

SUPC Procurement Shared Service (PSS)

Procurement Maturity Study

Sirius Test - MD

DRAFT

**SUPC
Procurement Shared Service**

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DRAFT REPORT

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SUPC Procurement Shared Service

Procurement Maturity Study

Sirius Test - MD

1. Executive Summary

Effective procurement is demonstrably a significant economic enabler for all organisations. This is something which has been recognised for many years in the private sector and has been highlighted more recently as being equally applicable to HE; for example by the McClelland review in Scotland and the UUK Diamond Review. It is estimated that an HEI practising effective procurement can deliver between 5% and 10% savings each year sustainably. All HEIs even those with embryonic procurement capabilities can deliver meaningful savings and efficiencies by improving their procurement capability.

Our Procurement Maturity Assessment (PMA) has been tailored for the HE sector to systematically assess an institution's procurement capability and enable benchmarking across the sector. The PMA action planning sets out institution specific actions to increase the effectiveness and value for money proposition of procurement: virtually all recommendations can be seen operating successfully within the sector.

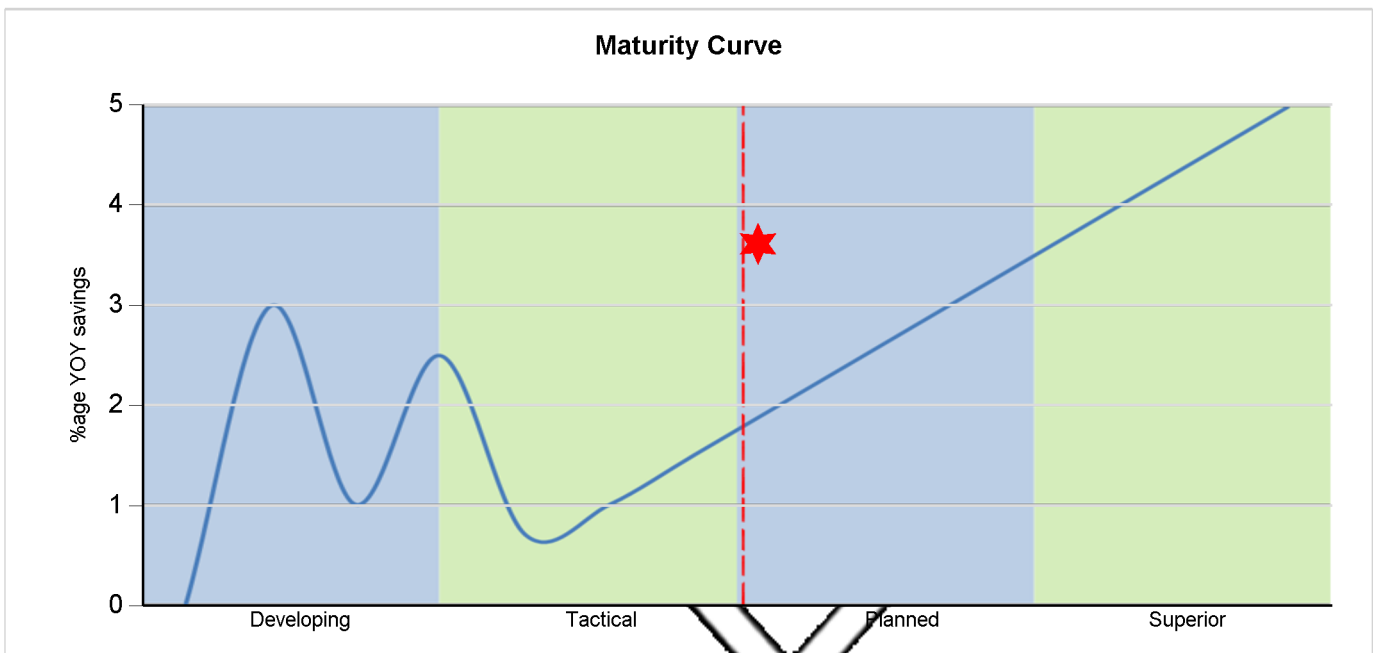
The PMA looks at the performance of the purchasing team in the broader context of the institutions strategy and performance. The most effective procurement occurs where the senior teams will not only invest in procurement but will also actively participate: for example, by engaging in procurement setting a target for contribution, mandating compliance, involving procurement early in all make versus buy and product/service specification decisions. The Audit committee will be examining Procurement's contribution to the wider strategic agenda.

1.1 Procurement Maturity at the Sirius Test - MD

Your institution has been assessed as being in the **Planned** phase of procurement maturity (with a score of 52% marked by the red star in Figure 1.1a overleaf), which means that it is in the **upper middle** quartile for procurement effectiveness.

An institution in the sector of similar size to yours should be aiming to operate in the upper middle quartile and regularly be delivering cost savings in excess of 3% each year. Your savings this year were recorded as 3.61%.

Figure 1.1



The Maturity Curve is an indicative curve expressing the position generally experienced as procurement in an organisation develops. It attempts to explain the relationship between procurement maturity and savings achieved. At this point there is insufficient data over time to create an empirical based model, but we believe the levels to be conservative based on external benchmarks.

*The target (indicated by the dashed vertical line in Figure 1.1 above) was agreed by the pilot members of the maturity study (Benchmarking seminar May 2011). The target is set at:

- **Planned** for a small institution (less than £100m total net income per annum) and
- **Superior** for a large or very large institution
 - large institution (greater than or equal to £100m total net income but less than £400m total net income per annum)
 - very large institution (greater or equal to £400m total net income per annum).

The level of procurement maturity heavily influences the ongoing procurement savings that an organisation will achieve. The Maturity Curve above reflects the indicative 4 stages of maturity of the procurement activities in an organisation. It maps the 4 stages of developing, tactical, planned and superior to the year on year savings that are typically achieved. The characteristics of each stage are detailed in Appendix A. In the developing stage year on year saving are likely to fluctuate considerably as procurement projects are tackled on a piecemeal basis. As procurement activity becomes a discrete function in an organisation there is a focus on automating procurement and on compliance. The one off piecemeal project savings may cease. The move through tactical to planned procurement sees the influence of procurement best practice widen and category strategies developed. Cost is driven out as value for money in the widest sense becomes the focus. As procurement enters the superior stage it is a fully resourced team operating as a strategic function fully utilising advanced systems and engaged in supplier and category management. At this stage savings are typically reaching 5% - 10% on a year by year basis.

1.2 Procurement Maturity Across the Sector

Figure 1.2

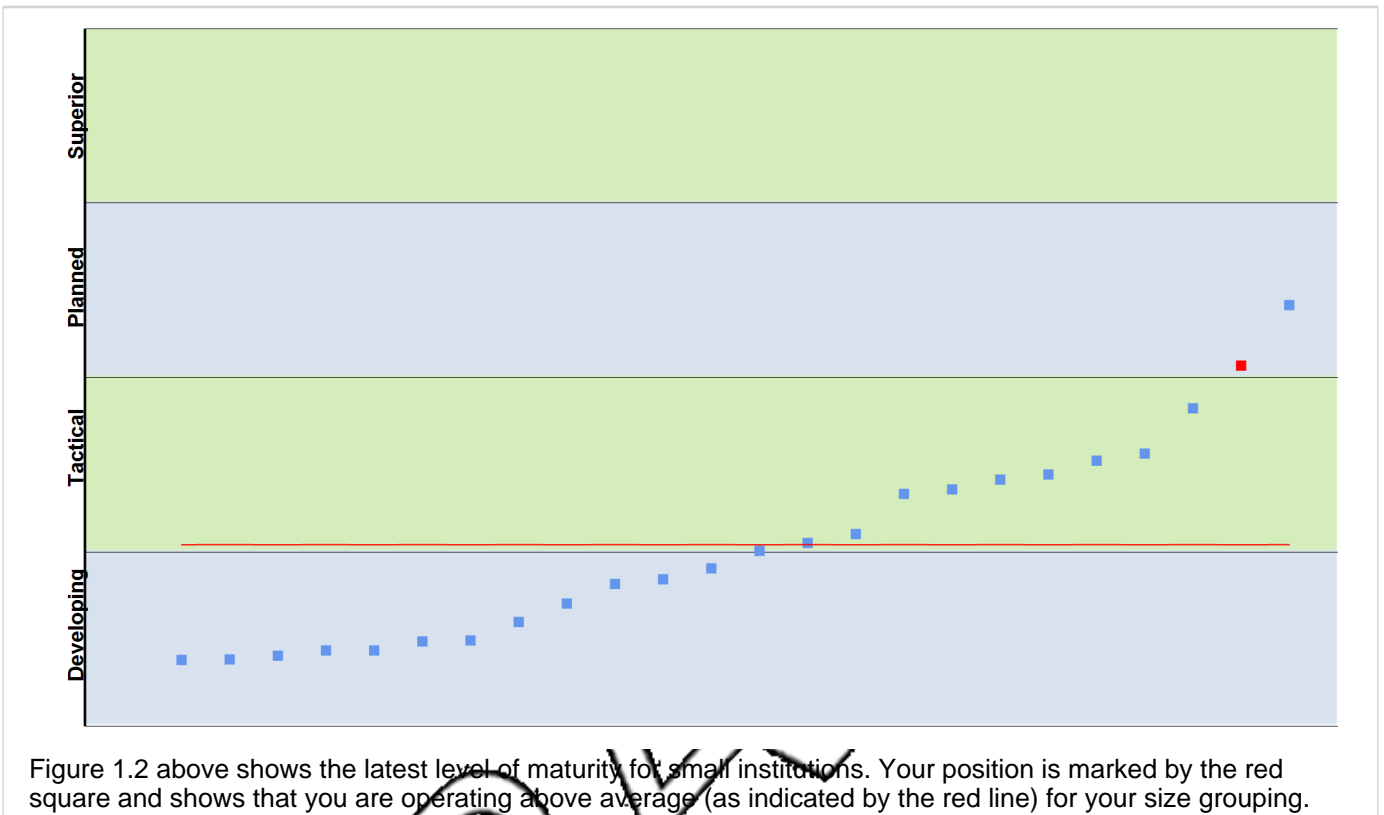


Figure 1.2 above shows the latest level of maturity for small institutions. Your position is marked by the red square and shows that you are operating above average (as indicated by the red line) for your size grouping.

1.3 Summary Recommendations

The detail of the report outlines a number of specific actions that will help advance your institution to the next level of procurement maturity over the next 12-18 months.

2. Terms of Reference

2.1 Objectives

The objectives of the review, which is carried out by the SUPC PSS, are to:

- Assist the Institution to improve its Procurement structure, capability, processes and ultimately performance by attaining the best standards that are appropriate to the Institution
- Review capability across HEFCE's key procurement attributes areas against common criteria and standards
- Jointly identify where best practice already exists, where there are gaps and where continuous improvements and efficiencies can be implemented
- Develop and, where appropriate, implement improvement plans as a result of the review
- Establish a baseline which will allow the Institution to benchmark itself against peer institutions and against which future improvement can be measured.

2.2 Approach

The following approach was followed to deliver the Maturity Study.

- An initial information request was sent to the Institution
- Meetings were held between the SUPC PSS Procurement Expert and Garry Smith, Head of Procurement to help with the assessment of the current procurement capability against the HEFCE Good Procurement Practice Checklist and various other metrics.
- The detailed capability questionnaire was completed and the results assessed. Documentation from the Institution received to evidence the scoring on the questionnaire is listed at Appendix B.
- A summary report and an associated action plan were agreed.

The Institution will continue to participate in the ongoing sector wide benchmarking study.

2.3 Acknowledgements

Judith Russell, Head of Procurement

3. Procurement Context

3.1 Sector Context

The HE Sector is currently under significant change: student funding, international student numbers, tuition fees and research income are in a state of flux. Collectively, these will have a significant impact on the financial and competitive situations of higher education institutions (HEIs). All HEIs are considering their responses at a strategic level and are seeking to deliver more efficiency.

As a result of this, there is intense focus on cost effectiveness (Value for Money) and collaboration across the sector. There is the expectation that Procurement will play a major role to help deliver efficiencies. The government is seeking swifter and cheaper procurement processes in public procurement. The UUK Efficiency and Modernisation Task Group report, published in September 2011, recommends that procurement should better support the efficiency agenda and sets out a number of recommendations. Together this is creating major opportunities for and expectations of procurement within and across institutions. Major procurement sector imperatives include:

E-procurement

E-procurement will improve back-office efficiencies and drive more expenditure through procurement contracts. The HE sector is developing a free at point of use generic e-procurement marketplace for use with procurement cards. Electronic invoicing will provide further efficiencies.

Sustainability

The sector has set itself targets to improve sustainability and specifically reduce carbon consumption; indeed some HEFCE capital funding has been linked to sustainability performance. Furthermore, the sector is aspiring to achieve Scope 3 Carbon Accounting in the supply chain.

Collaboration

Increased collaboration both within the sector and externally is seen as an important way of driving more procurement efficiencies. The UUK Efficiency and Modernisation Task Group recommended that a minimum of 30% of impactable spend in the English higher education sector is addressed through collaborative procurement arrangements. The English regional purchasing consortia have worked together over a number of years and have now formed Procurement England Limited (PEL) to formalise their relationship and further develop collaborative procurement in England.

Benchmarking

A more strategic sector wide approach to effective benchmarking is also recommended; this procurement benchmarking study is such an approach for procurement operations. However, to inform further institutional decision making and strategy detailed procurement expenditure information is needed.

Shared Services

Greater development of shared services both between sector organisations and with other public sector or private organisations is recommended for further consideration to help deliver operational efficiencies.

3.2 Institution Context

Total Income (£m's)	Impactable Spend (£m's)	Total student (FTE)	Total staff (FTE)	Procurement Staff (FTE)
45	18			

3.3 Procurement Context

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4 Procurement Measures

4.1 Performance against Procurement Efficiency Survey / UUK Strategic Procurement Group and PEL BPIs

The Procurement Efficiency Survey is undertaken annually and enables institutional procurement teams to demonstrate their efficiencies to institutional senior management and governors. From the 2012/13 Survey the definitions and benchmarks have been updated such that the BPIs are now calculated using impactable spend which is a lower figure than the non pay spend that was previously used. The full definitions and benchmarks can be found on the BUFDG web site.

Figure 4.1a : Efficiency Measurement Model Metrics

Metric	2011/12
Impactable Spend	£ 18m
Spend Through Collaborative Agreements	£ 2.4m
Total Gross Efficiencies	£ 0.65m
<i>Cashable Savings</i>	£ 0.45m
<i>Un-cashable Savings</i>	£ 0.2m
Procurement Staff (full time equivalent)	1

The Annual Procurement Efficiency Survey includes a set of six Best Practice Indicators (BPIs) measuring purchasing efficiency and effectiveness that have been developed by the UUK Strategic Procurement Group; these are described fully in Appendix C.

Figure 4.1b : Best Practice Indicators

BPI	Bench mark	2011/12
1 - Total cost of procurement as % impactable spend	0.6%	12%
2 - % Impactable spend channelled through collaborative procurement arrangements	30%	13.33%
3 - % orders placed electronically or via P-Cards	90%	21%
4 - % impactable spend actually influenced by Procurement function	95%	45%
5 - Annual procurement savings as % of impactable spend	3.5%	3.61%
6 - % professionally qualified procurement staff	66.7%	100%

4.2 Performance against UUK Procurement Attributes

There are 9 procurement attributes based on the HEFCE Good Procurement Practice Checklist:

- Governance
- Reporting and KPI
- Organisational
- Resources and Skills
- Corporate and Social Responsibilities
- Collaboration
- Information Systems/P2P
- Supplier Strategy and Policy
- Category Management

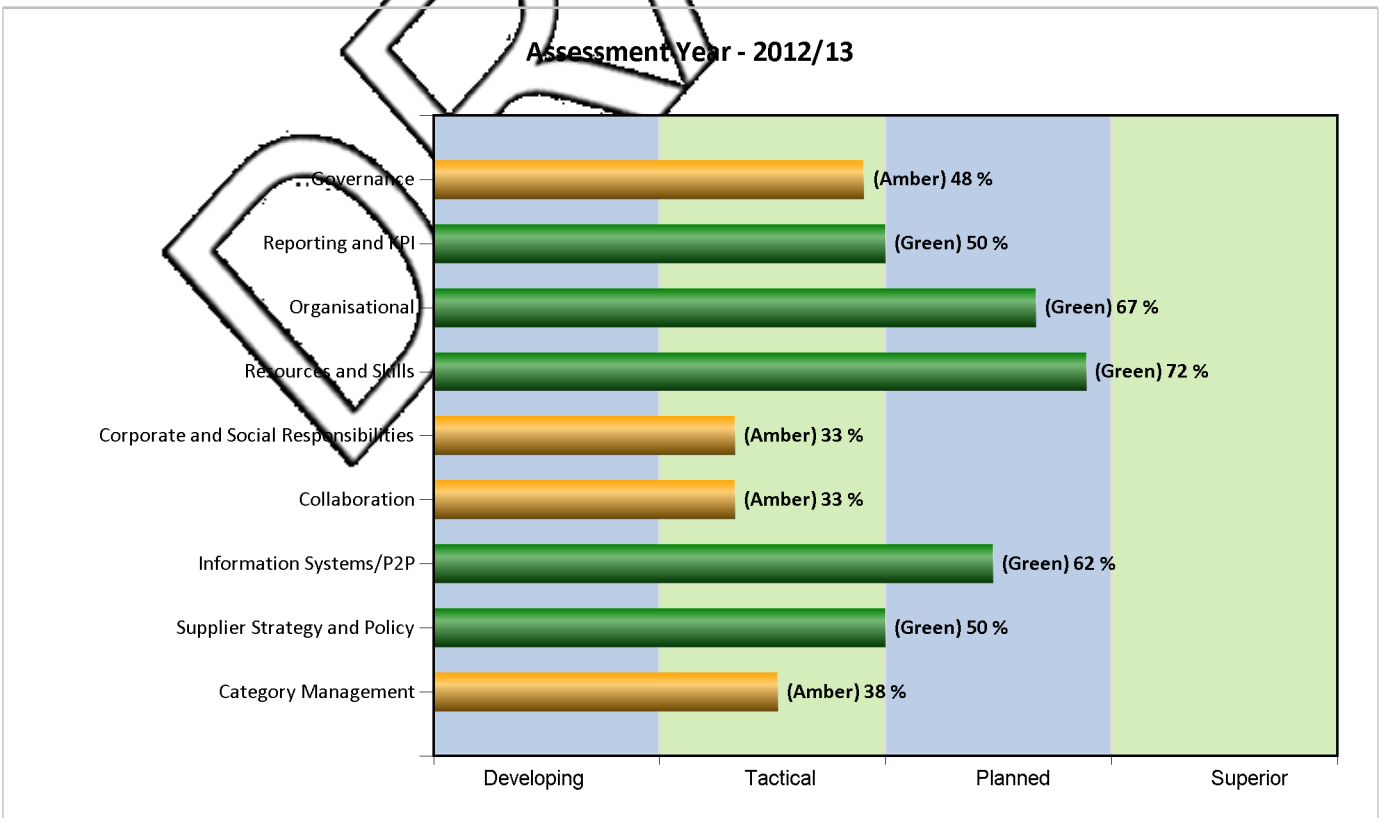
Definitions of these can be found in Appendix D.

These 9 attributes are mapped across the question set that formed the basis for the maturity study visit and figure 4.2a below shows your scores.

Figure 4.2a : Performance against UUK Procurement Attributes

In October 2013 this assessment programme commenced use of an updated question set. This more succinct question set closely reflects the procurement picture in the HE sector and allowed for implementation of an improved attribute balance.

As this assessment maps progress to an assessment pre October 2013 then the previous scores have been mapped to the updated question set to allow a fair comparison. Where scoring guidelines have become more stringent scores for the previous assessment have been adjusted to reflect the new guidelines.



Attributes where the Institution has scored in line with the sector target are shown as green.

Attributes where the Institution has scored below the target but at least in line with the sector norm (one quartile around the midpoint of the range for the attribute) are shown as amber.

Attributes where the Institution has scored below the sector norm are shown as red.

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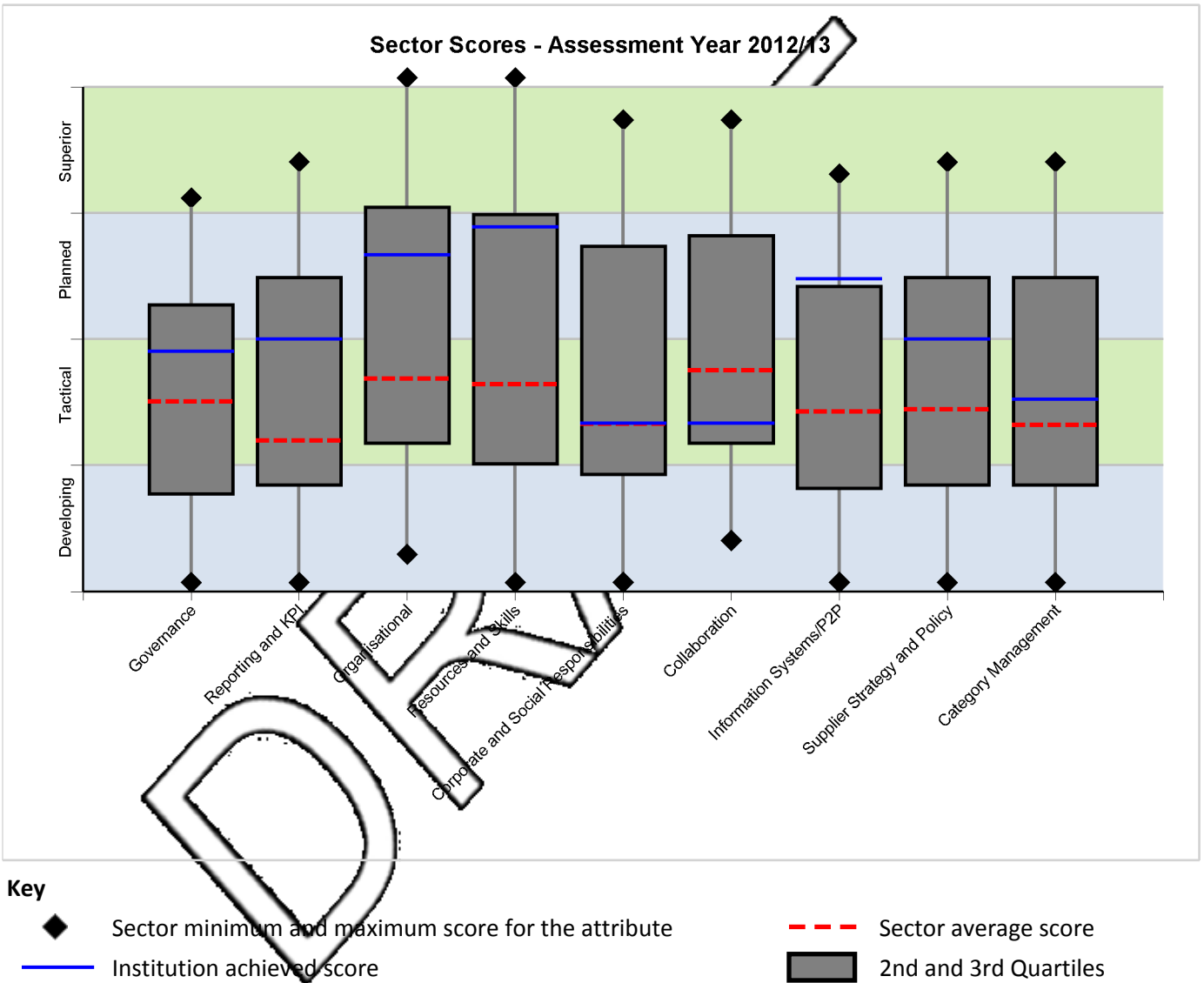
Attribute Graph Comments

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4.3 Benchmarked Performance against UUK Procurement Attributes

The table below maps the 9 Procurement Attributes against the four stages of maturity and seeks to show your position in comparison to the sector average, to the maximum and minimum scores for the attribute and to the quartiles around the midpoint of the range for the attribute. The sector data in the chart below reflects the latest score from all participating institutions. Each solid blue line positions your institution at a point in its maturity for that attribute. The actual scores that relate to the positions on the chart are shown in Appendix E.

Figure 4.3



4.4 Detailed Recommendations

To further develop the maturity of Sirius Test - MD procurement there are several key areas where the Institution should focus, namely :

- 1.
- 2.
- 3.

The actions necessary to deliver these recommendations are set out in the Action Plan which accompanies this report. In addition a complete list of all your scores against each question with guidelines for the requirements to achieve all levels of maturity is detailed in Appendix F of this report. Areas of strength where the institution is already achieving the target score are identified in Appendix G.

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Appendix A

Maturity Level Characteristics

Four levels of procurement maturity are characterised: developing through to superior.

Developing:

A defined procurement role exists but it is primarily operational or transactional in focus. Procurement responsibility is likely to be fragmented within the Institution and does not influence all major spend areas, or all faculties and departments. Procurement, Planning and Accounts Payable are managed as separate functions. There is some strategic procurement direction and there may be limited objectives and targets. Procurement strategy is developed independently to the Institution's strategy but a sense-check is performed at a higher level to ensure some alignment is taken place. There is no formal process for developing sourcing strategies and most negotiations are price-focused, purchasing savings delivered through negotiation and supplier rationalisation. Limited spend information exists. Procurement is using some collaborative agreements but does not seek to increase the proportion of influenceable spend channelled through its framework contracts. Suppliers are managed on a day-to-day basis and there are limited measurements of supplier performance. Purchasing transactions are largely paper-based and invoices are manually checked against purchase orders. There is limited reporting of procurement performance and benefits tracking is sporadic.

Tactical:

Procurement is seen as a distinct function with a Director or Head of Procurement. A documented procurement strategy exists but might not have been widely communicated or signed off. The strategy supports the Institution/Sector's strategy with the focus on maximising service and minimising total costs. Sourcing options are developed and reviewed but are variable in outlook. Major spend areas are covered by collaborative contracts and framework agreements and Procurement has explored joint working with other public sector bodies. The Institution has assessed itself against the HEFCE Flexible Framework (CSR performance). Monitoring of supplier performance is ad-hoc and limited to qualitative measurements of contract KPIs and SLAs. Supplier performance is assessed and action is taken on a reactive basis. Management information is mainly derived from the Finance System's Account Payable module. There is some automation of matching invoices and purchase orders. Procurement staffs are capable of performing several roles. A good set of procurement performance measures exists (BPI, EMM et al) with some gaps. Procurement uses these indicators to demonstrate procurement performance.

Planned:

Head of Procurement is either at board level or is one level below with a board member taking clear ownership for procurement and commercial matters. A strategic procurement role exists for at least 75% of influenceable spend. A fully documented procurement strategy exists and is communicated across the Institution. The strategy includes well-defined objectives which demonstrate Procurement's impact on the business. All senior managers officially commit to the targets of the Procurement Strategy and demonstrate this commitment through active support. There are regular, planned and diarised reviews of sourcing options, largely conducted internally by Procurement. Historic spend information is at category and supplier level; some data is available at line item detail. This information informs sourcing strategies. Suppliers can register their profiles on a publically accessible website and the Institution holds 'meet the buyer' style events. Independent post-project reviews are the norm and the Institution is actively pursuing shared procurement with other public bodies. There are structured and formal reviews of contracts KPIs/SLAs where appropriate: key suppliers' performance is linked to a 'balanced scorecard'. The Institution uses an e-procurement solution (integrated or standalone) and the invoice/purchase order process is automated. Procurement staff has a strong understanding of cost management techniques. A developed set of performance measures exist, which take a whole-life perspective. Spend information includes budget and variance analysis: areas of high cost are scrutinised and reviewed on a regular basis. Institution reports demonstrate ongoing procurement performance and targets seek year-on-year improvements.

Superior:

The impact of procurement is widely visible and the role is considered part of a senior 'peer group' with the leadership team. Highly skilled and fully trained strategic procurement professionals are in place and are fully integrated within the Institution's decision making process. The Procurement Strategy is fully documented, well communicated and defines the Institution's position with regard to CSR, Ethical Procurement, Sustainability etc. The Procurement Strategy is agreed business-wide and cascaded to all key areas; it is fully aligned with the Institution's business strategy. All areas of influenceable spend are covered by sourcing strategies, which are signed off by senior management. A 'total cost of ownership' approach is adopted and significant benefits are consistently delivered. Detailed and accurate information exists on both current and future demand and Procurement is regarded as the key source of information for supplier spend. There is a clear and systematic process for disseminating lessons learned from post-contract reviews. Contract management information is analysed and actioned by the Institution as part of a programme of continuous improvement. A proactive supplier development programme has been implemented and there is evidence of benefits being realised. The minimum of manual processes remain and the Institution uses a variety of IT tools to actively control and manage the procurement function: an integrated P2P process is in place. Procurement staff are skilled in advanced cost management techniques and participate in improvement activities. Clear performance measures are in place, covering the full range of BPI/EMM reporting plus additional, comprehensive metrics.

Appendix B

Key Evidence

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Appendix C

Procurement Best Practice Indicators (BPIs)

These BPIs should be considered together with qualitative/narrative BPIs/KPIs that may be in place in individual HE Institutes e.g. the extent to which procurement is helping deliver an Institute's strategic objectives.

Full Definitions are given, below, but it is impossible to cover every eventuality. Therefore BPI progress within an HEI from one year to the next, against consistent application of these definitions, is a key aspect.

Efficiency			Effectiveness		
1	Total cost of procurement function as % of impactable spend	NAO – PPI 1b	4	% of impactable spend actively influenced by procurement function	NAO – PPI 3
2	%age of impactable spend channelled through collaborative procurement arrangements	NAO – PSI 5	5	Annual procurement savings as % of impactable spend	NAO – PPI 4
3	% of orders placed electronically and via purchasing cards	NAO – PSI 7	6	% of professionally qualified procurement staff	NAO – PSI 1

NAO PPI/PSI = National Audit Office report on Value for Money in Public Sector Corporate Services, Procurement Primary Indicator (PPI) and Procurement Secondary Indicator (PSI)

Calculating the baseline figure “impactable spend”

Impactable spend figure is the same as the base figure used to calculate collaborative spend to meet the “Diamond” recommendations and recorded in the HE/CE Efficiency Measurement Model (EMM).

The methodology (the standard calculation schedule) for determining the impactable spend is as follows

1. The HESA other operating expenses, figure as derived from HE Finance Plus (Table 1 of the FSR, reported in HEIDI)
2. Excluding capital expenditure on buildings but including capitalised equipment, as derived from HE Finance Plus (figure from Table 8 of FSR, reported in HEIDI)
3. Excluding bursaries and scholarships, as derived from HESA HE Finance Plus (table 7 of the FSR)
4. Excluding spend that cannot be addressed by procurement (un-impactable spend)

Areas of spend that typically cannot be addressed by procurement (4 above) in general comprises the following elements (ONLY deduct elements if included in definition 1 above)

- University subsidiaries (where they may be part of the overall legal entity BUT have separate finance systems so their spend is not available/not managed as part of the university's procurement remit)
- Payments to other institutions, charities, schools, NHS (e.g., franchised placements)
- Payments to banks, interest charges, etc.
- Payments to individuals (e.g., staff costs included under the Op Ex category)
- Payments in relation to research council grants, doctoral training, research bodies etc.

- Provisions relating to pension costs and bad debts
- Payments to HMRC
- Membership and affiliation fees (including payments to professional bodies)
- Conference fees
- Rent and rates and planning fees to local authority
- Payment to students' union and trade unions
- Cost of student placements

Definitions & Expectations

BPI 1 The procurement function is defined as the centralised procurement team plus staff based in faculties, schools and departments who undertake procurement activity that would otherwise have to be undertaken by the centralised procurement team. This includes staff in, for example, IT and Estates engaged on significant procurement activity that requires them to apply procurement principles and practices over and above project/contract management. This excludes staff who are engaged on transactional purchasing i.e. purchasing that is not subject to a formal procurement process and can usually be discharged via 3 quotes or purchase orders under a framework agreement. Many institutions define transactional purchasing as that below an order threshold (such as £25,000).

Total costs include salary and overhead costs – HMT/OGC advice is to double salary to arrive at a total cost figure including salary, on-costs (NI, tax, pension) and support costs. Pro rata costs of bedded out staff engaged on procurement should also be included.

The aim should be to seek the optimum cost of the procurement function as a percentage of impactable spend, in conjunction with BPIs 4 and 5. In other words, a balance needs to be struck between these three BPIs.

Best Practice Result: 0.60%

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BPI 2 Percentage of impactable spend which is channelled through a collaborative procurement arrangement such as consortia agreements e.g. regional (SUPC, LUPC, NWUPC & NEUPC), national (eg TEC, TUCO, JANET, GPS), along with local agreements. Local is defined as procurement arrangements with at least one other HEI or public sector organisation (e.g. NHS Trust) for goods or services outside the formal consortium arrangements - for example a shared catering service or combined heat and power supply. Spend through framework suppliers that can not be robustly confirmed as “contract” (i.e. collaborative) spend should be excluded. For example, catalogue items bought from a laboratory supplier under a framework agreement would be included; supply of bespoke laboratory equipment won in competition by the same laboratory supplier would be excluded if that equipment is not covered by a framework contract.

Purchasing consortia will gather the collaborative spend data from national/regional contracts’ and should report the spend information to their members. However; there are some agreements where the data may not be provided at institutional level. You should ensure you are clear what data is included in your spend against consortia agreements.

It is advised that where spend is not collected through consortia, you review your own spend against those contracts and include them in your local collaborative spend figure in order for it to be captured and a more accurate calculation of collaborative spend is determined.

This percentage should increase over time.

Best Practice Result: 30%

This percentage should be seen as an optimum figure, rather than a target to be beaten, and recognises that three quarters of an HEI’s spend will be organisation specific. This is the percentage figure recommended by the Diamond review.

BPI 3 Percentage of orders passed through an electronic Purchase to Pay (P2P) system or via purchasing cards. The aim of this BPI is to identify efficient procurement processes.

In accordance with EMM Guidelines, it should be assumed that purchase card orders are the same as electronic orders in terms of issue of the order electronically and electronic payment transfer. Other elements of the P2P process, such as electronic receipting of goods and electronic invoice authorisation, are calculated separately.

The multipliers below are conversions of the value figures for process efficiencies contained in the EMM Guidelines e.g. £6 (out of a possible total of £44) for electronic GRNs = 14%:

- Percentage of total volume of orders placed via purchase card & electronic order (i.e. the combined figure) x 63%;
- Percentage of total volume of orders with electronic GRNs x 14%;
- Percentage of total volume of orders with electronic invoices x 23%;

Add the above percentages together to get a total percentage figure (e.g. if all orders/GRNs are electronic or via P Card but invoices are all paper-based, the percentage would be 77%). This percentage should increase over time.

Best Practice Result: 90%

In an ideal world this would be 100%, but the Best Practice Result accepts that there will always be some goods and services that are not well-suited to electronic ordering e.g. orders placed with the “local supplier”.

BPI 4 Percentage of impactable spend which is actively influenced by the procurement function (as defined in BPI 1).

Actively influenced is defined as “controlled” (direct management of the actual procurement), “directed” (via a framework managed by the procurement function) and “delegated” (establishment by the procurement function of robust processes, procedures, guidance or advice against which the procurement is managed).

The percentage should be calculated by dividing the influenced spend by the impactable spend figure in the EMM and multiplying by 100.

Whilst the aim should be to progressively increase this percentage, a balance needs to be struck between this BPI and BPIs 1 and 5.

Best Practice Result: 95%

It would be unrealistic to believe that 100% could ever be achieved without an increase in the cost of the Procurement team that would outweigh the benefits (BPI 1).

BPI 5 Annual procurement savings achieved as a percentage of impactable spend. This should be the percentage calculated by the EMM (Savings as % of Impactable).

Whilst the aim should be to progressively increase this percentage, a balance needs to be struck between this BPI and BPIs 1 and 4.

Best Practice Result: 3.5%

The Best Practice Result is higher than the ‘Gershon’ findings, as the calculation uses impactable spend rather than total Non Pay.

BPI 6 Percentage of the procurement function (as defined in BPI 1) who have passed CIPS at Graduate Diploma level (fully qualified), or who hold an alternative graduate level qualification that includes procurement (fully qualified), or who have passed Foundation level for one of the above (part qualified). For example, in a procurement function of 3, with 1 fully qualified, 1 part qualified and 1 unqualified, the percentage would be 50%.

This percentage should increase over time.

Best Practice Result: 66.6%

The Procurement team is likely to reflect a balance between qualified, part qualified and non-qualified members to carry out all its functions and provide value for money. Changes will be as a result of staff changes as well as improvements in staff qualifications. Accordingly, this Best Practice Result is likely to fluctuate up and down.

Procurement Attribute Definitions

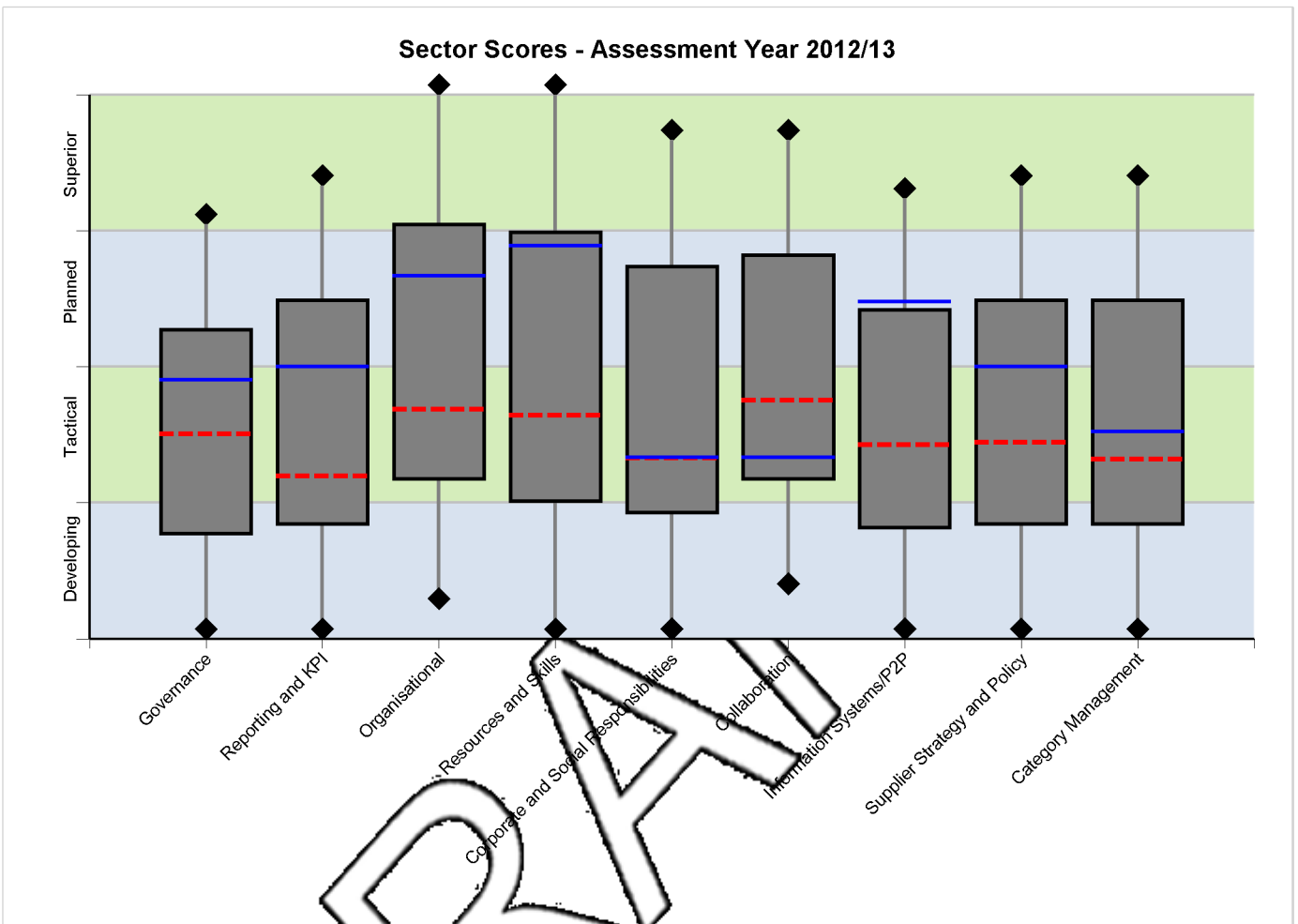
Appendix D

Definitions

Governance	Governance in procurement relates to establishing a procurement strategy with accompanying cohesive policies, guidance, processes and decision-rights for purchasing activity across the institution. It creates a clear link to the Institution's strategic plan.
Reporting and KPI's	Establishing clear objectives and targets and reporting on Key Performance Indicators to provide evidence of performance. Cascading these objectives through the organisation such that individual staff objectives reflect the wider organisation's objectives.
Organisational	Relates to the way in which responsibility for the procurement activities are directed, organised and managed across the Institution.
Resources and Skills	Staffing and other resources directly or indirectly a part of the procurement process in the organisation.
Corporate and Social Responsibility	The goal of Corporate and Social Responsibility is to embrace responsibility for the Institution's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public.
Collaboration	Collaboration within procurement relates to working together within an institution, with other institutions and across the public sector to maximise the procurement performance and outcomes for all parties.
IS/P2P	Information Systems including Procure to Pay systems relates to the use of technology and communications in the procurement field.
Supplier strategy and policy	An agreed approach to the Institutions supply base including a segmenting of suppliers and establishing a differentiated approach depending upon the spend and risk profile and in line with the Procurement Strategy.
Category management	Organising the resources of the procurement team in such a way as to focus externally onto the supply markets of an organisation in order to fully leverage purchasing decisions. Category management is the sourcing process used to manage these categories to satisfy business needs while maximising the value delivered from the supply base.

Attribute Scores

Appendix E



Key

- ◆ Sector minimum and maximum score for the attribute
- (Red dashed) Sector average score
- (Blue solid) Institution achieved score
- ▭ (Grey) 2nd and 3rd Quartiles

Attribute	Sector Score			Institution		2nd Quartile	3rd Quartile
	Min	Max	Average	Achieved	Diff		
Governance	0	76	38	47.6	10	19	57
Reporting and KPI	0	83	30	50.0	20	21	62
Organisational	6	100	42	66.7	24	29	76
Resources and Skills	0	100	41	72.2	31	25	75
Corporate and Social Responsibilities	0	92	33	33.3	0	23	69
Collaboration	8	92	44	33.3	-11	29	71
Information Systems/P2P	0	81	36	61.9	26	20	61
Supplier Strategy and Policy	0	83	36	50.0	14	21	62
Category Management	0	83	33	38.1	5	21	62
Institution Score				51.7			

Appendix F

Procurement Maturity Assessment Scores

1. PROCUREMENT LEADERSHIP & GOVERNANCE

1.1 Does the organisation provide clear leadership of the procurement activity?

- 1 Developing - Responsibility for procurement activity is not defined. There is no distinct procurement function and no clear leadership for procurement in the organisation.
- 2 Tactical- Procurement is seen as a distinct function. Responsibility for procurement clearly attributed to an individual and defined within job description(s). There is ad hoc reporting of procurement activity to senior management e.g. major projects.
- 3 Planned - The Head (leader) of Procurement is responsible for managing all procurement activity and processes within the organisation. Procurement provides reports to senior management at least annually and can access senior management team (SMT) level discussion to raise procurement issues. ✓
- 4 Superior - Procurement leader is responsible and accountable for all procurement activity and provides regular management reports to the SMT or equivalent. The Head (leader) of Procurement is considered part of a senior 'peer group' with other business functions; sits on appropriate key steering groups, project boards etc; Plays a full leadership role in wider public sector, professional and collaborative initiatives; provides active personal leadership of wider networks.

N/A Not Applicable

Attribute : Organisational

1.2 Is the Procurement function responsible for the effectiveness and quality of procurement activity across the organisation?

- 1 Developing - Responsibility for non-pay spend is not formally devolved or controlled.
- 2 Tactical - Procurement has a high degree of influence over Purchasing Procedures but has a low level of involvement in departments' sourcing research and specification activities. ✓
- 3 Planned- The whole organisation follows corporate Purchasing Procedures established by the procurement function. Only a small proportion (in terms of spend) of sourcing research and specification is conducted without procurement support and influence.
- 4 Superior - All sourcing research and specifications for high value or high risk procurement have strong Procurement team input.

N/A Not Applicable

Attribute : Organisational

1.3 Does the procurement function effectively manage relationships with internal stakeholders?

- 1 Developing - Procurement stakeholder management is on an informal, sometimes unrecorded basis.
- 2 Tactical - Ad hoc recorded reviews with internal stakeholders. Defined roles and responsibilities with some stakeholders. Frequency and composition of meetings is inconsistent.
- 3 Planned - Clearly defined roles with key stakeholders, appropriate to needs. Regular recorded reviews with stakeholders focusing on future procurement activity and relationship management. ✓

4 Superior - Procurement department has a formal process for stakeholder management which is consistently applied. Partnership approach focusing on joint development of business cases and strategy.

N/A Not Applicable

Attribute : Organisational

1.4 How clear is the process of delegation and authority for procurement?

1 Developing - There is no clear process of delegation or authority for procurement

2 Tactical - The published scheme of delegated purchasers sets out authority levels and separation of duties (for contracts and purchasing transactions) which are reviewed regularly.

3 Planned - The Head of Procurement or equivalent is responsible and accountable for ensuring all staff comply with the scheme of delegation. Compliance with the scheme is subject to regular internal audit.

4 Superior - The separation of duties and authority levels are embedded into computer systems to ensure compliance and appropriate authority for all transactions. ✓

N/A Not Applicable

Attribute : Organisational

1.5 Does internal audit provide assurance that the organisation's internal control systems for procurement are adequate and effective?

1 Developing - There is no evidence of internal or external audit review of procurement over the last 3 years.

2 Tactical - There is an internal audit strategy or framework to provide assurance that basic standards of procurement practice are adequate and an audit has been carried out in the last 3 years. Actions in response to any basic shortcomings identified by internal audit have been fully implemented or have a plan for implementation.

3 Planned - An internal or external audit of procurement has been carried out in the last year. The audit scope is comprehensive and covers strategic and transactional aspects of procurement. Actions in response to any significant gaps or issues have been fully implemented or have a plan for implementation. ✓

4 Superior - Annual internal or external audits of procurement have highlighted no significant (red or highest level) risks in the past three years.

N/A Not Applicable

Attribute : Governance

2. PROCUREMENT STRATEGY AND OBJECTIVES

2.1 How developed is the organisations procurement strategy?

1 Developing - No documented Procurement Strategy for the organisation or some strategic direction documented, although not complete. There is no link between the organisation's procurement strategy and the organisation's strategic plan

2 Tactical - A documented and current Procurement Strategy has been signed off by the SMT or appropriate committee. Procurement Strategy is aligned to the organisation's strategic plan and core business and service objectives and the wider public sector procurement policy It is communicated to the Procurement team and all those with delegated authority.

3 Planned - Strategy communicated across the organisation. The strategy defines the organisation's position with regard to sustainability in procurement. An action plan has been developed from the procurement strategy complete with objectives and performance measures and is updated at least annually. Team objectives reflect the procurement strategy. ✓

4 Superior - The Strategy is fully aligned with sectorial strategies and policies e.g. recommendations from the Diamond Report. The organisation's procurement strategy also covers continuous improvement of its procurement activities (e.g. FMA action plan), collaboration and supplier management, with specific reference to core business and services strategies. Individual staff objectives reflect the procurement strategy

N/A Not Applicable

Attribute : Governance

2.2 Is there a clear process for procurement involvement in strategic reviews of service provision? These reviews would normally consider options such as outsourcing, insourcing, shared services, etc.

1 Developing - No formal process or policy exists and procurement is not involved in the strategic reviews of services.

2 Tactical - Procurement is involved on a reactive basis in strategic reviews, e.g. at the end of the process. ✓

3 Planned - Clear approach for reviewing services is in place and it ensures that Procurement is involved at an early (strategic) stage and there is evidence of this.

4 Superior - Procurement initiates research on market opportunities for strategic innovations to current service delivery and subsequently makes the case for change at a senior level.

N/A Not Applicable

Attribute : Governance

2.3 How well is the procurement strategy supported by senior management within the organisation?

1 Developing - There is no Procurement Strategy or Procurement objectives are set out in the Procurement Strategy but are not understood or reported.

2 Tactical - The Senior Management Group have signed up to the Strategy ✓

3 Planned - Most senior managers provide full support for the Strategy through communications and provision of resource to support implementation of procurement objectives, including change projects.

4 Superior - All senior managers have signed up to the Strategy and provide full support for its implementation.

N/A Not Applicable

Attribute : Governance

2.4 Has the procurement function developed, and acted on, an improvement plan for the organisation?

1 Developing - No plan in place or there are no clear benefits identified.

2 Tactical - An improvement plan has been developed and is being implemented. The plan is largely resourced and owned by the Procurement function. Benefits and savings are being measured, but it is early for results. ✓

- 3 Planned - The improvement plan is owned by a Procurement Board, or equivalent, and jointly resourced across departments. The plan is on schedule and delivering results.
- 4 Superior - The improvement plan has been delivered and the organisation has adopted a continuous improvement approach to its procurement performance. Procurement performance is owned by the SMT. Regular reports identify savings and benefits from further improvements.

N/A Not Applicable

Attribute : Organisational

2.5 What level of external collaboration exists to identify and adopt good procurement practice?

- 1 Developing - No representation outside of the immediate organisation
- 2 Tactical - Collaboration with other HEIs or other public sector bodies has led to sharing of best practice where appropriate. Best practice from other organisations has been sought and utilised as appropriate. ✓
- 3 Planned - Collaboration to develop best practice with peer organisations or other public sector bodies. Collaborating with Consortia or professional procurement bodies on best practice.
- 4 Superior - Recognised as a lead organisation in procurement best practice areas, including development of strategy and policy. Active role in networks (including non public sector organisations) addressing procurement best practice. The organisation demonstrates evidence of actively facilitating and promoting improved procurement performance across other organisations.

N/A Not Applicable

Attribute : Collaboration

3. DEFINING THE SUPPLY NEED

3.1 Are specifications for the procurement of goods and services designed to maximise value for the organisation and its customers? (e.g. output specs., technology roadmaps, legislation, whole life costing)?

- 1 Developing - Many specifications developed without market intelligence and supplier specifications are used as a matter of course.
- 2 Tactical - The organisation can demonstrate that key contracts are based on robust specifications and output specification where appropriate. There is evidence that the Procurement function has actively challenged requirements and specifications. ✓
- 3 Planned - Key contracts are based on output specifications (where appropriate) which have been developed based on market research and in line with recognised best practice
- 4 Superior - Market engagement is undertaken prior to issuing the Invitation to Tender through supplier awareness days / open meetings etc. and the market intelligence obtained is used to develop specifications. In addition, specifications for key contracts show an appropriate mix of (a) future-proofing commercial and legislative changes and (b) value for money review and benefit sharing on a whole-life cost or total acquisition cost basis.

N/A Not Applicable

Attribute : Supplier Strategy and Policy

3.2 How early and to what extent is the procurement function involved with internal customer teams in the design and development of their business plans and strategies?

- 1 Developing - No input from Procurement

- 2 Tactical - Regularly work with internal customer teams on procurement of existing and future goods, works and services based on their business plans and strategies. ✓
- 3 Planned - Procurement function is engaged by some internal customers in the joint development of business plans and strategies.
- 4 Superior - Procurement function is engaged at all levels with all internal customer teams on the development of their business plans and strategies.

N/A Not Applicable

Attribute : Category Management

3.3 To what extent are the development and management of commodity strategies and the rationalisation of goods, works and services based on reliable and robust internal information?

- 1 Developing - There is no internal spend data, or data is not sufficiently detailed at line item level to enable the development of strategies or identify opportunities to rationalise good, services or works.
- 2 Tactical - Spend data at line item level is available and is used to develop some commodity strategies. Some work done to identify opportunities to rationalise goods services and works. ✓
- 3 Planned - Some forecast data is available and used. Information informs commodity / project strategy. Regular work done to identify opportunities to rationalise goods services and works.
- 4 Superior - Detailed management information, including line item detail and forecast data, informs all relevant procurement decisions. Information is easily formatted and accessed. Procurement regarded as key source of business intelligence for internal customer strategies. Embedded process including change control for rationalising goods, services and / or works.

N/A Not Applicable

Attribute : Information Systems/P2P

3.4 Is there effective Demand Management early in the procurement process?

- 1 Developing - No effort yet made by procurement function to manage demand.
- 2 Tactical - Some examples of demand management exercises, e.g. review and challenge of internal requirements, service or product rationalisation, alternative service models, etc. ✓
- 3 Planned - Review and regular challenge of demand as part of procurement process, including some benefits. Some demand management processes and guidance in place, and some benefits can be demonstrated.
- 4 Superior - Significant improvements and benefits can be demonstrated. Demand management fully integrated in procurement processes. Full demand and consumption data available 'real time' and linked to service improvements

N/A Not Applicable

Attribute : Category Management

3.5 To what extent, and how, is detailed and rigorous supply market analysis used to drive strategy development?

- 1 Developing - Basic information exists on current suppliers. Limited / no analysis is completed to support strategy development. Little investment in supply market research.
- 2 Tactical - Research conducted inconsistently across the market. Supply market reviews conducted when required. Some understanding of supply markets on an on-going basis. Sources of spend data (e.g. The Hub) used for research purposes prior to some procurement exercises. ✓

- 3 Planned - Research conducted frequently across the market when developing new strategies. Sources of spend data are used for research where appropriate to identify suppliers to inform the commodity strategy.
- 4 Superior - Most commodity/project strategies are based on comprehensive research of the supply market, including the supply chain. Cost and service drivers fully understood and used to drive strategy decisions.

N/A Not Applicable

Attribute : Category Management

3.6 Are mechanisms in place to encourage new suppliers and ensure openness and transparency?

- 1 Developing - Buyer profiles are not on a freely accessible advertising portal Contracts are not advertised on a freely accessible advertising portal
- 2 Tactical - There is a clear process for introduction of new suppliers. Potential new suppliers are referred to standard documentation or information Buyer Profile has been set up on a freely accessible advertising portal e.g. InTend and/or Organisation's Procurement website and some contracts are advertised and award notices are published on the portal. Automated process for low-value procurement is being utilised where appropriate (e.g. GeM RFQ, Boards)
- 3 Planned - Use of automated process for low-value procurement. Advertising contracts is embedded in organisation's procedures and being used across the organisation, with the majority of contracts being advertised and some award notices published. Meet the Buyer events are being held if appropriate. Comprehensive web information for new suppliers. Suppliers are sounded out in early discussions or involved in market testing. Positive action compliant with EU Regulations is taken to increase opportunities for smaller and medium sized enterprises (SMEs). ✓
- 4 Superior - All contracts are advertised and all award notices are published, over the Organisation's tender threshold, on a freely accessible advertising portal. Contracts publicised in specialist journals as well as other freely accessible advertising portal when appropriate. Organisation continuously seeks to increase opportunities for SMEs and review innovative supply ideas as well as measure and report performance against SME participation in procurement exercises.

N/A Not Applicable

Attribute : Supplier Strategy and Policy

4. PROCUREMENT COMMODITY / PROJECT STRATEGIES AND COLLABORATIVE PROCUREMENT

4.1 Are commodity strategies and business cases for local contracts and Framework mini-comp's developed in line with recognised best practice

- 1 Developing - No standard approach consistent with the recognised best practice for developing appropriate commodity / project strategies.
- 2 Tactical - The procurement team develops commodity strategies or business cases based on best practice. ✓
- 3 Planned - There is an organisation-wide sourcing approach in line with recognised best practice. Delegated procurement officers (who make contracts) develop commodity strategies or business cases supported by the procurement team.

4 Superior - Examples of commodity strategies or business cases have been developed using recognised best practice and are shared as best practice across the sector. The organisation demonstrates evidence of actively facilitating and promoting improved procurement performance across other organisations.

N/A Not Applicable

Attribute : Category Management

4.2 To what extent are the (local contracts and mini-comps from frameworks) requirement developed as part of a cross functional team (e.g. a UIG type activity) when demand crosses departmental boundaries?

1 Developing - Requirements are developed in isolation and take no account of up to date end users' requirements.

2 Tactical - The requirements are developed involving cross functional input for some of the eligible contracts (involving more than one department) ✓

3 Planned - The requirements are developed involving key cross functional input for the majority of eligible contracts.

4 Superior - The requirements are developed involving key cross functional input for nearly all, >80%, of eligible contracts.

N/A Not Applicable

Attribute : Category Management

4.3 How much of the overall spend (including local contracts and national/sector framework agreements) is covered by signed-off commodity / project strategies? All strategies should include forecast savings and/or benefits.

1 Developing - Less than 50% of spend covered by commodity / project strategies.

2 Tactical - Between 50% - 70% of spend covered with commodity / project strategies that include forecast savings and/or benefits. ✓

3 Planned - Between 70% - 90% of spend covered by commodity / project strategies that include forecast savings and/or benefits.

4 Superior - Over 90% of spend covered by commodity / project strategies that include forecast savings and/or benefits.

N/A Not Applicable

Attribute : Category Management

4.4 How does the organisation take account of sustainability in its procurement activity?

1 Developing - Procurement strategy, policy and procedures take no account of sustainability OR Strategy, policy and procedures in place, but no outcomes from these are in evidence. ✓

2 Tactical - Sustainable procurement strategy, policies and procedures are in place and are incorporated into major projects. Some social, environmental and economic sustainability outcomes have been delivered.

3 Planned - The organisation can demonstrate that procurement exercises have successful sustainability outcomes and are meeting the sustainability targets from the procurement strategy. There are clear objectives and actions within an improvement plan to build capacity for SME engagement and to increase community benefits as an outcome of the procurement process. Organisations can evidence progress against the action plan.

4 Superior - Evidence shows that sustainability is considered by all procurement practitioners at every stage of the procurement process across all areas of influenceable spend, covering supplies, services and works. The procurement team can demonstrate the success of the above.

N/A Not Applicable

Attribute : Corporate and Social Responsibilities

4.5 How does the organisation monitor its progress towards demonstrating sustainable procurement practices and processes?

1 Developing - The organisation has not yet assessed itself against the Flexible Framework (FF) self-assessment tool

or

There is no evidence of assessment against any sustainability measurement tool and no plans to implement sustainable procurement processes or practices.

2 Tactical - The organisation has assessed itself against the FF. It has a plan of improvement activities required to achieve level 3 in the FF and can demonstrate progress against the objectives or

The organisation has completed an internal audit of sustainability practices. It may not have developed sustainability initiatives however there are plans and timelines, **with some progress shown against these**, in place to:

- Define a sustainability champion for the institution
- Develop a Sustainability Policy to be agreed by senior management team
- Utilise tools to assess sustainability risk of all contracts in place (e.g. Prioritisation Tool)
- Develop sustainability targets and implement key performance indicators (KPI's) with suppliers
- Hold sustainability training for staff
- Consult with suppliers on sustainability policies
- Incorporate sustainability in the appraisal processes for all staff

3 Planned - The organisation has assessed itself at level 3 in all 5 areas of the Framework and can evidence the outcomes of their achievement

or

The organisation has developed sustainability practices and procedures. It has a clear interest in sustainability and is able to evidence the following:

- There is a sustainability Champion in place
- A Sustainability Policy is in place and is endorsed by senior management
- Training for staff has been held and refresher training is available
- Risks associated with sustainability are assessed against all contracts
- KPI's in place for key contracts
- There has been consultation with suppliers on sustainability policies
- Sustainability is incorporated in the appraisal processes for all staff
- Sustainability is considered part of business as usual processes

4 Superior - The organisation can demonstrate through outcomes that they have achieved level 4 in the FF and have a plan in place to achieve L5 within 2 years
or

The organisation has well documented sustainability processes and procedures and is able to evidence the following has been achieved or will be achieved within the next 2 years:

- Sustainability achievements are publicised via case studies to include the benefits achieved
- Practices are often shared with other institutions
- Awards have been received in recognition of achievements
- Sustainability strategy is regularly reviewed and externally scrutinised
- Future priorities are well documented and the strategy is recognised and publicised by senior leaders
- KPI's in place with major suppliers with progress rewarded or penalised based on performance
- Senior management involved in direct dialogue with major suppliers around sustainability and improving their record
- Measures in place to inform strategy development
- Evidence of benchmarking against other organisations
- Benefits of sustainable procurement are evidenced, independently audited and available in the public domain

N/A Not Applicable

Attribute : Corporate and Social Responsibilities

4.6 How does the organisation manage and mitigate risk during the procurement process?

- 1 Developing - There is little evidence of risk management during procurement
- 2 Tactical - Risk reporting takes place on a reactive basis. Financial stability checked at selection stage. T & Cs are standard for, and used by, the organisation as a matter of course. Obvious conflicts of interest are managed as they arise. ✓
- 3 Planned - Risk reporting, including sustainability and reputational, is regular and proactive with mitigation plans in place. Management of financial risk based on segmentation is built into mobilisation plans for contracts, including ongoing monitoring of key suppliers' financial stability. T & Cs includes elements of business continuity, e.g. for software, TUPE, etc.. The organisation recognises the need for action to protect against fraud and has plans to address it. Processes identify, and address, potential conflicts of interest before they arise.
- 4 Superior - Measures are in place to protect the organisation from fraud and from involvement of organised crime in organisational contracts.

N/A Not Applicable

Attribute : Governance

4.7 How are suppliers selected within the organisation?

- 1 Developing - There is no formalised selection process for suppliers. or Supplier selection process is inconsistent and the responsibility or final decision does not lie within procurement.

2 Tactical - There is a clear supplier selection process that is consistently applied throughout the organisation. This process can distinguish between different value/risk profiles on the expected procurement activity. Procurement is responsible for the process. Organisations can demonstrate that the standard Pre-Qualification Questionnaire (PQQ) has been consistently used during the selection process where a two-step selection and award process is necessary. Organisation is adopting a proportionate approach that reduces the need for suppliers to duplicate responses to selection questions across the HE sector. ✓

3 Planned - The supplier selection process should be well communicated throughout the organisation. Procurement is accountable for the application of the supplier selection process across the organisation.

4 Superior - The organisation takes action to reduce the burden of the selection process for suppliers and to improve the process as a whole. Organisations are measuring impact of their selection process on SME access to main contract or sub-contracts.

N/A Not Applicable

Attribute : Governance

4.8 Do post procurement reviews take place to identify lessons to be learned from the process and to determine whether planned benefits and VFM was achieved?

1 Developing - There are no post procurement reviews.

2 Tactical - Post procurement reviews are conducted for some contracts considered by the organisation as high risk. Lessons learned for these are sometimes circulated, but not consistently or systematically.

3 Planned - Post procurement reviews are conducted for all high and medium risk contracts based on segmentation. Lessons learned are always circulated for these cases. ✓

4 Superior - There is a clear and systematic process for circulating lessons learnt. Procurement officers consistently review lessons from earlier projects and adopt revised practices. Independent post project reviews are conducted where appropriate.

N/A Not Applicable

Attribute : Governance

4.9 How is the organisation increasing its local/regional collaborative procurement with other public bodies?

1 Developing - Not developing locally arranged contracts in collaboration with other HEI's or Public Sector bodies.

2 Tactical - The organisation can demonstrate at least 1 local procurement collaboration contract within the past 12 months. The organisation's role may be solely as a participant rather than leading.

3 Planned - The organisation can demonstrate participation in several local collaborative contracts within the past 12 months. The organisation has analysed spend and other information internally and with potential partners to identify opportunities with anticipated savings and benefits. This has resulted in a plan for future collaboration which is incorporated into the organisation's procurement plan. ✓

4 Superior - The organisation regularly leads on local collaborations and has embedded local collaboration as part of its procurement procedures. The organisation (at least) annually reviews the opportunities for collaboration with its partners based on market and demand analysis. The organisation tracks and is increasing the number, scope and share of spending on locally arranged contracts on an annual basis.

N/A Not Applicable

Attribute : Collaboration

4.10 Is the organisation working with centres of expertise/consortia on collaborative procurement?

- 1 Developing - Currently acting independently or utilising only a very small number of collaborative contracts. ✓
- 2 Tactical -The organisation participates in more than 60% of applicable CoE/Consortia contracts.
- 3 Planned - The organisation participates in more than 75% of applicable CoE/Consortia contracts, including active participation in UIGs where required, and other aspects of the development of the contracts.
- 4 Superior - The organisation participates in more than 90% of applicable CoE/Consortia contracts, including active participation in UIGs where required, and other aspects of the development of the contracts. The organisation leads contract development groups where required, and is involved in other aspects of the development of the contracts.

N/A Not Applicable

Attribute : Collaboration

4.11 Which evaluation criteria are used during local procurement exercises?

- 1 Developing - Lowest price, or lowest price with selective focus on operational requirements, e.g. delivery/availability
- 2 Tactical - Most Economically Advantageous Tender is used. MEAT takes into account technical and commercial criteria e.g. quality and a rigorous assessment of price/quality ratio (not just criteria used for last contract).
- 3 Planned - Sustainability criteria appropriate to the commodity / project strategy are considered and reflected in tender evaluation. ✓
- 4 Superior - Whole life costs and total acquisition costs are incorporated for all appropriate tenders and evaluation criteria also reflect lessons learned from previous exercises internally or externally to the organisation.

N/A Not Applicable

Attribute : Supplier Strategy and Policy

4.12 Does the organisation incorporate social action and associated social benefit into its procurement activities?

- 1 Developing - The organisation does not make reference to a commitment to social action and social benefit in any corporate statements/plans
- 2 Tactical - There is a stated corporate commitment to enabling some social benefit as a result of the organisation's procurement activities. The role of sustainability champion has been allocated and social action and benefit is a stated priority.

- 3 Planned - The organisation can demonstrate at least one delivered social action project with identified social benefits already accrued or to be accrued. As examples this may include a contract with a Supported Business or a Social Enterprise or having obtained, or actively working to obtain, Fairtrade accreditation
- 4 Superior - The organisation can demonstrate at least 3 social action projects, delivered or in the process of being delivered, with identified social benefits already accrued. Plans are in place for further such projects.

N/A Not Applicable

✓

Attribute : Corporate and Social Responsibilities

4.13 Do contracts/ engagements demonstrate strong management of sustainability responsibility in the supply chain. Has the risk been analysed on exposure?

- 1 Developing - Sustainability is not considered nor risk analysed.
- 2 Tactical - Some awareness and basic management with sustainability clauses in major contracts. ✓
- 3 Planned - Detailed awareness of the reputational risk exposure from the supply chain with clauses in contracts. Demonstration of due diligence and key risks management.
- 4 Superior - Strong management of reputational risk and mitigating actions identified. Sustainability as a core requirement and clauses in contracts. Positive PR achieved on sustainability where possible. Key suppliers manage sustainability in their own supply chain. Any gaps identified and action plans in place.

N/A Not Applicable

Attribute : Corporate and Social Responsibilities

5. CONTRACT AND SUPPLIER MANAGEMENT

5.1 How does the organisation ensure that all local contracts and frameworks are being used?

- 1 Developing - No processes in place to ensure that procurement monitor contract usage and maverick spend.
- 2 Tactical - Procurement ensure users know how and where to find contract information and are aware of purchasing procedures. Mechanisms have been put in place to promote use of contracts like catalogues, and targeted communications and training for delegated purchasers. Some contracts have an implementation plan to embed it across the organisation. Some attempt to monitor and address off-contract/maverick spend. ✓
- 3 Planned - The majority of appropriate contracts have an implementation plan which include targets and timescales to ensure uptake. There are clear procedures and plans in place to deal with off-contract/maverick spend. Action on off-contract spend is based on analysis of organisational spend data. Consumption is monitored against forecasts as appropriate.
- 4 Superior - The organisation can evidence how successful the drive to eliminate off-contract spend has been and the savings and benefits delivered. Consumption data informs demand management and future spend analysis.

N/A Not Applicable

Attribute : Collaboration

5.2 Does the organisation have a clear understanding of its contract coverage?

- 1 Developing - Contract register does not exist or covers less than 50% of procurement spend.

- 2 Tactical - Contract register in place covering over 50% of organisation's procurement spend. An organisational contract register contains most of the following: contract name, supplier name, contract start & end dates, total value, annual value, basic savings data, level of contract management (hi/med/lo), contract manager, local/framework/mini-comp, procurement route applied
- 3 Planned - Contract register in place covering over 75% of organisation's procurement spend.
- 4 Superior - Contract register in place covering over 90% of organisation's procurement spend. Contract register (and/or benefits tracker where appropriate) also includes forecast and secured annual savings, actual savings realised (e.g. budget cut).

N/A Not Applicable

✓

Attribute : Reporting and KPI

5.3 How are contracts and suppliers managed across the organisation?

- 1 Developing - Contracts and suppliers are managed on a reactive basis by the end-user. No overall strategy for contract and supplier management e.g. no supplier segmentation in place.
- 2 Tactical - The organisation is using elements of a contract and supplier management approach in line recognised best practice for some suppliers. There is a written commitment published for being open, fair and transparent with suppliers. ✓
- 3 Planned - The organisation uses a contract and supplier management approach in line with recognised best practice based on segmentation. Contract users input to supplier performance rating for high and medium segments of supply base.
- 4 Superior - The organisation has a fully implemented supplier and contract management strategy and regularly achieves savings and benefits directly through contract and supplier management. High and medium segments have exit strategies in place. The organisation has produced case studies of its best practice and has shared them across the sector

N/A Not Applicable

Attribute : Supplier Strategy and Policy

5.4 During the life of the contract, how proactive is the organisation's approach to the review of specification of current products and services to deliver benefits?

- 1 Developing - No review or challenge of current products and services.
- 2 Tactical - Design of current products and services is assessed to achieve reduced cost only. Procurement is involved on a reactive basis.
- 3 Planned - Users and Procurement pro-actively review and challenge existing products & services for some key purchases, delivering benefits as a result. ✓
- 4 Superior - Users and Procurement pro-actively review and challenge existing products and services for all key purchases, delivering benefits as a result.

N/A Not Applicable

Attribute : Category Management

5.5 Does the organisation manage supply risk during the life of the contract?

- 1 Developing - Management of supply risk is reactive.
- 2 Tactical - Contracts and suppliers have been segmented and risks identified, but little active risk management is visible.

- 3 Planned - Business continuity strategies have been developed for top segment of the supply base. Risk register includes agreed risks and contingencies and is reviewed on an ad hoc basis.
- 4 Superior - Supplier risk environment (e.g. importance of the contract to the supplier, impending mergers, etc.) is reviewed at regular contract review meetings for the top segment. Risks include regular review of external factors and are escalated to appropriate risk registers. Corporate risk register contains plans for mitigation for business critical contracts.

N/A Not Applicable

✓

Attribute : Governance

5.6 Do suppliers have an opportunity to provide structured feedback to the organisation during the life of the contract?

- 1 Developing - Suppliers feedback on an ad hoc basis.
- 2 Tactical - Suppliers have opportunity to feedback on contract performance during review meetings.
- 3 Planned - Suppliers feedback as part of formal review process on the organisation's supplier management processes. Feedback from suppliers has driven some improvements in the organisation.
- 4 Superior - The organisation systematically utilises supplier feedback to: 1. support continuous improvement of overall procurement processes 2. develop products or services 3. deliver additional savings and benefits during the life of the contract

N/A Not Applicable

✓

Attribute : Supplier Strategy and Policy

5.7 How are supplier and organisational processes developed during the life of the contract to deliver benefits to the organisation?

- 1 Developing - No evidence of suppliers being developed.
- 2 Tactical - Supplier reviews result in ad hoc service, process or product improvements.
- 3 Planned - Contract performance improvement is a standing item during supplier reviews. Performance improvements deliver benefits to both parties. Reward sharing is built into contracts covering several departments and is measured to demonstrate benefits.
- 4 Superior - The organisation has a supplier development programme which targets a small number of suppliers from the top segment of the supply base. It involves investing in supplier capability (e.g. skills or process development) to achieve organisational benefits.

N/A Not Applicable

✓

Attribute : Supplier Strategy and Policy

6. KEY PURCHASING PROCESSES AND SYSTEMS

6.1 How effective is the process for receiving and authorising payment for goods, services & works?

- 1 Developing - There is no corporate visibility and control over the process for payment of suppliers based on delivery or completion of work. Low (<50%) 1st time match rate on 2 way match (purchase order and invoice).
- 2 Tactical - Goods deliveries are planned and are receipted against the order and a Goods Receipt Note (GRN) is registered against the order. There is a corporate process to authorise the completion of works or services prior to invoicing Low to medium (50%-75%) 1st time match rate on 2 way match (purchase order and invoice)

✓

3 Planned - A high percentage of receipt and payment transactions are processed through a P2P system according to organisational policy. High 1st time match rate (75%-90%) on 3 way match (order, GRN (or completion cert, etc.) and invoice).

4 Superior - All receipting, matching and payments are controlled in line with organisational policies and delegation is embedded in software allowing for a high percentage of automation in the P2P process. 1st time match rate is over 90% optimisation of packaging and delivery processes (i.e. reduction in number of boxes/packages) is agreed with key suppliers (if appropriate) or volume suppliers of goods.

N/A Not Applicable

Attribute : Information Systems/P2P

6.2 What is the organisation's performance in terms of payments to suppliers ?

1 Developing - No reporting available to measure payment performance and /or frequent cases of late payment and/or some instances of supply stoppages resulting

2 Tactical - 80% of payments achieve organisational or sectoral target on receipt of a valid & approved invoice

3 Planned - 90% of payments achieve organisational or sectoral target on receipt of a valid & approved invoice. ✓

4 Superior- Good payment terms are promoted in the supply chain with the organisation monitoring success.

N/A Not Applicable

Attribute : Corporate and Social Responsibilities

6.3 Are suitable technology-based tools in place and used?

1 Developing - Basic manual processes in place e.g. paper based requisitioning process Significant duplication of effort still evident in managing the Supply Chain transactional process e.g. goods receiving. Management information is mainly derived from the Finance System's Accounts Payable (creditors) module.

2 Tactical - The organisation uses requisitioning and ordering software (either integrated or stand-alone) which has reduced manual processes. There are local / home-grown databases which hold information on the organisation's procurement activity. The organisation uses purchasing cards, consolidated invoicing and self-billing according to their strategy. ✓

3 Planned - Suitable technology solutions are in place and being used for the majority of the following 1. Contract database 2. eRequisition and Ordering 3. eTendering 4. eEvaluation 5. eAuctions 6. eInvoicing 7. Content management/catalogues 8. Contract and supplier management 9. Data warehouse 10. Publishing notices and awards 11. Spend analysis tool 12. Automated goods receipting

4 Superior - The organisation uses a variety of integrated solutions to manage the flow of procurement information between procurement, finance and service software. Supplier information is regularly analysed for savings and efficiencies, as well as benchmarked against prior year expenditure. Requisition and ordering software is used as the recognised ordering process with appropriate business and approval workflows in place. Management Information is used from the systems in daily work

N/A Not Applicable

Attribute : Information Systems/P2P

6.4 How does the organisation ensure that products and services are correctly and consistently coded, that prices are correct and updated in a timely manner and that this information is available in the general ledger/finance system?

- 1 Developing - There is little visibility or control of how goods and services are coded across the organisation beyond the departments buying them.
- 2 Tactical - Standardised item and commodity/service coding and pricing exists within departments. eProcurement and/or other purchasing systems may interface with ledger, but infrequent control, review and updating of prices and financial coding. Some double entry exists.
- 3 Planned - Content management (catalogue or alternative) operates at an organisational level to ensure standardised item and commodity/service coding for the majority of spend (by value) on goods and services. Regular control, review and updating of codes and prices through a catalogue management system / e-procurement and/or other purchasing systems takes place. Procurement are responsible for ensuring effective corporate coding for organisation-wide procurement, but may not be involved in all department specific coding.
- 4 Superior - Content management ensures standardised item and commodity/service coding for >80% of spend (by value) on goods and services. eProcurement and departmental service applications are integrated with ledger. Frequent reviews and updating of prices and financial coding takes place. Procurement are responsible for ensuring effective corporate coding for all procurement activity and reports. ✓

N/A Not Applicable

Attribute : Information Systems/P2P

6.5 Has the organisation assessed its procurement process automation and information requirements and implemented an ICT strategy to meet them?

- 1 Developing - Systems are developed on departmental lines.
- 2 Tactical - The organisation has assessed some aspects of its procurement process automation and information requirements and these have been actioned.
- 3 Planned - A procurement ICT strategy and business case have been developed and approved by senior management. This includes: 1. the automation of appropriate procurement processes to reduce cost, labour and errors 2. the provision of easy access to information to: - develop new contracts - do effective supplier management and contract mobilisation - continuously improve the procurement processes and performance of the organisation - provide tailored reports to all stakeholder groups on procurement performance 3. opportunities to work with, and exploit, any national and sectoral information projects Implementation is underway. ✓
- 4 Superior - The full strategy has been implemented and embedded in the organisation. The requirements are re-visited on an annual basis.

N/A Not Applicable

Attribute : Information Systems/P2P

7. PEOPLE

7.1 How proactive is the Procurement department in terms of planning future resources?

- 1 Developing - No evidence of manpower planning, ad hoc based on cost, not requirement. No clear links to recruitment, development & training. Procurement team managers not involved.
- 2 Tactical - A clear & comprehensive plan is in place for the Procurement department. The plan is linked to recruitment, development & training. There may be key skills / resource gaps but there are clear plans to address these.

3 Planned - The Procurement Department staffing plan is integrated with the organisation's business planning process. There are no key skills / resource gaps or any identified gaps will be filled within the next three months.

4 Superior - The Procurement Department staffing plan includes requirements arising from national procurement strategies and policies, including resource requirements for managing change. There are no key skills / resource gaps or any identified gaps will be filled within the next three months. ✓

N/A Not Applicable

Attribute : Resources and Skills

7.2 Do Procurement Professionals contribute to initiatives to improve procurement efficiency and effectiveness? E.g. improving efficiency in procurement processes, removing duplication etc..

1 Developing - Procurement Professionals never contribute to improvement initiatives to improve procurement efficiency and effectiveness.

2 Tactical - Procurement Professionals sometimes contribute to initiatives to improve procurement efficiency and effectiveness. It is always the same limited number of individuals who contribute (this should be gauged proportionately to the size of the Procurement team).

3 Planned - Procurement Professionals regularly contribute to initiatives to improve procurement efficiency and effectiveness. A variety of individuals contribute (this should be gauged proportionately to the size of the Procurement team). The initiatives are always instigated and led by senior management within the Procurement team. ✓

4 Superior - Procurement Professionals at varying levels within the Procurement team instigate and lead procurement efficiency and effectiveness initiatives.

N/A Not Applicable

Attribute : Resources and Skills

7.3 Do Procurement Professionals and Officers have their competency levels assessed using the nationally available Procurement Competency Framework or a similar competency framework?

1 Developing - Not aware of the Procurement Competency Framework or similar frameworks. Procurement Officers do not have their procurement related competency levels assessed.

2 Tactical - Awareness of the Procurement Competency Frameworks or similar frameworks that includes procurement competencies. They are used on an ad-hoc basis with procurement personnel, to assess some procurement related competency levels.

3 Planned - The Procurement Competency Framework (or similar) outputs are used to assess procurement competency levels as part of the regular (at least annual) performance review/management process and are used to identify future development and training requirements. ✓

4 Superior - The Procurement Competency Framework (or similar) is used to identify competency profiles for procurement posts and for assessing procurement personnel competency levels. The framework is used to identify skills gaps for individuals and for the wider procurement network which inform strategic training and development plans.

N/A Not Applicable

Attribute : Resources and Skills

7.4 How well established are the training and development support structures for Procurement Professionals and Officers? Is there a designated budget for procurement training which is equivalent to the training budget allowed for other specialist a

- 1 Developing - "No training plans exist or training plans are primarily focused on ""on the job"" training and guidance or in response to 'ad-hoc' requests by members of staff. There is no specific budget allocated for the training of Procurement Professionals and Officers."
- 2 Tactical - Training plans focused on individual skills assessments. Training primarily mixture of internal training and ""on the job"" guidance. Opportunities for development using mentoring and secondments are not utilised. There is a small budget allocated for training of Procurement Professionals and Officers however it is considerably less than the training budget allowed for other specialist areas within the organisation. ✓
- 3 Planned - Internal & external training is aligned to individual skills assessments and training requirements. Some development opportunities exist via mentoring or secondments. The training has been followed up and there is evidence that the training has been effective. There is a specific budget allocated for training of Procurement Professionals and Officers which is equivalent to that of other specialist areas within the organisation.
- 4 Superior - Internal & external training is aligned with both organisation's strategy and individual skills assessments and training plans. Opportunities for development using mentoring and secondments are an integral part of the training and development of staff. The training session have been followed up and there is evidence that the training has been effective (e.g. tests, commodity strategies completed subsequent to training courses). There is a specific budget allocated for Procurement Professionals and Officers which is equivalent to that of other specialist areas within the organisation.

N/A Not Applicable

Attribute : Resources and Skills

7.5 Is there a process in place for ensuring that non-procurement staff who have authority to procure have the appropriate competency levels.

- 1 Developing - There is no process in place to identify non-procurement staff who are actively involved in the procurement process.
- 2 Tactical - A process to identify non-procurement staff who are actively involved in the procurement process is being developed. A training programme is being produced which will form part of the delegated procurement process.
- 3 Planned - A number of non-procurement staff who are actively involved in the procurement process have been identified and have completed appropriate levels of training. ✓
- 4 Superior - There is a well-established delegated procurement process in place, which is linked to financial thresholds. Before non-procurement staff are given the authority to procure they have to successfully complete an appropriate level of training. Their competency levels are assessed on a regular basis as part of the performance review/management process.

N/A Not Applicable

Attribute : Resources and Skills

7.6 How proficient with EU Procurement Legislation are the Procurement Professionals and Officers within the organisation (including those with delegated purchasing authority)?

- 1 Developing - Little/no or "old" knowledge of EU Procurement legislation. Last evidence of training > 2 years ago or marginal knowledge of EU Procurement Legislation. Last evidence of training < 2 years - refresher level only.

- 2 Tactical - Good general knowledge with evidence of the practical application of EU Procurement Legislation within the Procurement department e.g. advertising of contracts. Some evidence of training in the past 12 months. No process in place for ensuring that staff involved in the procurement process, but are not located in the Procurement department, have the appropriate knowledge or know where to seek advice. Procurement Professionals and Officers provide advice and guidance on EU Legislation to colleagues across organisation. Any challenges on breach of EU Legislation over last 12 months have not been upheld.
- 3 Planned - Good general knowledge with evidence of the practical application of EU Procurement Legislation within the procurement department. Register of all staff attending appropriate levels of training on an annual basis. Some staff who are in the procurement process, but are not located in the procurement department, have received training on EU procurement legislation. Procurement Professionals and Officers provide advice and guidance on EU Legislation to colleagues across organisation. Any challenges on breach of EU Legislation over last 12 months have not been upheld.
- 4 Superior - Comprehensive understanding with evidence of practical application of EU Procurement Legislation within the procurement department. Regular and appropriate training plans in place to keep knowledge current and to required levels for all staff involved in the procurement process. Procurement Officers provide advice and guidance on EU Legislation to colleagues across organisation. Any challenges on breach of EU Legislation over last 12 months have not been upheld ✓

N/A Not Applicable

Attribute : Resources and Skills

8. PERFORMANCE MEASUREMENT

8.1 How well defined are the procurement performance measures?

- 1 Developing - No specific procurement measures or procurement measures are set but not understood or reported.
- 2 Tactical - Procurement measures defined, but focus largely on financial benefits of tendering. Ad hoc reporting of performance against objectives reviewed by senior management. ✓
- 3 Planned - Measures include benefits from contract and supplier management and performance against them reported to senior management regularly.
- 4 Superior - Measures include benefits from strategic re-design of requirements (service re-design) and Procurement Manager regularly reports and discusses measures and achievements at Board level.

N/A Not Applicable

Attribute : Reporting and KPI

8.2 Do Procurement Officers and relevant managers get appropriate, timely and accurate procurement spend information?

- 1 Developing - Little or no systematic reporting information is available e.g. variance analysis, comparison of outturn against budget, performance against targets & measures
- 2 Tactical - As part of standard financial reporting, Procurement Officers and relevant managers routinely get relevant, timely and accurate statements of procurement spend at line item level against budgets. Procurement Officers and relevant managers receive reports on variances over a specified amount.

<p>3 Planned - Financial reporting includes spend against budget and variance analysis. Areas of high costs are scrutinised and reviewed on a regular basis. Budget holders report unusual patterns or variances to Procurement. ✓</p> <p>4 Superior - Financial reporting also defines and measures performance targets.</p> <p>N/A Not Applicable</p> <p>Attribute : Information Systems/P2P</p>
<p>8.3 Do all appropriate stakeholders receive, and act on, relevant procurement reports?</p> <p>1 Developing - No clear approach, few reports</p> <p>2 Tactical - Procurement reports provided for procurement line management and senior management team on demand.</p> <p>3 Planned - Reports are provided to some internal procurement customers highlighting opportunities, risks and trends in departments. ✓</p> <p>4 Superior - All procurement customers and stakeholders receive reports. These highlight opportunities and risks that procurement work with them to realise and mitigate respectively.</p> <p>N/A Not Applicable</p> <p>Attribute : Reporting and KPI</p>
<p>8.4 Is procurement spending monitored to ensure that it realises its anticipated benefits and savings against targets?</p> <p>1 Developing - No monitoring evident, few reports</p> <p>2 Tactical - Basic attempts are made to monitor procurement outcomes on a contract by contract basis. There may be gaps in the analysis and no overall picture of performance is provided.</p> <p>3 Planned - Procurement outcomes – financial, quality of goods / service and wider benefits and savings - are monitored and are on track to deliver against targets.</p> <p>4 Superior - Procurement benefits and savings are clearly defined at project and business level and are quantified in terms of clearly improving business performance. Performance information is highly accessible and easy to interpret. Any remedial decisions based on the performance information are communicated and documented appropriately. All benefits and savings are on track and some are being delivered ahead of schedule ✓</p> <p>N/A Not Applicable</p> <p>Attribute : Information Systems/P2P</p>
<p>8.5 How does procurement use customer feedback to improve its performance?</p> <p>1 Developing - Limited customer feedback obtained.</p> <p>2 Tactical - There is a process for customer feedback, but it is not regularly used and there is no process for systematically acting on the feedback.</p> <p>3 Planned - Consistent documented processes and two-way feedback is the norm. Formal customer feedback survey is completed at least once a year. Feedback is regularly acted on and customers are kept informed of progress.</p> <p>4 Superior - The feedback process results in a formal action plan to improve performance which is updated regularly. There is clear evidence that results from previous customer feedback surveys are actioned and show improvements ✓</p> <p>N/A Not Applicable</p> <p>Attribute : Organisational</p>

8.6 Does the organisation contribute to analysis of trends in public sector procurement by supplying relevant information?

- 1 Developing- Little reporting takes place or data is out of date.
- 2 Tactical -Some of the BPIs have been completed and reported. Annual Spend Return is submitted on time to relevant Consortia A PMA has been initiated and scores will be reported for the organisation through the Procurement Shared Service
- 3 Planned -All 7 BPIs are completed and reported. Annual Spend Return is submitted on time to relevant Consortia. A PMA has been undertaken and scores reported for the organisation through the Procurement Shared Service The organisation works with the relevant Consortia to provide commodity spend data and future demand spending patterns.
- 4 Superior -Organisations participate in national working groups to shape the MI requirements and analysis. A sustainable procurement action plan for the organisation has been published.

N/A Not Applicable



Attribute : Reporting and KPI

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Appendix G

Areas of Procurement Strength

Areas of Strength are defined as those scores achieving the sector target in the Maturity Study Assessment

The target is set at:

- Planned for a small institution (less than £30m non-pay spend per annum) and
- Superior for a large institution (greater than or equal to £30m non-pay spend per annum).

Governance

- 1.5 An internal or external audit of procurement has been carried out in the last year. The audit scope is comprehensive and covers strategic and transactional aspects of procurement. Actions in response to any significant gaps or issues have been fully implemented or have a plan for implementation.
- 2.1 ed - Strategy communicated across the organisation. The strategy defines the organisation's position with regard to sustainability in procurement. An action plan has been developed from the procurement strategy complete with objectives and performance measures and is updated at least annually. Team objectives reflect the procurement strategy.
- 4.8 Post procurement reviews are conducted for all high and medium risk contracts based on segmentation. Lessons learned are always circulated for these cases.

Reporting and KPI

- 8.3 Reports are provided to some internal procurement customers highlighting opportunities, risks and trends in departments.

Organisational

- 8.5 The feedback process results in a formal action plan to improve performance which is updated regularly. There is clear evidence that results from previous customer feedback surveys are actioned and show improvements
- 1.4 ior - The separation of duties and authority levels are embedded into computer systems to ensure compliance and appropriate authority for all transactions.
- 1.1 The Head (leader) of Procurement is responsible for managing all procurement activity and processes within the organisation. Procurement provides reports to senior management at least annually and can access senior management team (SMT) level discussion to raise procurement issues.
- 1.3 Clearly defined roles with key stakeholders, appropriate to needs. Regular recorded reviews with stakeholders focusing on future procurement activity and relationship management.

Resources and Skills

- 7.1 The Procurement Department staffing plan includes requirements arising from national procurement strategies and policies, including resource requirements for managing change. There are no key skills / resource gaps or any identified gaps will be filled within the next three months.
- 7.6 Comprehensive understanding with evidence of practical application of EU Procurement Legislation within the procurement department. Regular and appropriate training plans in place to keep knowledge current and to required levels for all staff involved in the procurement process. Procurement Officers provide advice and guidance on EU Legislation to colleagues across organisation. Any challenges on breach of EU Legislation over last 12 months have not been upheld

- 7.2 ed - Procurement Professionals regularly contribute to initiatives to improve procurement efficiency and effectiveness. A variety of individuals contribute (this should be gauged proportionately to the size of the Procurement team). The initiatives are always instigated and led by senior management within the Procurement team.
- 7.3 The Procurement Competency Framework (or similar) outputs are used to assess procurement competency levels as part of the regular (at least annual) performance review/management process and are used to identify future development and training requirements.
- 7.5 ed - A number of non-procurement staff who are actively involved in the procurement process have been identified and have completed appropriate levels of training.

Corporate and Social Responsibilities

- 6.2 90% of payments achieve organisational or sectoral target on receipt of a valid & approved invoice.

Collaboration

- 4.9 The organisation can demonstrate participation in several local collaborative contracts within the past 12 months. The organisation has analysed spend and other information internally and with potential partners to identify opportunities with anticipated savings and benefits. This has resulted in a plan for future collaboration which is incorporated into the organisation's procurement plan.

Information Systems/P2P

- 6.4 ior - Content management ensures standardised item and commodity/service coding for >80% of spend (by value) on goods and services. eProcurement and departmental service applications are integrated with ledger. Frequent reviews and updating of prices and financial coding takes place. Procurement are responsible for ensuring effective corporate coding for all procurement activity and reports.
- 8.4 Procurement benefits and savings are clearly defined at project and business level and are quantified in terms of clearly improving business performance. Performance information is highly accessible and easy to interpret. Any remedial decisions based on the performance information are communicated and documented appropriately. All benefits and savings are on track and some are being delivered ahead of schedule
- 6.5 A procurement ICT strategy and business case have been developed and approved by senior management. This includes: 1. the automation of appropriate procurement processes to reduce cost, labour and errors 2. the provision of easy access to information to: - develop new contracts - do effective supplier management and contract mobilisation - continuously improve the procurement processes and performance of the organisation - provide tailored reports to all stakeholder groups on procurement performance 3. opportunities to work with, and exploit, any national and sectoral information projects Implementation is underway.
- 8.2 Financial reporting includes spend against budget and variance analysis. Areas of high costs are scrutinised and reviewed on a regular basis. Budget holders report unusual patterns or variances to Procurement.

Supplier Strategy and Policy

- 3.6 Use of automated process for low-value procurement. Advertising contracts is embedded in organisation's procedures and being used across the organisation, with the majority of contracts being advertised and some award notices published. Meet the Buyer events are being held if appropriate. Comprehensive web information for new suppliers. Suppliers are sounded out in early discussions or involved in market testing. Positive action compliant with EU Regulations is taken to increase opportunities for smaller and medium sized enterprises (SMEs).
- 4.11 Sustainability criteria appropriate to the commodity / project strategy are considered and reflected in tender evaluation.
- 5.7 Contract performance improvement is a standing item during supplier reviews. Performance improvements deliver benefits to both parties. Reward sharing is built into contracts covering several departments and is measured to demonstrate benefits.

Category Management

- 5.4 ed - Users and Procurement pro-actively review and challenge existing products & services for some key purchases, delivering benefits as a result.

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