

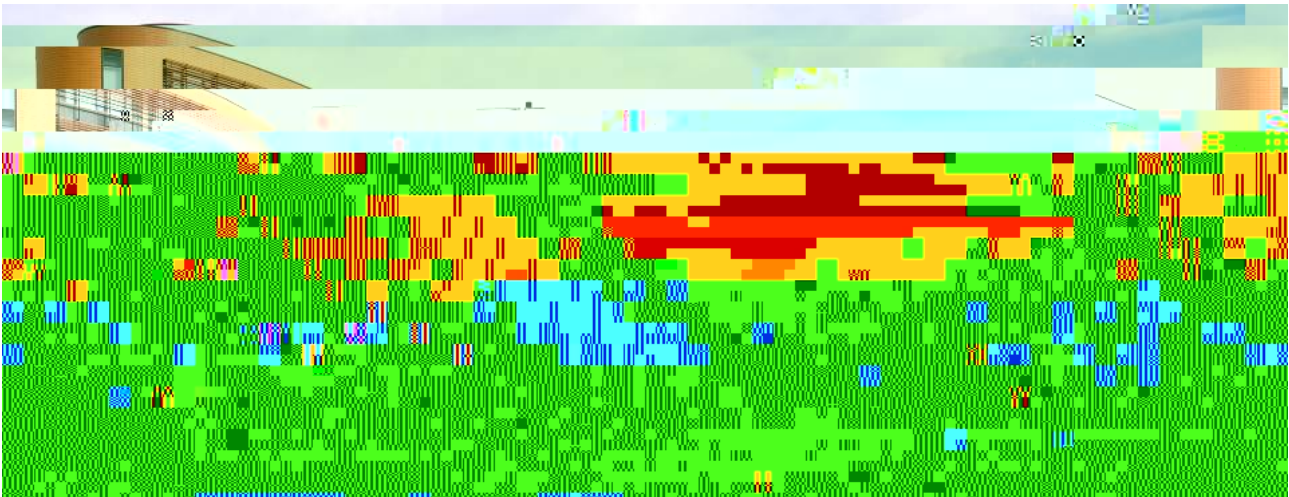
Procurement Strategy 2018-2023

Introduction

Our procurement strategy has been developed through consultation across the university.

It describes the value added contribution our central procurement team will make towards the delivery of our overarching [Strategic Plan](#) objectives and how we will build on our strengths to influence the supply chain, providing benefits both within the university and beyond.

I am proud to lead this team as we strive to become a sourcing



Why procurement is important

With an annual turnover of more than £200 million and a procurement spend of more than £70 million, DMU's contribution to the Leicestershire economy is significant. This continues and we will support it with procurement policies and processes that also play a part in a healthy and vibrant local economy.

Procurement maturity is an important measure used to assess the university's sourcing capabilities and organisational development. Through the Southern Universities Purchasing Consortium (SUPC) Procurement Maturity Assessment (PMA) programme, DMU is able to assess its current performance and receive benchmarked scores showing how this compares to similar sized Higher Education Institutions. SUPC also provide a detailed prioritised action plan for improvement followed by a re-assessment the following year to measure and demonstrate progress. DMU's 2018 procurement maturity score has been 3.5. Developing with improvement targets in place to achieve a rating of 4.5 by the next assessment by September 2019, and 5.0 by the third assessment in Spring 2021.

As a strategic function, DMU's central procurement team will work to deliver the maturity objective by helping to streamline processes, encourage supply chain innovation, and optimise value obtained from purchased services, supplies, and works. As ever-changing operating landscape presents financial challenges requiring agile purchase agreements and the delivery of best value outcomes that contribute to financial savings whilst maintaining financial integrity.

DMU's procurement team will also ensure the university has the capability to deliver from a finite level of available funds. We will achieve this by supporting the faculties and departments to buy as effectively as possible, contributing to both the department and university's efficiency savings.

Additionally we will strive to build a strong supply chain and actively encourage local Small and

The central procurement function also plays an important role in ensuring that our values are not compromised. We will require all of our suppliers to meet our environmental, sustainability, equality and ethical standards, as well as any legislative requirements including Health and Safety, General Data Protection Regulations (GDPR) and the prevention of modern slavery and human trafficking.

Procurement values

The central procurement team has set its values high to support its aims of becoming an operation of excellence. These values will be delivered using specific, Measurable, Achievable, Realistic and Time-bound (SMART) goals and are built on recognised best practice commercial principles.

- ◁ Building strong collaborative relationships with the local community and local businesses to generate sustainable and measurable positive social impact improvements.
- ◁ Establishing robust and effective

- c) Leverage enhanced spending power from collaboration to enable the purchase of goods, works and services at prices that would normally not be achievable independently.
- d) Collaborate with local partners to encourage and support the local community in fulfilling its economic potential.
- e) Work with our partners to engage with local businesses and to introduce supply chain initiatives that support local work experience and employment opportunities for DMU and partner institution students
- f) Continue our work with DMU Local to provide suppliers with opportunities to sponsor, support and partner DMU in strategic initiatives.

Measuring performance

We will use a number of tools to measure and report performance. These will include:

- a) The Procurement Maturity Assessment Plus (PMA+) scheme for Higher Education, managed by Southern Universities Purchasing Consortium (SUPC)
- b) The Higher Education Value Survey (HVS) and Procurement Practice Indicators (PIs) in addition to their respective preceding Efficiency Measurement Model (EMM) and Best Practice Indicators (BPIs).
- c) The Procurement Scorecard (PSC)
- d)

Figure 2 Procurement Practice Indicators and baselines

| | Efficiency | PPI Target | DMU 2016/17 Baseline | | Effectiveness | PPI Target | DMU 2016/17 Baseline |
|---|--|------------|----------------------|---|--|------------|----------------------|
| 1 | Total cost of procurement function as a percentage of impactable spend | 0.6% | 0.65% | 4 | Percentage of impactable spend actively influenced by procurement function | 95% | 87% |
| 2 | Percentage of impactable spend channelled through collaborative procurement arrangements | 30% | 18% | 5 | Annual procurement savings as percentage of impactable spend | 3.5% | 3% |
| 3 | Percentage of impactable spend with ^ D [• | N/A | Not measured | 6 | Impact of the procurement function on value for students | N/A | Not measured |

1. 0 W/[• Á]šZ • š}CE • š CEP š• Á CE CE %o Ç ò WW/[en]aining,%ã u CE î ï v ò]vP v ÁU v u v]vP šZ Ç Z Á v} • o]v • X Dh š CEP š• (}CE WW/[•
 September 2018 BPI sector based targets