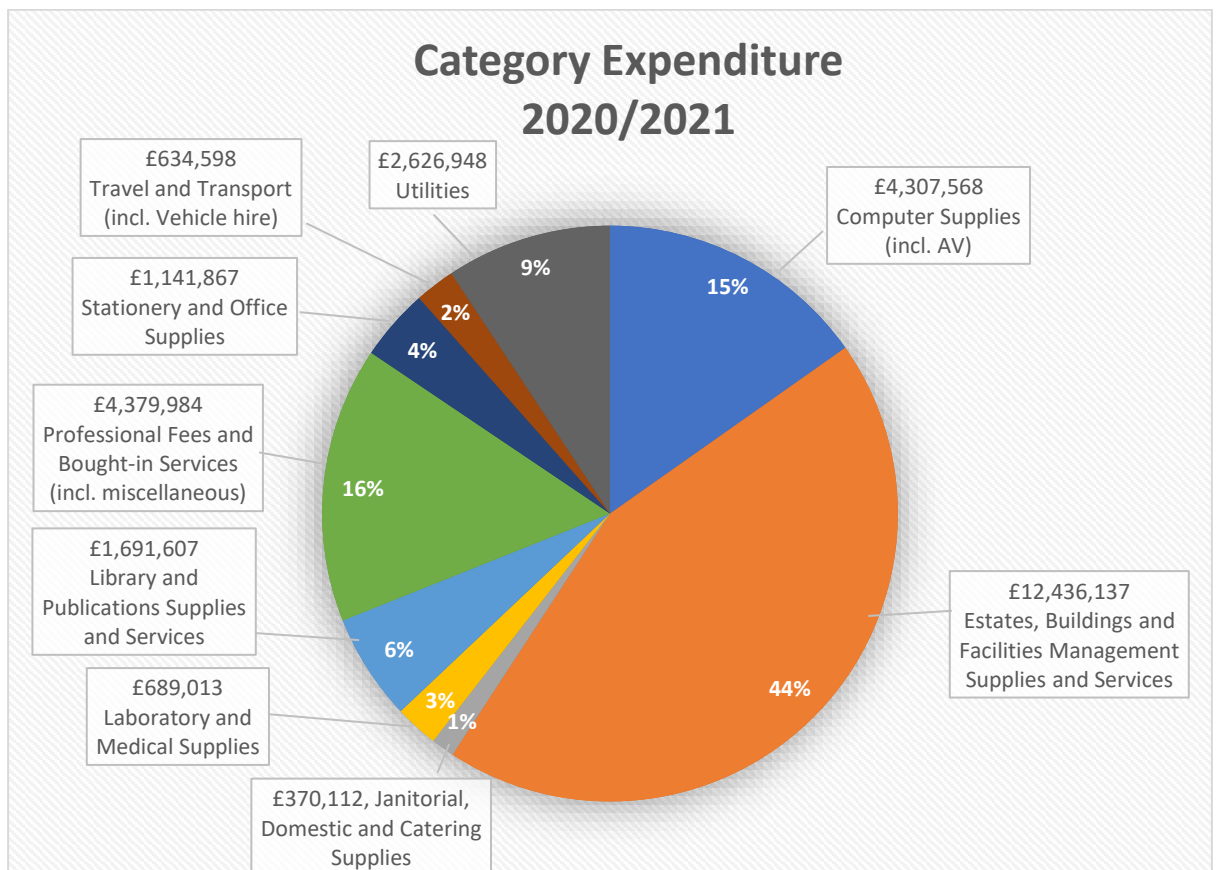


Fig 1.1. Category Expenditure³

³ Data extracted from Atamis Spend Analysis Software, April 2022

To achieve its strategic mission, the University requires the support of many external suppliers and contractors. In 2020/2021, the University spent approximately £38m on a variety of goods, works and services with circa 1390 suppliers. This equates to 28.5% of the University's total expenditure.

Pareto analysis suggests that 80% of the University's spend should ideally be spent with 20% of the total number of suppliers. For the financial year 2020/21, 80% of expenditure was spent with 9.2% of suppliers. This is still relatively low but an improvement from the development of the previous procurement strategy when 80% of expenditure was spent with just 3.2% of suppliers. There remains scope for further improvement.

7. Procurement Maturity Assessment

In March 2022, Bangor University undertook a Procurement Maturity Assessment (PMA) undertaken by SUMS Consulting. The PMA is an independent assessment which measures an organisation's procurement capability and competence against functional best practice. The result of the PMA is an action plan to assist with maturity development in key strategic areas.

Procurement maturity across the University is currently viewed as being in the 'Developing' phase of procurement maturity and in the lower quartile for procurement effectiveness. This strategy aims to improve procurement performance through re-positioning procurement to become a more strategic function.

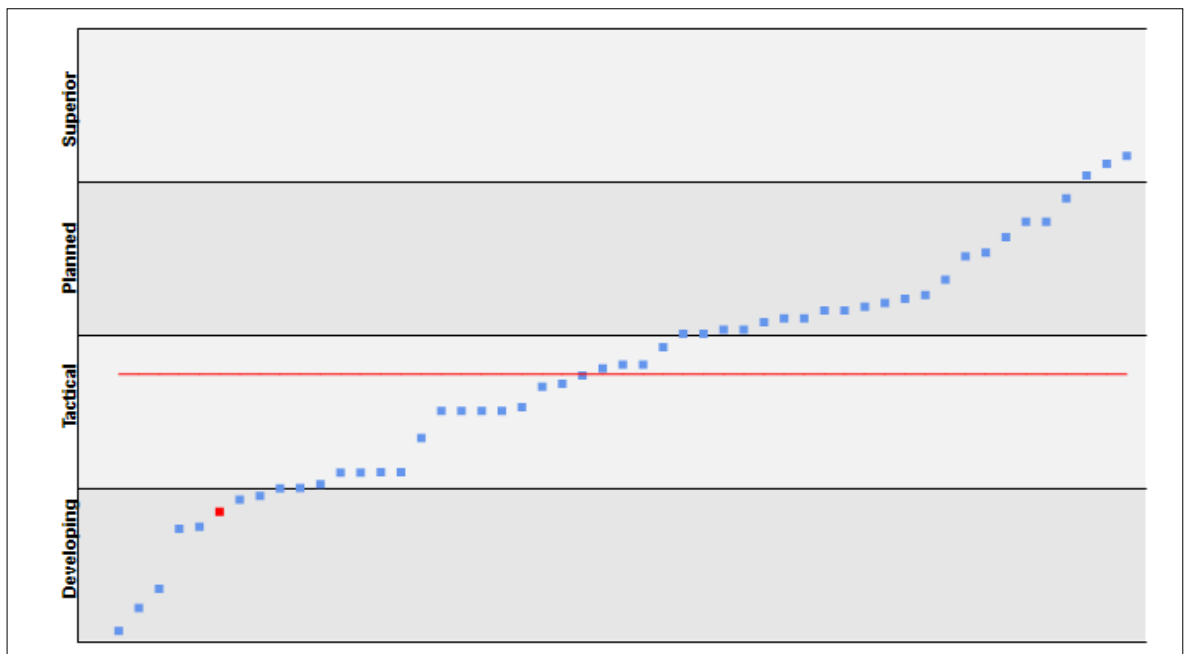


Fig 1.2 Bangor University's position compared to the Sector⁴

⁴ PSS Procurement Shared Service (2022) *PMA+ Report Finalised (Bangor University)*.

A detailed 3-year action plan has been developed to demonstrate how improvements will be managed and measured. The action plan will be reviewed on an annual basis and a further PMA will be undertaken in January/February 2025 to assess overall progress.

8. Wales Procurement Policy Statement

The [Wales Procurement Policy Statement](#) outlines the strategic direction for public sector procurement in Wales. The Statement's vision is for Welsh public sector procurement to be "a powerful lever with ability to affect sustained change to achieved social, economic, environmental and cultural outcomes for the well-being of Wales"⁵.

The policy statement has 10 principles for procuring well-being for Wales based on the Well-Being of Future Generations (Wales) Act goals and key Welsh Government policies. Bangor University will support the principles of the Wales Procurement Policy Statement in all procurement activity, as the principles generally align with the University's strategic objectives.

9. Strategic Objectives.

This Procurement Strategy aims to meet the following objectives:

1. To support the University's corporate objectives outlined in the University's Strategy 2030.
2. To reposition the procurement function from a 'Developing' to a 'Planned' level of maturity.
3. To promote the delivery of value for money through good procurement practice and optimal use of procurement collaboration opportunities.
4. To effectively manage contracts and to ensure continued value, performance and minimal risk throughout the life of contracts by working closely with suppliers.
5. To build capability and capacity in procurement resources and to develop the skills of all staff involved in procurement through effective training, development and dissemination of good practice.
6. To embed sound ethical, social and environmental objectives into the University's procurement policies, procedures and processes.
7. To minimise the costs of the procurement process through simplification and the use of appropriate technology.
8. To support the local economy by buying locally where appropriate and working in an open and collaborative way with local businesses.

These objectives will be met by implementing improvements in the following strategic procurement areas.

⁵ Welsh Government. (2021) *Wales Procurement Policy Statement*. Available at [Wales procurement policy statement \[HTML\] | GOV.WALES](#) (Accessed 07/04/22)

9.1 Governance.

The Procurement Strategy outlines the strategic direction for procurement, ensuring that the objectives support the University's corporate strategy and a move towards procurement best practice. The Procurement Strategy is supported by Procurement Procedures and other guidance documents, which outline how procurement should be undertaken on a day-to-day basis.

An annual report is presented to the University's Executive Team, the Audit & Risk Committee and the Higher Education Funding Council for Wales on the activities undertaken by the procurement function, along with achievements and savings obtained. In future, the report will also include a section on progress in terms of delivering the strategic objectives.

Areas for improvement:

- G1:** Develop an annual action/improvement plan to manage and demonstrate progress against the stated deliverables within the strategy.
- G2:** Introduce post procurement reviews to identify lessons learned from the process and to demonstrate whether procurement benefits and value for money were achieved.

9.2 Reporting and Key Performance Indicators.

Bangor University already reports on the common HE Procurement Performance Indicators each year (PPIs). Additional indicators will be developed to demonstrate how procurement is assisting the University in meeting corporate objectives, such as value for money and sustainability (See Section 11). The Procurement Team will undertake an annual analysis of expenditure within Colleges and Professional Services to identify opportunities for savings, areas for procurement improvement, and any potential risks.

Areas for improvement:

- R1:** To implement further performance measures beyond the standard HE PPI reporting. Performance to be reported as a core part of the University's financial performance reporting.
- R2:** New methods of reporting savings information to be designed and implemented.
- R3:** The University's contract register to be updated with the aim of obtaining 75% coverage of impactable spend.
- R4:** Instigate use of technology/software to identify off-contract spend.
- R5:** Procurement reports to be produced for Colleges and high spending Professional Services that identify opportunities and risks.

9.3 Organisational.

Bangor University has a devolved procurement structure, whereby staff within Colleges and Professional Services are responsible for the sourcing of works, goods and services with the central procurement team responsible for setting strategy, policy and procedures and for providing direction and guidance to colleagues on individual procurement projects.

The Procurement Team sit within the Procurement & Payments Section of the Finance Department and ultimately report to the Chief Financial Officer. However, on a day-to-day basis, the team will aim to reinforce the close working relationships that exist with academics and staff in other professional services. The aim is for procurement staff to embrace a category management approach and to be viewed as a commercial partner and additional resource to assist with the business planning process, the identification of savings, and the delivery of contracts that support the successful delivery of research projects and the provision of high-quality professional services.

In 2020/21, the Procurement Team influenced approximately 42% of non-pay spend, although this had been as high as 66% the previous year. The target is to increase the amount of non-pay spend influenced by the Procurement Team up to the sector average of 75%.

The Procurement Team also work closely with Procurement Consortia, both in the North West of England and within Wales, and also with colleagues from other higher education institutions.

Areas for improvement:

- O1:** Following discussion with college representatives and Heads of Professional Services, prepare an annual work programme to include planned tenders/contracts for the year. This will include capital expenditure.
- O2:** Work programmes to build in sufficient time for detailed discussions on specification preparation and required outputs in advance of any tendering activity.
- O3:** To re-introduce quarterly stakeholder meetings with high spending professional services to discuss ongoing procurement activity and provide input into business plans.
- O4:** Implement a mechanism for gathering internal customer feedback.

9.4 Resources and Skills.

The Procurement function at Bangor University is relatively small with only 2.5 members of staff. Two members of staff are fully CIPS (Chartered Institute of Procurement & Supply) qualified with the third member of staff currently attending a CIPS professional training course. The University plans to double the size of the team.

A competency framework will be developed to identify current strengths and areas of weakness for staff within the University, particularly those who are responsible for managing high value contracts. Training courses will be developed where common weaknesses are identified.

General procurement training to staff has been provided in previous years, with the occasional ad-hoc course being provided on request. Further training is required with consideration of creating a clear distinction between staff who are undertaking sourcing activities and staff who are dealing with the transactional purchasing process.

The induction pack which is provided to all new employees will include an introduction to procurement within the University.

Areas for improvement:

- RS1:** Introduce a clear and comprehensive workplan for staff within the Procurement Team. Support training and development where potential weaknesses are identified.
- RS2:** Make use of a competency framework to ensure staff have the necessary skills to undertake their roles effectively.
- RS3:** All non-procurement staff, who have authority to procure, to receive an appropriate level of procurement training.
- RS4:** Reference procurement activity in the induction pack for all new employees as part of a consistent drive to increase value for money.
- RS5:** As part of embedding a commercial culture within the University, actively plan commercial discussions between senior stakeholders and procurement including the review of their strategic plans. Aim to contribute to discussions on general business improvements.

9.5 Corporate and Social Responsibilities

Corporate Social Responsibility is a key strategic objective of the University, i.e. A Sustainable World for Future Generations. Bangor University has declared a Climate Emergency and has a target to become Net Zero Carbon by 2030. The University has also voluntarily signed up to Welsh Government's Well-being Goals stemming from the Well-being of Future Generations (Wales) Act which is aimed at improving the social, economic,

environmental and cultural well-being of Wales. The procurement of goods, works and services can contribute significantly to all aspects of the sustainability and circular economy agenda, including environmental, economic and social issues.

The Procurement Team will work closely with the Associate Pro Vice-Chancellor for Sustainability and the Sustainability Strategy Group to deliver wider university objectives on sustainability. This includes becoming carbon neutral, aiming for zero waste, maintaining Fairtrade status and procuring food from sustainable sources.

There are number of procurement related sustainability initiatives that the Procurement Team have already adopted and additional ones that will be considered in future.

9.5.1 Sustainability Procurement Checklists

The Sustainable Procurement Checklist has been designed to assist buyers to identify sustainability impacts linked to the goods, services or works being procured and to consider how any risks or opportunities can be addressed as part of the tender process. The Sustainable Procurement Checklist covers all areas of sustainability, including carbon reduction, energy efficiency, waste management, and social responsibility. A Sustainability Risk Assessment will be completed for procurements over £50k.

9.5.2 Ethical Employment in Supply Chains / Living Wage.

Bangor University has adopted the Welsh Government's Code of Practice on Ethical Procurement in Supply Chains. This is designed to ensure that high-quality public services are delivered throughout Wales by a workforce that is treated legally, fairly and safely, and is well rewarded. The Code covers modern slavery and human rights abuses and payment of the living wage in relevant contracts. We will encourage our suppliers and service providers to also adopt the Code of Practice on Ethical Procurement and to pay the real living wage to workers regularly working on our premises.

9.5.3 Modern Slavery

Bangor University recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The University is committed to preventing slavery and human trafficking in its corporate activities, and to seeking to ensure that its supply chains are free from slavery and human trafficking.

9.5.4 Social Value/Community Benefits

Social value is considered to be the wider benefit gained by a local community from the delivery of public contracts. It is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost. For higher education institutions, social value is viewed as falling into four key themes:

Jobs: Promote local skills and employment

Growth: Supporting growth of responsible regional business

Social: Healthier, safer and more resilient communities

Environment: Decarbonising and safeguarding our world.

The Procurement Team will support the University's [Civic Mission Strategy](#) and will work with the Associate Pro Vice-Chancellor for Civic Engagement in the areas of social value and community benefits.

For every procurement over £2m, Bangor University will consider how it can improve the economic social or environmental wellbeing of its area through inclusion of community benefit clauses, to assist with achieving sustainability in contracting activity, including targeted recruitment and training, small business and social enterprise development and community engagement. Where relevant and proportionate, and where they are considered not to have a negative impact on the delivery of value for money, such clauses may also be included in regulated procurements valued at below £2m.

9.5.5 NetPositive Supplier Engagement Tool

We will encourage our suppliers to become more sustainable by asking them to sign up to the Netpositive Supplier Engagement Tool. The tool enables suppliers to develop a sustainability action plan in line with the University's environmental, sustainability and institutional objectives. The tool allows suppliers to go beyond a commitment to sustainability and provides them with a customised action plan, which can be monitored and measured. The action plan can provide a clear and measurable focus for contract management discussions.

9.5.6 Benchmarking and Sustainable Procurement Improvement.

As a way of benchmarking our sustainable procurement performance, we will undertake a self-assessment against a recognised standard (e.g. ISO20400) and aim to improve performance year-on-year.

9.5.7 Working with SMEs and Local Businesses

We will openly advertise all open tenders over £50k on Sell2Wales to ensure that local and small businesses are afforded equal opportunity to bid for work with the University. This will be supported by guidance documentation for suppliers explaining how to tender for work with the University.

We will encourage larger contractors (e.g. building contractors) to sub-contract work to smaller, more local businesses, advertising these opportunities on Sell2Wales where feasible.

Where possible, we will split larger contracts into lots to encourage smaller companies to bid. Detailed feedback will be provided to suppliers at the end of the tender process to highlight possible areas of improvement when submitting bids in the future.

9.5.8 Equality Standard

Bangor University's [Strategic Equality Plan](#) sets out the approach the University will take to eliminate discrimination, advance equality of opportunity and foster good relations amongst staff, students and the wider community.

In line with the Public Sector Equality Duty requirements of the Equality Act 2010, Bangor University will have due regard to the general duty when procuring works, goods or services. In practice, this means Bangor University will consider the use of appropriate award criteria and also the use of contract performance conditions in relevant contracts.

When awarding relevant contracts, the University will also take into account a potential supplier's approach to equality in terms of its employment practices and service delivery. The promotion of equality will be monitored and managed during the life of the contract, particularly where equality is deemed to be a core requirement.

9.5.9 Welsh Language.

All procurement will be undertaken in line with the Bangor University's Welsh Language Policy and the Welsh Language Measure (Wales) 2011.

We will welcome tender applications submitted in Welsh and English and will administer the process according to the bidder's language of choice. We will advertise contracts in Welsh if the subject of the invitation to tender suggests that it should be published in Welsh or if the audience / expectations suggest that it should be published in Welsh

Areas for improvement:

- CSR1:** Demonstrate and communicate on procurement exercises with successful sustainability /responsible outcomes. To be reported annually in the procurement report.
- CSR2:** Identify an appropriate benchmarking tool to assess sustainable procurement maturity and monitor progress towards sustainable procurement practices and processes.
- CSR3:** To ensure a corporate commitment to enabling social benefit as a result of procurement activities.
- CSR4:** To run an annual 'supplier day' where local businesses can attend and learn about how they can become suppliers to the University.

9.6 Collaboration

Bangor University is a full member of the North Western Universities Purchasing Consortium (NWUPC) and encourages use of the Consortium's frameworks wherever possible. The University also supports the use of frameworks delivered by the National Procurement Service for Wales, Crown Commercial Services and other public sector led consortia.

Bangor University is also an associate member of the Higher Education Purchasing Consortium for Wales and works closely with procurement leads in other Welsh higher education institutions, particularly on procurement policy matters and general sector procurement development and improvement.

In 2020/21, the University spent approximately 29% of its influenceable expenditure through collaborative agreements, which matches the sector average. However, it is considered that more expenditure could be made through collaborative arrangements and this will continue to be a key focus of the Strategy.

Areas for improvement:

- C1:** Develop implementation plans for the use of agreed contracts/frameworks to ensure spend is channelled to these agreements.

9.7 Information Systems/P2P

Bangor University makes use of some technology to undertake sourcing and purchasing activities. Purchase to pay (P2P) activities are undertaken within the University's finance package Unit4 ERP, which permits the raising of electronic requisitions, orders and approval workflow. The University has access to an eMarketplace linked to Unit 4 ERP, but little use has been made of it to date as there has been limited IT resource to develop the system. Library related goods are purchased through ALMA and catering goods are purchased via the ProcureWizard system. Approximately, 13% of invoices are received electronically with the remaining being received via email and scanned into Unit4 ERP. Consolidated invoices are used for regular large-scale purchases such as utilities, mobile data and catering.

In terms of sourcing, Bangor University advertises all tenders with a value of £50k+ on the Sell2Wales website. Tender processes are undertaken electronically through the eTenderwales system (Jaggaer) provided by Welsh Government.

Purchase cards are used for low value, one-off transactions, with upload and reconciliation managed via Unit 4 ERP.

To reach the University's aspirations of "digital first", a dedicated ICT strategy for the further development of an eMarketplace and other IT improvements in the procurement field is required, including a more streamlined process for overseas orders.

Areas for improvement:

- IS1:** Develop a procurement ICT strategy to progress towards process automation, thereby increasing efficiency and access to information and data.
- IS2:** Increase the percentage of receipt and payment transactions that are processed through a P2P system and improve 3 way match performance.

9.8 Supplier Strategy and Policy

Bangor University currently has a fragmented approach to the management of suppliers and contracts. There needs to be a more holistic approach to supplier management including a shift towards a category management approach. Contracts should be managed on an organisational wide basis rather than on a departmental basis.

Greater emphasis needs to be placed on contract management and contract managers will be provided with training following the release of the contract management handbook with the aim of improving supplier performance and reducing risk.

Tenders are currently evaluated on a most economically advantageous approach based on cost and quality. Future tenders should be evaluated on whole-life costs or total acquisition costs, where appropriate. In addition, contracts should include clear key performance indicators to monitor consumption, spend, savings and performance against contract terms.

Areas for improvement:

- SS1:** Training to be provided on Contract Management and linked back to the University's Contract Management guidance.
- SS2:** Business continuity strategies to be put in place for high and medium risk contracts.
- SS3:** Produce robust specification and output specifications where appropriate (link to O2). The Procurement Team to have the opportunity to actively challenge requirements and specifications.
- SS4:** Ensure whole-life costs and total acquisition costs are incorporated into tenders. Link back to lessons learned from previous tender exercises.
- SS5:** Incorporate measures into contracts to ensure that suppliers meet the terms set out in the contracts and all KPIs are regularly reviewed.

9.9 Category Management

Category management is a strategic approach to procurement and refers to the grouping of related spend items into corporate, cross-functional 'categories' with a view of finding value opportunities. Category managers are responsible for developing category strategies following detailed market analysis.

As there is only to the small team currently employed by the University, it has not been possible to consider adopting a category management approach to procurement. If further resources can be made available, then the aim will be to adopt a category management approach.

Areas for improvement:

CM1: To implement a category management approach to procurement. This will involve developing category strategies and business cases prior to procurement.

10. Annual Procurement Improvement Plan.

The Deputy Director (Procurement & Payments) will prepare an annual procurement improvement plan as an appendix to the Procurement Strategy. The improvement plan will detail the activities that will be undertaken on an annual basis to meet the objectives of the Procurement Strategy.

11. Performance Indicators

Procurement performance indicators will be used to demonstrate progress and for benchmarking purposes to assess overall performance. A list of the suggested indicators is included in Annex 1.

12. Review

The Procurement Strategy and action plan will be reviewed on an annual basis along with the production of the annual procurement improvement plan. If significant changes are required, the Strategy will be revised and re-issued or supplemented with an addendum.

Delivery against targets will be reported to the University's Executive Team and Audit & Risk Committee as part of the Annual Procurement Report.

Annex 1 – Performance Indicators

Ref.	Benchmark Performance Indicators (National)
PPI1	Total cost of procurement function as a percentage of impactable spend.
PPI2	Percentage of impactable spend channelled through collaborative procurement arrangements.
PPI3	Percentage of impactable spend with Small and Medium Enterprises (SMEs)
PPI4	Percentage of impactable spend actively influenced by the procurement function.
PPI5	Annual procurement savings as a percentage of impactable spend.
	Transactional Performance Indicators
BU1	Percentage of invoices paid within 30 days.
BU2	Percentage of orders raised after receipt of invoice.
BU3	Percentage of orders raised without a purchase order.
BU4	Percentage of new suppliers created on Agresso following receipt of an invoice
BU5	Percentage first time match rate on 2 way match (PO + Invoice) or 3 way match (PO + GRN + Invoice).
BU6	Pareto Analysis on % Expenditure v % Suppliers
	Strategic Performance Indicators
BU7	Proportion of spend with Welsh suppliers based on suppliers where location is known.
BU8	Percentage of impactable spend covered by contract. (Target 75%)
BU9	Numbers of projects including social value clauses and/or Value of social benefit obtained through procurement.
BU10	Number of new and renewed contracts being assessed using the Sustainable Procurement Checklist.
BU11	Sustainable outcomes achieved from procurement (narrative).
BU12	Number of successful tenderers with an independently verified EMS.
BU13	Number of successful tenderers with the Route to Net Zero Standard.