

The image shows a modern building with a glass facade on the left and a historic stone building with Gothic architecture on the right. The University of Manchester logo is in the top left corner.

MANCHESTER
1824

The University of Manchester

Central Procurement Office Annual Report 2015/16

Statement

Director of Finance



Stephen Dauncey, Director of Finance

The University of Manchester is a large organisation. We have an annual non-staff spend of over £400m and have recently embarked on a £1bn capital programme. What and how we procure is critical to the success of our business now and in the long-term.

Our strategic plan is based around our three core goals: world-class research; outstanding learning and student experience; and social responsibility. We are one of the few universities in the world to make this strategic commitment to responsible practices across all of our business activities from the student experience to HR and Finance.

As a result, directorates across the University have been developing their own commitments in support of these institutional ambitions. For Finance and in particular the Central Procurement Office this has meant a commitment to responsible procurement. This is the integration of environmental, social and economic considerations into our procurement practice and process.

I am proud of the work of the Central Procurement Office Team and the progress they have made to date and I am also delighted to see their efforts being recognised within The University of Manchester and throughout the sector as leading the way on this important agenda. This first annual report has been produced to bring together our progress over the past 18 months. It is part of our goal to share our

learning and experience. We also consider it to be a public statement of our ongoing commitment to procuring responsibly and building on the valuable work that has already been undertaken.

As the report demonstrates the Finance Directorate has a key role in supporting the University's strategic goals and through innovative approaches is able to do this without losing sight of the need to demonstrate and add value.

The Central Procurement Office has adopted the notion of responsible procurement which encapsulates both traditional concepts of value for money alongside the wider requirements of social responsibility.

I would like to pay tribute to my predecessor, Steve Mole, who oversaw the start of this process and I am looking forward over the coming twelve months to seeing further progress in this area as the University continues to work towards its ambitious 2020 Agenda.

View a film made about our work [here](#)

Statement

Head of Procurement



Kevin Casey, Head of Procurement

I would like to begin this statement with a thank you to my team. When we first looked at the University's social responsibility commitment and began thinking about how we could contribute as a team, we realised there was much to do.

Less than 18 months later we are now in a very different place and this is due to the hard work, persistence and openness of the whole Central Procurement Office. Their collective ability to engage with the environmental sustainability and social responsibility agenda within the University and to integrate the issues and opportunities created within the procurement process has been remarkable. Whilst there is more to do, it is worth taking stock of how far we have come.

We are proud that we have achieved Level 4 of the Flexible Framework in six months and are striving to reach Level 5 during 2016-2017, and that we are committed to sharing our learning with the sector.

We will continue to share our learning, our successes and our challenges on our responsible procurement journey.

View the Central Procurement Office webpages [here](#)

What responsible procurement means for the University



There is no single definition of responsible procurement. However, it is generally considered to be a procurement process that considers social, environmental and economic impacts to support sustainable development.

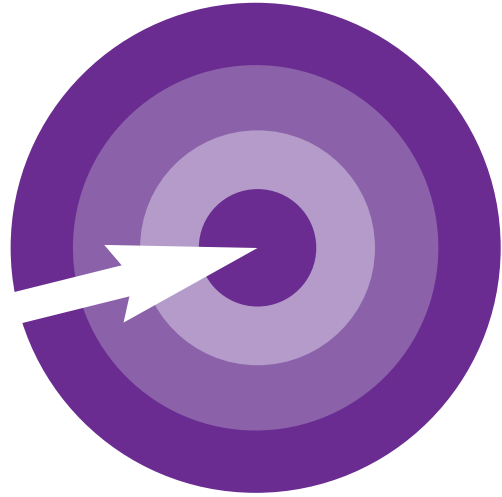
At The University of Manchester, we go further than this. We see responsible procurement as the way in which we ensure that the environmental, social and economic impacts of what we buy are considered within the procurement process. Where the goods or services we purchase have negative impacts, we will reduce them. Where they have positive impacts, we will enhance them.

We know it is a subtle difference, but by placing an equal focus on the positive contributions of procurement, the value we bring and minimising the negative impacts of what we procure, the University has adopted a new approach to this agenda.

Responsible procurement, to us, is just excellent procurement. The University aims for excellence in research, teaching and the student experience and we are no different in how we approach our procurement processes.

Link responsible procurement webpages [here](#)

How (and why) we are making responsible procurement happen



Social responsibility is one of the University's three core goals, and within it is a commitment to responsible processes. It describes how we balance our need for efficiency with opportunities to create social and environmental benefit.

There had also been a clear steer for British Universities through the Procurement Maturity Assessment that social responsibility was an increasingly important factor within procurement. The team as a whole were ready to take on the challenge.

We set ourselves a number of ambitious targets to stretch the team and our thinking:

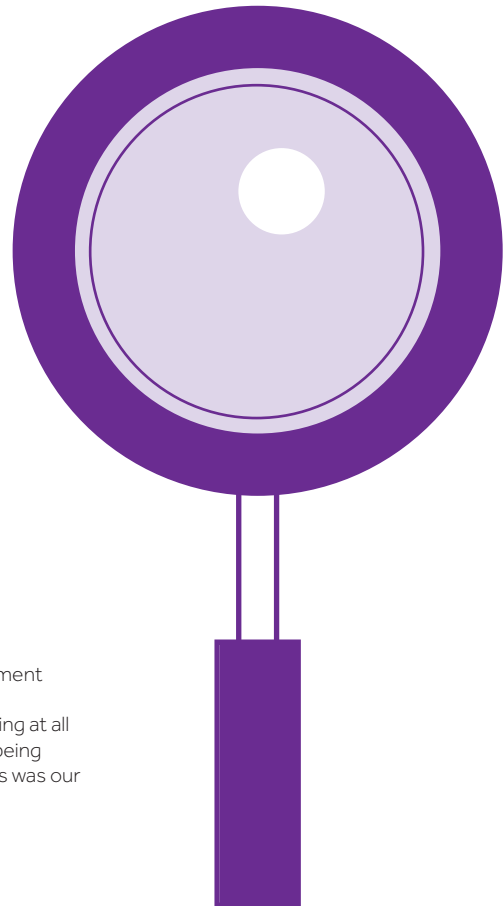
- to demonstrably support the University commitment to social responsibility and environmental sustainability;
 - to achieve Level 4 of the Flexible Framework a self-assessment tool for organisations within six months;
- Further information can be found [here](#)

- to strive to have a positive impact through our spend by reducing negative impacts and enhancing positive impacts;
- to take a meaningful lead as the largest UK university by sharing our approach and our learning;
- to make responsible procurement simply 'business as usual'.

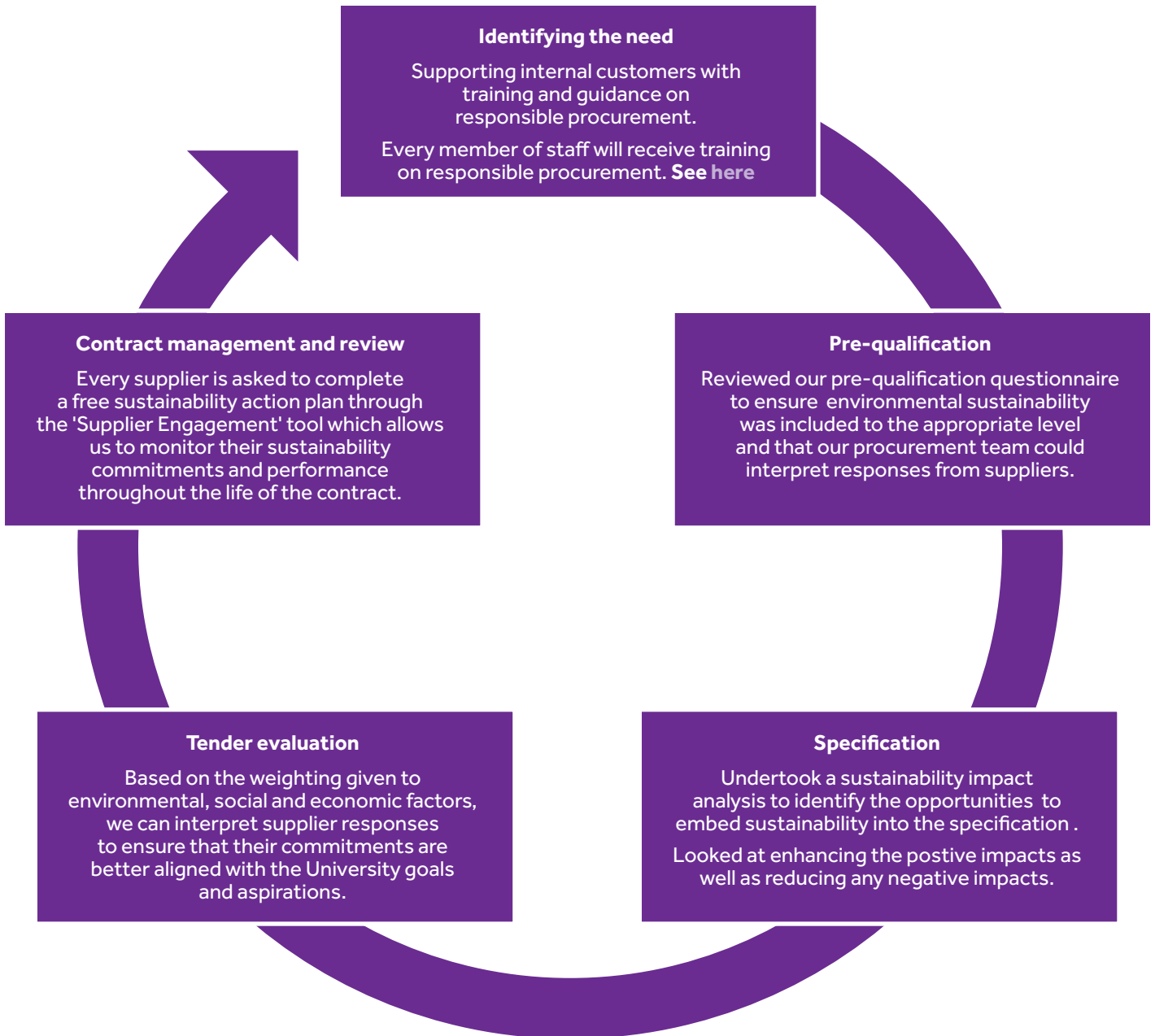
Embedding responsible procurement

Successfully embedding environmental sustainability and social responsibility meant we had to systematically look at our procurement processes and find the opportunities to embed the right considerations at the right time.

This did not mean ignoring procurement legislation or value for money considerations, but it did mean looking at all of our systems and processes and being happy to challenge our thinking. This was our approach:



Embedding responsible procurement



Making a difference – a look at the numbers

More than
12,000 staff

More than £400 million
spent annually on
works, goods and
services

£1 billion construction
programme

Professional
team of 9

Over 3,000
devolved procurers

About 8,000
suppliers

260 suppliers
supported to create
free sustainability
action plans

75% of suppliers
self-identified as SMEs

72% of suppliers
are keen to improve
communications
with customers

56% of work is
accessible to people
from all backgrounds

1,235 sustainability
actions in progress
or completed

Our suppliers have
created 102 custom
sustainability actions

492 pieces of evidence
of sustainability action
have been provided
by our suppliers

We are Level 4
on the Flexible
Framework

We will be at Level 5
on the Flexible
Framework during
2016-2017

The numbers in the green boxes relate only to the percentage of suppliers who have completed the supplier engagement tool as at May 2016.

CASE STUDIES

Staff

Supporting our own staff on responsible procurement is an important part of what we do. Our people are central to making responsible procurement happen. That is why, over the course of the past 18 months, we have sought to support and engage with staff on sustainability.

This has meant taking the time to engage with key stakeholders from across the organisation. We have been able to do this successfully by developing a close working relationship with the Environmental Sustainability team and the Office for Social Responsibility, who have helped us identify opportunities to really make a difference.

Training every member of staff on responsible procurement

Context:

Social responsibility is one of the University's core goals and is supported by a staff engagement programme. The programme is a comprehensive mixture of training and action planning enabling all staff to engage with and contribute to environmental sustainability and social responsibility. This is being designed to reach all 12,000 staff.

The impact:

- Every member of staff will receive training on responsible procurement.
- Every member of staff will have the opportunity to undertake responsible procurement actions customised to their role and responsibilities.
- Responsible procurement activity is reported across the University.

What we did:

We worked closely with the programme lead to ensure responsible procurement is fully aligned with the work and ambitions of the staff programme. This has included developing a responsible procurement film, which will form part of the training, and an action plan to help staff plan in relation to their priorities. Many of the actions for staff relate to their spheres of influence and control in the procurement process – and this has enabled us to align our own guidance for internal buyers.

Working with our colleagues in Environmental Sustainability and the Office for Social Responsibility

Context:

Moving forward on responsible procurement has been a major undertaking, with the staff in the Central Procurement Office Team working closely together to embed sustainability and social issues into our procurement activity. We could not have done this without the support and excellent working relationship with our colleagues in other parts of the University.

The impact:

- We have delivered joint sessions with ES at the Environmental Association for Universities and Colleges' annual conference to share our experience of collective working with the sector.
- ES and SR provided the opportunity for responsible procurement to be a key pillar in the training programme for all staff on sustainability.
- We now have scheduled meetings with the ES team to review our progress on responsible procurement and ensure we continue to support each other's activity.

What we did:

From day 1 we ensured that we were aligning our own thinking and action with our colleagues in Environmental Sustainability (ES) and the Office for Social Responsibility (SR). We ensured that our priorities reflected those stated by the organisation and found ways to share resources and expertise. We held joint meetings and invited key staff in ES and SR to help shape our thinking. We actively look for opportunities to collectively communicate and celebrate our work.

CASE STUDIES

Suppliers

One of the biggest impact areas for any organisation is its supply chain and the University is no different.

The higher education sector as a whole has been exploring how it better manages and engages with the supply chain over a number of years and this is seen as increasingly important since the Modern Slavery Act.

At the University we have been trialling and developing new approaches, which, as ever, we are keen to share.

Supplier engagement on sustainability

Context:

Supplier engagement in relation to sustainability has long been a challenge for procurement teams, often viewed as a resource-heavy process and an additional burden for staff. Through exploring how to embed sustainability into our procurement processes, we have come to see supplier engagement as an opportunity rather than a threat, and central to excellence in procurement practice.

We have developed an innovative approach that enables us to actually support our supply base by communicating to them the importance of environmental sustainability and social responsibility. In doing so we are also able to gather valuable data from our suppliers about their activities, which helps us to manage risk and identify opportunities within our supply chain.

What we did:

Working with NETpositive Futures we developed and launched a supplier engagement tool that allows all of our

suppliers to develop a customised sustainability action plan for their business for free. We can then discuss the action plans with our suppliers during contract management meetings with a view to supporting and recognising their commitment to sustainability. The data gathered during the process is used to identify how the University as a whole can support our suppliers further on sustainability.

The impact:

- Every supplier has the opportunity to develop a sustainability action plan for free.
- The data gathered by the tool helps us with evidence-based supplier engagement and contributes to category management process and practice.
- Since we launched our tool, the North Western Universities Purchasing Consortium, North East Universities Purchasing Consortium and The University Caterers Organisation have now adopted the approach, and it is being rolled out across the sector.

£1 billion construction partnering framework

Context:

The University has entered an eight-year partnership framework with three major construction contractors. The framework is in place to deliver the University's Campus Masterplan. The Masterplan in turn aims to help deliver the University's strategic goals. [Click here](#)

Traditionally the University (and wider contracting authorities) have procured capital projects in a way that stops at the main contractor. The main contractor then delivers the works and manages the supply chain on behalf of the client. We have committed to a new approach.

What we did:

We developed a Partnering Framework that is focused around delivering opportunities for local labour and local suppliers. To best achieve this, key performance indicators and management information were not fixed at the outset of the contract, allowing us more flexibility to maximise the opportunities for local companies.

Working with our framework suppliers we can support them to maximise all the opportunities provided – and further sell the benefits to their own local suppliers to subcontract for framework partners. This approach ensures that the majority of our contract packages are advertised to local suppliers. This is supported by an evolving framework suppliers list, a pre-qualification questionnaire for framework projects that is never closed and is shared with all contractors.

The impact:

- The framework created an opportunity to maximise the use of local suppliers and contractors on our capital programme.
- It created a model for managing capital projects and associated supply chain that is open and transparent while creating genuine chances for local suppliers to get involved.
- We have a standardised pre-qualification questionnaire for our framework contractors that has reduced workload and provided more opportunities for local suppliers to develop their own businesses.

CASE STUDIES

Sector colleagues

As a university we are committed to supporting and working with our colleagues within the sector. This has led to us sharing resources and experiences, and has allowed us simply to tell our story with a view to helping others.

Supporting the sector with impact analysis documents

Context:

As part of our journey to Level 4 on the Flexible Framework we have learnt that building the capacity of staff to understand the sustainability impacts of products, services or categories has been a crucial step. Developing a mental model for understanding our sustainability impacts and recording them in a standardised format has helped us a great deal. We developed our model based on the NETpositive Futures approach; we were then able to share this with the sector.

The impact:

- Every university can access some standardised impact analysis documents to help start their own journey towards embedding sustainability.
- Sharing our own journey is helping others to benefit from our advice and guidance.
- We are delivering on our commitment to support the sector.

For more information visit [here](#)

What we did:

Working with the universities of Cambridge, Imperial College London, University College London and with NETpositive Futures, we identified a number of products and services where we believed the associated impact analysis work would be most useful to cross-sector colleagues.

Working with others who had also developed their own versions of this, we produced a standardised suite and, with NETpositive Futures supporting the process and developing related guidance materials, prepared these for the sector.

Hosting visits from our colleagues in the sector

Context:

Higher Education procurement professionals have a long history of sharing resources and experience. We wanted to ensure that as part of our responsible procurement activities we continued this healthy tradition.

The impact:

"The day at Manchester proved invaluable, it helped us understand what is required from both a strategic and operational point of view providing practical examples of how to engage with key stakeholders, internal customers and suppliers. The sharing of practical information with our colleagues was an excellent way to help the team fully understand our objectives and increased confidence in the team to enable us to move forward. I would like to thank colleagues at The University of Manchester for their hospitality and willingness to share experiences and knowledge."

What we did:

We have been explicit about our commitment to sharing our learning and resources and have been donating our time to supporting our sector peers. This has included numerous meetings, calls and emails, all of which we have been told have helped. We hosted a visit from the environment and procurement teams from Keele University; this is what they had to say.

Linda Sutton,
Procurement Manager, Keele University

CASE STUDIES

Community

The University has a history of supporting and working with the local community along Oxford Road and beyond. The procurement function will always endeavour to achieve best value in all that we do – but value is not just about price. It is also about maximising our socioeconomic impact.

Supplier engagement on reaching out to local schools

Context:

By engaging and partnering with a range of people and organisations, the University is harnessing our knowledge, resources and visitor attractions to make a difference in our local communities and wider society.

Through our school and college liaison activities, we have developed a comprehensive and exciting programme of activities for prospective students and their influencers. This consists of work with primary, secondary and further education students, as well as teachers, careers advisers and parents.

The University is a major provider of STEM (science, technology, engineering and maths) subjects at degree level and we recognise their importance to the UK's skills base. Evidence indicates that activities to support the take-up of STEM subjects in school and university is having a positive impact on the numbers opting to continue these subjects post-16 and beyond.

What we did:

We approached a key supplier within the STEM area, Sigma-Aldrich (recently acquired by Merck), with regard to supporting our school and college liaison activities with materials. Merck already have ten existing programmes developed and being delivered in the US by their own team and they were looking for UK institutions to partner with to deliver them here. We were able to bring together our programme team with Merck's Director of Global Citizenship, Jeffrey Whitford, so that we could become one of the delivery teams and enhance our current activities.

The impact:

- We enhanced our current outreach programme, for example by offering access to mobile laboratories.
- We gave access to 'train the trainer' courses and material and to guest lectures on topics such as green chemistry.
- We offered a master class for technicians on green chemical substitution.

Ensuring local employability

Context:

As part of our commitment to social responsibility we understand that the procurement of people should be fully considered in addition to the procurement of products.

The University spends around £10 million a year on temporary staff. As such a large employer we wondered whether we could take the opportunity to stimulate the local economy, support local communities and provide entry into sustainable employment.

[Click here](#)

What we did:

The University established The Works in partnership with Manchester Metropolitan University, City South Manchester Housing Trust and Work Solutions. The Works aims to transform life chances in our local

community by supporting unemployed people back into work. This is achieved through an employer-led one-stop-shop in Moss Side.

The impact:

- £1.3 million a year is spent through The Works, which supports local people back to work by providing support and training alongside temporary contracts that have the potential to become permanent.
- As part of our £1 billion Campus Masterplan it is mandatory for all vacancies to be advertised through The Works.
- One of our Central Procurement Office Team joined us via this programme and is now a permanent member of staff.

What next?



Even after the challenging and exciting journey of taking forward responsible procurement for the University of Manchester we are keen to do more.

Our plans for the next year include:

- achieving Level 5 on the Flexible Framework;
- hosting a supplier event focusing on responsible procurement;
- supporting and reporting on the collective impact of 12,000 staff all aiming to procure responsibly;
- continuing to support our colleagues in the sector;
- providing greater transparency to prospective organisations wishing to enter into our supply chain.

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