



UNIVERSITY OF  
**LEICESTER**



Loughborough  
University

# University Procurement

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# Structure

- HE sector (procurement) landscape and horizon
- Leicester & Loughborough procurement approach
- HE sector purchasing consortia / frameworks
- (Local) SME-friendly procurement audit
- Useful links



# Landscape / Horizon

Blockchain

New supply chain monitoring responsibilities – GDPR, IR35, Modern Slavery, CFA

**BREXIT**

Further budget pressures  
(Review of post-18 education)

Value for money for students

Extension of  
Social Value Act

Wider sustainability benefits  
- Employability

Busy! Investment in campus  
(Construction & IT-Cloud)

Organisational change

Greater competition

Dearth of procurement talent

Inadequate eProcurement systems

HEPA

Procurement Value Survey

PMA

Purchasing consortia

Generally, 'Contracting Authorities'

# Category Management



- Contracts Officer...into...**Category Manager!**
- Dual facing – Markets and Requirements across University
- Structure - IT, Estates, Laboratory and Professional Services
- Core documents – Contracts Register, Tendering Schedule & Savings Tracker
- Collaboration opportunities – NEUPC, Loughborough University and local public sector organisations

# University Procurement Strategy

## Objectives:

1. Procurement will become engrained within the University's planning processes
2. Fully worked up category strategies will cover 100% of our procurement spend
3. We will make optimum use of e-Procurement technology
4. Our sector leading procurement policies and procedures will continue to reflect the latest legislation and best practice, whilst staying clear and proportionate

Performance Measure	Target
Procurement savings as a % of influence-able non-pay spend	<i>5%</i>
Collaborative procurement spend as a % of influence-able non-pay spend	<i>30%</i>
No. of contracts where collaborating with (Loughborough/Leicester) University	<i>10</i>
Regional SME suppliers as a % of all University suppliers	<i>20%</i>
No. of contracts including Social Clauses (incl. internship/placement clauses)	<i>50</i>
University suppliers' awareness of, and response to, modern slavery, as indicated through the NetPositive Supplier Engagement Tool	<i>100 registered suppliers with MS mitigation actions</i>

# Procurement Rules

- 'Mandatory Contract' in place? (e.g. Windows PCs, Furniture)
- Suitable Framework Agreement available?

Total Contract Value	Minimum Procurement Process
Below £10k	Obtain one written quote
£10k - £24,999	Seek three written quotes
£25k - £49,999	Obtain three written quotes using RfQ template
<i>£50k - £99,999</i>	<i>Obtain three written tenders</i>
<i>£100k – EU Threshold</i>	<i>Obtain five written tenders</i>
EU Threshold	EU tendering exercise
Red = Use Delta and managed by Procurement Unit	
<i>Red italic = Estates manage £50k-EU Threshold Works tenders</i>	



- Encouraged to request a quote from a local supplier where £10k-£24,999 and openly advertise where £25k+ [Where openly advertising at £25k+, must (also) advertise through Contracts Finder]
- Head of Procurement approval required at £50k+
- Director of Finance/Procurement Unit waiver approval required at £10k+
- Category Manager to be informed of all £25k+ contracts awarded
- Head of Department to nominate Contract Managers for £25k+ contracts

# Our Ts&Cs

- Equal opportunity
- Mitigate our risks
- Supplier Ts&Cs favour the supplier
- Goods, Services, Consultancy, IT and Estates (JCT with standard default amendments)
- Opportunity to amend pre-tender and tweak post-tender



# Procurement Project Strategy

Risk assessment > Specification +/- Evaluation criteria +/- Contract Conditions > Contract Management

Financial stability

Social value

Slavery/human trafficking

Insurance levels

Equality and diversity

Business continuity

Data security

Environmental issues

Intellectual property

Cloud assessment

Local economy

TUPE

Health & Safety

SME-friendly

Funding body requirements





# Purchasing consortia and framework agreements

- Crown Commercial Service (Central government)
- Pro5 / Eastern Shires Purchasing Organisation (Local government)
- HE sector consortia – LUPC (London), SUPC (South), NEUPC (North East), NWUPC (North West), APUC (Scotland), HEPCW (Wales), TUCO (catering), TEC (energy), and JISC (IT)
- Aggregate public sector requirements
- Established by way of one of the EU procedures
- Maximum of four years
- One or more suppliers (often lotted)
- Call off by way of direct award and/or further competition (only including suppliers on the framework)... *If procuring organisation named in the OJEU*
- Benefits of economies of scale, pre-agreed terms and conditions cover common risks, swift route to market
- Often default route for public procurer



# Audit – Procurement Strategy & Policy

Element	Leicester & Loughborough
✓ University Strategy & Policy	<ul style="list-style-type: none"><li>➤ University Strategic Plan</li><li>➤ University Procurement Strategy (<i>Consulted suppliers</i>)</li><li>➤ SME-Friendly Procurement Policy</li><li>➤ Sustainable Procurement Guidance</li><li>➤ Procurement Regulations</li></ul>
✓ Performance Measures	<ul style="list-style-type: none"><li>➤ Regional SME suppliers as a % of all University suppliers</li><li>➤ % of invoices paid within 30 days of invoice</li></ul>
✓ Communication	<ul style="list-style-type: none"><li>➤ Regularly speak at ‘Meet the buyer’ events, incl. latest policy and legislation (e.g. Modern Slavery, GDPR)</li><li>➤ Always respond to speculative supplier enquiries</li><li>➤ Comprehensive Dear John letters</li><li>➤ Happy to give debriefs</li></ul>
✓ Leadership	<ul style="list-style-type: none"><li>➤ Hosted ‘How to find, compete for, and win public contracts’ event at inaugural Leicester Business Festival</li><li>➤ Developed LLEP Procurement Taskforce Communication &amp; Action Plan</li></ul>
✓ In-house Training	<ul style="list-style-type: none"><li>➤ University Strategy, Policy &amp; Measures</li><li>➤ What we’re telling local SMEs, incl. register on Delta</li><li>➤ Tips where running own &lt;£50k RfQ exercise, incl. lean templates, proportionate financial &amp; insurance reqmts</li></ul>

# Audit – Procurement Operations

Element	Leicester & Loughborough
✓ Lotting Strategy	<ul style="list-style-type: none"><li>➤ Procurement Strategy Checklist prompts consideration of (Local) SMEs</li><li>➤ Regularly push for sub-regional lotting for consortia framework agreements</li></ul>
✓ Financial & Insurance Requirements	<ul style="list-style-type: none"><li>➤ Proportionate and risk based</li><li>➤ Don't over-rely on credit checks, allow for range of evidence of financial stability</li></ul>
✓ Specifications	<ul style="list-style-type: none"><li>➤ Outcome based, where possible</li><li>➤ May be informed by pre-procurement market sounding</li></ul>
✓ Terms & Conditions	<ul style="list-style-type: none"><li>➤ Tweaks to the standard may be informed by pre-procurement market sounding</li><li>➤ Payment of sub-contractors clause</li></ul>
✓ Pre-Procurement Market Sounding	<ul style="list-style-type: none"><li>➤ Sometimes used to inform procurement strategy (elements above), and may be for markets with limited tendering capability to explain process</li><li>➤ E.g. Used for Minor Works</li></ul>
✓ Templates	<ul style="list-style-type: none"><li>➤ As lean as possible</li><li>➤ Leicester and Loughborough harmonised</li><li>➤ Question main contractor about management of subcontractors</li></ul>

# Audit – Procurement Operations

Element	Leicester & Loughborough
✓ Contract Opportunities	<ul style="list-style-type: none"><li>➤ Use of closed lists</li><li>➤ Delta allows suppliers to register once for <u>all</u> buying organisations using the system, unlike In-tend!</li><li>➤ Pipeline of upcoming procurements on Delta</li><li>➤ Leicester and Loughborough both now use Delta</li><li>➤ Publication of Contracts Lists flagging potential sub-contracting opportunities</li><li>➤ Signpost Delta, HE consortia, CCS, ESPO &amp; Contracts Register at ‘Meet the buyer’ events</li></ul>
✓ Evaluation	<ul style="list-style-type: none"><li>➤ Consider allowing for variant bids</li><li>➤ Evaluate consortium bids as a whole, taking account of the roles and responsibilities of consortium members, and the risks and guarantees/indemnities associated with the consortium’s constitution</li></ul>
✓ Bidders Conferences	<ul style="list-style-type: none"><li>➤ May use for markets with limited tendering capability to explain the tender pack and the process</li></ul>

# Useful links

- [Contracts Finder](#) (ALL openly advertised £25k+ contracts)
- [How to do business with the University of Leicester](#)
- [Leicester's e-tendering system \(Delta\) registration](#)
- [Leicester University Internships & Placements](#)
- [Innovation Hub - Support for SMEs](#)
  
- [How to do business with Loughborough University](#)
- [Loughborough's e-tendering system \(Delta\) registration](#)
- [Loughborough University Internships & Placements](#)

# Summary

- Explained our values, risks, challenges and approach
- ...For you to consider when seeking and competing for our contract opportunities