

Procurement Strategy

1. INTRODUCTION

- 1.1 The Purchasing Manager will provide a centre of procurement expertise for the College, minimising risks and delivering a positive service in support of the Institute's mission.
- 1.2 Procurement is defined as the process of acquiring goods, works and services and this strategy outlines the approach to be taken within Grimsby Institute in order to obtain maximum value for money.

2. PURPOSE

- 2.1 This document aims to ensure that procurement planning reflects the Institute's corporate aims and priorities.
- 2.2 This will provide an opportunity not only to co-ordinate current processes but also provide a clear pathway for identifying and acting on improvements to ensure that best value is being obtained consistently when goods and services are purchased.
- 2.3 It should be noted that this document is not a procurement manual. Procurement regulations are found in the Institute's Financial Regulations.
- 2.4 This strategy will be reviewed annually (review due 17/8/2010)

3. SCOPE AND STRATEGIC OBJECTIVES

- 3.1 The objectives are to outline the role that procurement will play in the delivery of the Institute's aims and priorities and are as follows:
 1. To promote the delivery of value for money through good procurement practice.
 2. To facilitate the development of an effective and co-ordinated purchasing effort within the College.
 3. To analyse the Institute's non staff expenditure and apply appropriate procurement strategies and procedures to deliver value for money and reduce commercial risk.
 4. To embed sound ethical, social and environmental policies within the Institute's procurement function and to comply with all relevant UK legislation in all aspects of College purchasing.
 5. To identify opportunities for working with others, both public and private sector, in order to widen the scope for maximising purchasing power and identifying innovation.

Strategic Objective 1 - To promote the delivery of value for money through good procurement practice.

Outcomes	Main Actions	KPI's
Support National and Regional contracts where appropriate	Embed procurement in this area	Levels of spend on said contracts
Aggregate purchases to tender at institutional level	Review annual expenditure. Identify key purchases through planning process	Increased proportion of 'controlled' non staff expenditure
Report on efficiency gains against strategic objectives	Review and keep log of all savings	Report via the EMMFE

Strategic Objective 2 - To facilitate the development of an effective and co-ordinated purchasing effort within the College.

Outcomes	Main Actions	KPI's
Efficient orders and payment systems	Review unity capabilities for the College and examine the use of GPC cards	Reduction in orders/payments and increased efficiency gains
Use of approved contracts	Maintain a controlled internal buying process	Increased proportion of 'controlled' non staff expenditure.
Maximise opportunities for collaboration	Join LSC regional procurement network group. Consider consortia contracts when making sourcing decisions	Joint procurement activity within region. Increased use of consortia agreements
Training in procurement by CIPS	Ensure receive training to achieve level 4 CIPS status	Opportunity to complete level 4

Strategic Objective 3 - To analyse the Institute's non staff expenditure and apply appropriate procurement strategies to deliver value for money and reduce commercial risk.

Outcomes	Main Actions	KPI's
Undertake non-pay' spend analysis	Undertake an analysis of PRC spend patterns and habits to inform procurement process decisions	Analysis carried out each academic year end
Agree most appropriate procurement strategies for different areas of spend	Establish preferred supplier lists where appropriate	Established preferred supplier lists in place
Key commodities tendered/re-tendered	Identify key commodity spends for priority tendering and undertake tendering	Savings/efficiencies achieved through tendering

Strategic Objective 4 - To embed sound ethical, social and environmental policies within the Institute's procurement function and to comply with all relevant UK legislation in all aspects of College purchasing.

Outcomes	Main Actions	KPI's
All College relevant spend to comply with EU contracts and monitoring changes to EU legislation	Full review of annual expenditure plus all relevant staff aware of EU tender limits.	Full College EU contract compliance.
Procurement Manager to provide advice on environmental, social and ethical issues affecting purchasing	Consider all environmental, social and ethical issues when procuring goods/service	Increased awareness of wider issues.

Strategic Objective 5 - To identify opportunities for working with others, both public and private sector, in order to widen the scope for maximising purchasing power and identifying innovation.

Outcomes	Main Actions	KPI's
Maximise opportunities for collaboration	Join LSC procurement network, build relationships with local Colleges	Joint procurement activity and share best practice
Maximise use of Consortium Contracts	Source via consortium frameworks where appropriate	Increased use of consortium
Improve relationships with key private sector suppliers	Create Supplier Review form to be sent annually to help build relationships and keep informed on new innovation]	Use of supplier review form

4. RELATED DOCUMENTS

Best Value

- 4.1 The College is fully committed to improving the economy, efficiency, and effectiveness of all its activities. All procurement of goods, works and services will be based on best value principles. Having due regard to propriety, regularity and the Colleges legal obligations.
- 4.2 The College will consider all reasonable procurement options and any suitable hybrid/alternatives, to ensure best value is secured from all procurement of goods, works and services.
- 4.3 The College promotes economy, efficiency, and effectiveness in its expenditure and it will seek to ensure that competition supports this. Goods, works and services will be purchased in a mixed economy of suppliers from the public, private, voluntary and community sectors, according to which supplier offers best value. The College will give local suppliers every reasonable opportunity to bid for its business.

Diversity

- 4.4 The College is committed to review services and policies to remove any discrimination and to ensure that the College fulfils its duties in relation to diversity. Procurement practice will reflect this commitment by encouraging relationships with contractors and service providers who are equally committed to diversity.

Sustainability

- 4.5 Criteria based upon the procurement of environmentally friendly goods, works and services will be used in all purchasing decision making processes.

Health and Safety

- 4.6 The College recognises and accepts its responsibility as an employer for providing a safe and healthy work place and working environment for all its employees.
- 4.7 College staff need to be mindful of the health and safety issues to be considered when contracting in goods, works and services.

Financial Regulations and Purchasing Practice

- 4.8 Staff responsible for purchasing will need to be familiar with the relevant section of the Institute's Financial Regulations (College Intranet).
- 4.9 The Purchasing Department should have the opportunity to be involved in all procurement within the college, with the view to advising on the purchasing decision. Please refer to the current Financial Regulations section 18.3 and 18.4.

5. RESPONSIBILITIES

- 5.1 The Purchasing Manager is responsible for this policy.

6. RISK ANALYSIS

- 6.1 The risk of not having this policy in place and it not being adhered to could be anything from the College not gaining best value to the risk of legal action being taken against the College for not following the strict EU Public Sector Procurement Regulations.
- 6.2 Failure to adhere to sound procurement principles and ethics would leave the college and/or individuals open to accusations of wrong doing.
- 6.3 Possible staff training maybe needed for those that are likely to reach OJEU thresholds and training may need to be given to the Purchasing Manager to ensure information and knowledge is kept up to date.

7. EQUAL OPPORTUNITIES IMPACT ASSESSMENT

- 7.1 Please see attached copy of section one.

8. DATA PROTECTION

- 8.1. The only data protection issues that may be affected by the policy are those surrounding keeping tender documents and written quotations for possible audit purposes. All tenders that the Purchasing Manager is responsible for will be kept by him.