

Board of Management: Audit Committee

Date of Meeting	Wednesday 8 March 2017
Paper No.	AC3-E
Agenda Item	8
Subject of Paper	Procurement & Commercial Improvement Programme 2016
FOISA Status	Disclosable
Primary Contact	Stuart Thompson, VP Finance & HR
Date of production	February 2017
Action	For Noting

1. Recommendations

The Committee is asked to note the overview for the recent Procurement & Commercial Improvement Programme assessment conducted on the College's Procurement Service in December 2016.

Senior Management Team

Date of Meeting	22 February 2017
Paper No.	
Agenda Item	
Subject of Paper	Procurement & Commercial Improvement Programme 2016
FOISA Status	Disclosable Non Disclosable (<i>delete as appropriate</i>)
Primary Contact	Stuart Thompson, Vice Principal Finance & HR
Date of production	14th February 2017
Action	For Noting

1. Purpose of Report

The purpose of this report is to provide an overview for the recent Procurement & Commercial Improvement Programme assessment conducted on the colleges Procurement Service in December 2016.

2. Strategic Context

The Procurement & Commercial Improvement Programme (PCIP) replaces the previous Procurement Capability Assessment (PCA).

This PCIP focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver.

The new regime continues to assess organisations by measuring and reporting on their levels of procurement delivery through the provision of evidence, based around a series of set questions and other evaluation methods. However the PCIP is not comparable to the previous Procurement Capability Assessment.

Some key changes are:

- The PCIP now includes Full, Medium and Lite Assessments. The assessment to be used is dependent on several factors, as assessed by APUC Ltd.
- New question sets, scoring and performance bandings.
- The provision of specific requested evidence at least six weeks before the PCIP assessment day, as well as on the assessment day itself.

3. PCIP Lite Assessment

It was identified that City of Glasgow College would be assessed against the Lite Assessment due to our procurement spend being less than £15m.

The colleges PCIP assessment took place on 12th December 2016 with the following assessors:

Emma Nicholson, APUC Ltd
Susan Ferguson, APUC Ltd

The Lite Assessment covers 4 main areas of the procurement function –

Leadership and Governance

- Procurement Representation and Influence
- Procurement Strategy
- Learning & Skills: Resource & Skills
- Learning & Skills: Capability
- Continuous Improvement of Procurement Activity
- Internal Control Systems, Risk Management, and Fraud Awareness and Prevention

Development and Tender

- Spend and Market Analysis
- Specification
- Evaluation Criteria
- Sustainability

Contract

- Contract & Supplier Management
- Contractual Obligations & Additional Benefits

Key Purchasing Processes

- Goods Receipt and Payment Process

4. Assessment Summary

Results:

PCIP Assessment Type:	Lite	Performance Band
Overall Score (%)	77%	Gold

Performance Band:

Performance Band	% Score
Non-Conformance	<25%
Blue	26-40%
Purple	41-50%
Bronze	51-60%
Silver	61-75%
Gold	>75%

Summary Statement:

A score of 77% was achieved falling into the Gold band. The scoring demonstrates excellent performance across all 4 assessment areas. It is evident that the senior management support along with embedded processes and reporting has created a strong procurement function within the college. All assessment areas are expected to increase in score by the time of the next assessment in 2018/19. The increase in 'Contract' will be supported with the roll out of the CSM process and Key Purchasing Processes once a new finance system is in place.

Score Breakdown:

The table below show the score achieved on the Assessment Day along with a projected score that would be feasible to achieve at the next assessment.

Assessment Area	No of Questions	Maximum Score	Assessment Day Score		Projected Score for 2018	
			Score	% Score	Score - projected	% Score - projected
Leadership & Governance	6	18	14	78%	18	100
Development & Tender	4	12	10.5	88%	11.5	96
Contract	3	9	6	67%	8	89
Key Purchasing Processes	1	3	2	67%	3	100
Grand total	14	42	32.5	77%	40.5	96%

Report:

Appendix A – PCIP Report, provides a summary of the assessment with further commentary on the areas that could be improved to reach the projected scores.

Question	Comments / Further Info	PCIP Score	Attained Level	Potential Projected Score	Feasible Aspiration Level
<p>1.1 What is the procurement representation and influence over major and routine procurement activity across the organisation and what does it deliver?</p>	<p>Stuart Thompson (Vice Principal Finance & HR) oversees procurement. Stuart sits on the Executive Leadership Group which is a team of 6 including Principal, Depute Principal, Vice Principals and Executive Director). This group meets monthly and Stuart takes any issues/papers to this group as well as to other SMT meetings. Stuart supports the Finance and Audit committees and is also the Chair of the College Development Network Finance Group. There is a sub group that looks at procurement, a regional steering group with Yvonne Dalgarno which covers the GRPT. Stuart will take procurement papers/issues to board. There is a main college board and 5 sub committees - Stuart sits on 3 of these committees.</p> <p>The decision on the out/insource for catering had procurement involved from the start and the decision was approved at SMT.</p> <p>Procurement procedures are available to all staff. SMT has an awareness of anything the college is procuring over £10k. Tender threshold is £25k. The capital budget is centralised and this has helped with the build of the 2 new campuses allowing more control over the spend. Anything over £50k has a report signed off by SMT and a recommendation report.</p> <p>Action plans and future tenders are highlighted to SMT and GRPT for all 3 colleges</p> <p>GRPT is split into categories e.g. HR and Sarah drafted approach on how to use frameworks e.g. Temporary Staff and Occupational Health to increase compliance. Also looking at strategy for going to market for EAP, sports kits (might need lots across college). Meetings are taking place with the various colleges to get a suitable contract in place and this has also been done for ICT and Estates.</p> <p>Deborah meets with heads of department and management accountant to see upcoming budget requirements annually.</p>	3	<p>Level 3 Overview: The strategic value of procurement has been recognised by the organisation. Organisation is monitoring compliance with policies and procedures. Procurement influence most of the spend.</p> <p>The member of staff with responsibility for procurement can evidence awareness of wider sector strategic initiatives/forums.</p> <p>The member of staff with responsibility for procurement is considered part of a senior 'peer group' with other business functions.</p> <p>Procurement takes a highly flexible approach to sourcing and spend time understanding the procuring department's objectives.</p> <p>Procurement is involved in the "in house vs. outsourced" decision before the sourcing process is initiated.</p>	3	<p>Level 3 Overview: The strategic value of procurement has been recognised by the organisation. Organisation is monitoring compliance with policies and procedures. Procurement influence most of the spend.</p> <p>The member of staff with responsibility for procurement can evidence awareness of wider sector strategic initiatives/forums.</p> <p>The member of staff with responsibility for procurement is considered part of a senior 'peer group' with other business functions.</p> <p>Procurement takes a highly flexible approach to sourcing and spend time understanding the procuring department's objectives.</p> <p>Procurement is involved in the "in house vs. outsourced" decision before the sourcing process is initiated.</p>
<p>1.2 In what way is the Procurement Strategy linked to the organisation's corporate strategy and is it delivering the strategic objectives relevant to the sector. e.g. Local Economic Agenda, and/or National Outcomes etc.?</p>	<p>Strategy aligned to corporate regional (GRPT) and national objectives and has been redrafted to align with PR(S)A.</p> <p>A procurement strategy action plan is in place for 2016-2020 and reported to Stuart fortnightly then to SMT. Regional KPIs for the GRPT are reported quarterly. There are 8 college strategic objectives and Stuart has responsibility for aligning these objectives with the new SMT strategic documents (covers Spring 2017-2021). There are 39 strategic objectives (22 are green, 13 are in progress and 5 red).</p> <p>This is a strong 2.5 with a Level 3 achievable once measurable benefits are able to be tracked through achievement of actions. Deborah has also prepared an annual procurement report for finance which shows benefits and deliverables of the procurement function in 2015/16 and will be taking this to SMT.</p>	2.5	<p>Level 3 Overview: Procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals.</p> <p>Evidence that the majority of procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals.</p> <p>Evidence that the management of the objectives is overseen at the appropriate organisational SMT level, with performance reporting against the objectives submitted to the organisation's Board (or equivalent).</p>	3	<p>Level 3 Overview: Procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals.</p> <p>Evidence that the majority of procurement strategic objectives are being achieved with measurable benefits linked to the organisation's strategic goals.</p> <p>Evidence that the management of the objectives is overseen at the appropriate organisational SMT level, with performance reporting against the objectives submitted to the organisation's Board (or equivalent).</p>
<p>1.3 What resources and skills level requirements been identified to deliver the procurement strategy, associated strategic objectives and business needs?</p>	<p>The CF/PRD is used for the shared service staff as per APUC practices for recruitment development and staff turnover. David is a college employee but his role has been matched to the CF and undertakes a PRD.</p> <p>The GRPT and institutional forward contracting plans are aligned and matched to resource/needs (managed by Yvonne). This identifies the resources needed and tender activity gaps. Currently the resource gap is filled on an interim basis by fixed term staff but this will be reviewed early 2017 as this may be a permanent requirement.</p> <p>Lead stakeholders are starting to be trained in contract management.</p> <p>This is scored at 2.5. Currently the team and level of resource works well, however this may not be the case if the interim arrangements are to be changed.</p>	2.5	<p>Level 3 Overview: The organisation has a succession plan in place, is being delivered and reviewed to meet the organisational procurement objectives for the next 3 years.</p> <p>Capacity or service planning is in place to proactively manage current and future workload, taking into account >2 year plans and procurement strategic objectives (as appropriate). This may include shared services/collaboration, where relevant.</p> <p>There is evidence that plans (as appropriate) include the skills and capacity requirements.</p> <p>Plans are put in place to address any trends identified from exit interviews.</p>	3	<p>Level 3 Overview: The organisation has a succession plan in place, is being delivered and reviewed to meet the organisational procurement objectives for the next 3 years.</p> <p>Capacity or service planning is in place to proactively manage current and future workload, taking into account >2 year plans and procurement strategic objectives (as appropriate). This may include shared services/collaboration, where relevant.</p> <p>There is evidence that plans (as appropriate) include the skills and capacity requirements.</p> <p>Plans are put in place to address any trends identified from exit interviews.</p>
<p>1.4 What does the organisation do to develop procurement individuals and future talent?</p>	<p>David and Deborah have received on the job training, e.g. train the trainer and PECOS. Key Travel booking training has been provided for end users along with a relaunch of the travel procedures in 2016. This has brought further benefits as it has freed up David's time to look at mini competitions. Further benefits are access to supplier MI.</p> <p>PECOS and procurement awareness training sessions have been carried out across the college - Deborah is developing these into on line modules and this will tie in with HR inductions - there is a suite of induction essential training suite and procurement will be part of this once the module has been developed.</p> <p>Deborah has attended internal coaching and mentoring with an SMT member. SMT members have also had coaching with an external mentor to do this too.</p> <p>Currently a Level 2 as not started on Level 3 activities such as modern apprentices or internships.</p>	2	<p>Level 2 Overview: Procurement understand capability of all Procurement staff including devolved. Some development opportunities exist.</p> <p>Some opportunities for development exist using tools such as mentoring, coaching, continuing professional development and secondments.</p> <p>The organisation has explored ways to retain core staff.</p>	3	<p>Level 3 Overview: Planning and delivery of future talent by organisation. Formal routes for professional development exist.</p> <p>Succession planning is in place to meet the organisational strategic objectives for the next 3 years.</p> <p>Internal and external training is aligned with the business strategy, individual skills assessments and training plans.</p> <p>Evidence that an integral part of the training and development of staff includes the use of tools such as mentoring, coaching, job shadowing, tailored training programmes, continuing professional development, in-house promotion and secondments.</p> <p>Evidence of benefits realised as a result of investment in training.</p> <p>Evidence that the organisation has considered future skills/talent requirements such as; modern apprenticeship, work placements, graduate trainee scheme (where such a scheme exists).</p>

<p>1.5 What does the organisation do to ensure that it continually improves its procurement activity, promotes commercial competence, and ensures that these are embedded within its organisation and culture.</p>	<p>Procurement training is provided for PECOS users and budget holders; this is triggered by an HR (induction) form.</p> <p>Internal feedback is gathered by sending out emails to staff and this is done formally on an annual basis, however is also done ad hoc and feedback is requested by Deborah on completion of a project. External feedback is collected from the website.</p> <p>'Connected' is the internal system used to provide staff access to documents, bulletins and news flashes. New contracts are communicated to all staff by email.</p> <p>Lessons learned have been carried for waste and catering tenders and have been shared for use with peer groups. The Lessons learned document sits within the strategy document and previous lessons learned are pulled into new strategies.</p> <p>Some added value can be demonstrated through the catering contract e.g. cost efficiencies, added value, in taking on students, however this would need to be demonstrated more extensively across more contracts to reach a Level 3.</p>	<p>Level 2 Overview: Action plan is in place with some measureable benefits being delivered.</p> <p>Good understanding of sector performance and drivers.</p> <p>Understanding of key issues facing wider public sector. Understanding of key strategies of sector and organisation.</p> <p>Where there is a business improvement plan all staff are able to contribute to procurement continuous improvement activities.</p> <p>Evidence of a continuous review of an organisation's service provisions where make/buy /outsource/stop of service is considered. The member of staff with responsibility for procurement are involved in such reviews and consider social responsibility, environmental and economic sustainability. New collaboration opportunities are considered.</p> <p>The organisation has identified key performance indicators/measures and tracks Procurement activity against these, with evidence of performance improvement being documented.</p> <p>Post project reviews are conducted and lessons learned documented and circulated for all high value, high risk procurement exercises.</p> <p>Best practice from within own organisation and from other organisations has been sought and utilised.</p> <p>Can evidence subsequent changes, improvements or projects driven as a result of customer feedback.</p> <p style="text-align: center;">2</p>	<p>Level 3 Overview: The organisation has achieved benefits and changes as a result of its implemented procurement action plan.</p> <p>Organisation can evidence activities that have resulted in outcomes benefiting stakeholders, for example evidence of cost efficiencies.</p> <p>Innovation ideas and actions driving improvements have been prioritised, resources allocated, with improvements realised and reported on.</p> <p>Benchmarking has presented performance improvement opportunities, these have been documented, an action plan put in place with improvements delivered and evidenced.</p> <p>The member of staff with responsibility for procurement regularly recommends opportunities for business improvement (not associated with the supply chain).</p> <p style="text-align: center;">3</p>
<p>1.6 How are the organisations processes and procedures adequate and effective in relation to managing risk and countering fraud.</p>	<p>Stuart and ELT manages the approval limits and maintains a list of authorisers and PECOS approval limits. All limits are consistent across staff levels and the tender approval levels sit within the financial regulations.</p> <p>External audit carried out by Scott and Moncrieff and procurement is a feature of this. The audit did not show any actions. Procurement also features in the internal audit (carried out by an external consultancy firm). There have been some recommendations made and an action plan created from this. There is a non compliant spend report in place which is reported to SMT and audit will review this.</p> <p>There is a procurement risk register and a project risk register to identify risks and how to manage them. The project strategy identifies risks then feeds through into KPIs and CSM. 5 key overarching procurement risks have been identified and have mitigating actions. This links into the APUC contract management tool. Contractor insurance and Equifax checks are run annually for contracts that are categorised as managed and strategic.</p> <p>The college has policies on fraud prevention, anti bribery and conflict of interest (also embedded in tender documents, stakeholders asked and SMT). There is a hospitality and gifts register.</p> <p>SMT review non compliant spend and maverick spend is also reviewed by external audit.</p> <p>This is deemed to be a strong Level 2 with some areas of Level 3 being met. For a Level 2.5 and to a 3, there would need to be further evidence of CFS included within inductions and regular training, evidence of the checks carried out on suppliers in relation to fraudulent activity/serious organised crime and what is being done to mitigate these risks.</p>	<p>Level 2 Overview: Efforts made to proactively identify and manage risk.</p> <p>The member of staff with responsibility for procurement drives compliance with the scheme of delegation. Compliance with the scheme is subject to regular audit and can be evidenced.</p> <p>All risks and issues have clear mitigating actions, appropriate owners and a review date.</p> <p>A mechanism exists to ensure that risks and issues are collated centrally and highlighted to senior management.</p> <p>Evidence of regularly checking strategic and key supplier risks e.g. financial health, reputational risks with appropriate risks identified and flagged to the appropriate risk register.</p> <p>All members of staff with delegated purchasing authority (DPA) have undertaken Fraud Prevention Training.</p> <p>The organisation has a hospitality and gifts register (where gifts/hospitality are allowed).</p> <p style="text-align: center;">2</p>	<p>Level 3 Overview: Risks are fully considered and managed.</p> <p>The separation of duties and authority levels are embedded into computer systems. Reports are available to demonstrate the separation between requisition and approval.</p> <p>Regular audits of Procurement have highlighted no significant (red or highest level) risks in the past 3 years.</p> <p>Risk Assessment of major procurement activity includes a process and mitigation plan to address:</p> <ul style="list-style-type: none"> • Fraud; • Serious Organised Crime; • Supply Base • Supplier Vulnerabilities; • Supply Chain; and • Damage to organisations reputation e.g. by unethical behaviours/sourcing. <p>The organisation promotes and operates a whistleblowing/fraud central point of enquiry/focal point.</p> <p>CFS (including anti-fraud, corruption & bribery) and Procurement principles are included in the organisations induction process and is part of all relevant staff's annual training plan.</p> <p>Where relevant the organisation vets potential suppliers to ensure that there are no links to organised crime.</p> <p>The organisation annually reviews its spend/activity profile to identify potential areas where fraudulent activities could occur and implements an action plan.</p> <p style="text-align: center;">3</p>
<p>2.1 How does the organisation understand its spend in order to drive best value?</p>	<p>All tenders over £10k are carried out by the procurement team and the finance department looks at spend and liaises with procurement. Finance provide staff with project codes rather than budget codes and advise Procurement of the codes when allocated. This allows the values to be better managed and there is a trigger when a project reaches 70% of spend.</p> <p>Market analysis carried out to identify suppliers, commercial opportunities and pricing structures. The strategy for the catering contract identified a partnership arrangement so worked with a consultant and liaised with Stirling University.</p> <p>As a result of spend analysis it was identified that there was a need to reduce maverick spend and increase SME spend. This led to new contracts areas such as small tools and food purchases.</p> <p>The waste contract is tracked and there have been benefits such as an increase in the separation of waste (post collection, so less required by students) and targets being met. The MFD contract has helped with objectives in the print strategy. Food waste targets have been met with the food macerator provided to Baxter Storey so all food waste goes there and helps recycling compliance. Cash and non cash savings reported to steering group every quarter. This is all helping to achieve collaboration targets of 40% on spend.</p>	<p>Level 3 Overview: An organisation category/opportunity map has been identified.</p> <p>Detailed spend/market analysis is routinely carried out for all high risk/high value procurement exercises.</p> <p>Organisation can demonstrate a number of hard and soft benefits realised as a result of the opportunities identified through spend and market analysis i.e. wider economic or environmental goals, financial savings, added value, contribution towards National Outcomes and/or sector specific outcomes.</p> <p>Evidence of participation in collaborative category opportunities for C1 category.</p> <p style="text-align: center;">3</p>	<p>Level 3 Overview: An organisation category/opportunity map has been identified.</p> <p>Detailed spend/market analysis is routinely carried out for all high risk/high value procurement exercises.</p> <p>Organisation can demonstrate a number of hard and soft benefits realised as a result of the opportunities identified through spend and market analysis i.e. wider economic or environmental goals, financial savings, added value, contribution towards National Outcomes and/or sector specific outcomes.</p> <p>Evidence of participation in collaborative category opportunities for C1 category.</p> <p style="text-align: center;">3</p>

<p>2.2 In what ways are specifications for procurement exercises (mini-competitions and Cat C procurement exercises) being developed to maximise value for the organisation and its customers?</p>	<p>Strategies are built into specifications and procurement work with stakeholders to develop these. They include the sustainability test. 28.5% of spend is covered by specifications developed in house (18.5% Cat C and 10% amended framework specifications for mini comps). A number of contracts don't need developed e.g. utilities. All Cat C tenders have strategies.</p> <p>A number of contracts have been refreshed before going back out to tender - catering, sports kits, waste. The waste contract now involves service credits and took on board lessons learned. A pre site visit was held for suppliers as part of the pest control tender and 2 companies were asked to provide a recommendation report and the specification was developed as a result of this. Library staff carried out research on different platforms for LMS in conjunction with JISC which resulted in a research paper that other institutions (RCS) have used and followed this approach. A review of print resulted in a contract for MFDs for volume printing and removed all desk top printers.</p> <p>A 2.5 has been scored, a 3 is not feasible for the college as it is unlikely that a specification would be changed part of the way through.</p>	<p>Level 3 Overview: Specifications are future proofed to fully meet business needs.</p> <p>Confidence that specifications are being developed to maximise value for the organisation and its customers and covers most of its spend.</p> <p>Evidence that specifications for recurring requirements are being reviewed continually and updated in line with market innovations/new developments and legal obligations.</p> <p>2.5 Evidence that specifications are reviewed periodically throughout the life of the contract to ensure the specification is still relevant to the business needs and to clarify with a view to termination of contract if required.</p>	<p>Level 3 Overview: Specifications are future proofed to fully meet business needs.</p> <p>Confidence that specifications are being developed to maximise value for the organisation and its customers and covers most of its spend.</p> <p>Evidence that specifications for recurring requirements are being reviewed continually and updated in line with market innovations/new developments and legal obligations.</p> <p>2.5 Evidence that specifications are reviewed periodically throughout the life of the contract to ensure the specification is still relevant to the business needs and to clarify with a view to termination of contract if required.</p>
<p>2.3 What is the organisations approach to evaluation to maximise efficiency and effectiveness?</p>	<p>The majority of tenders have been advertised using the open procedure and there has not been a need for the restricted process recently. Minimum standards are used on open procedure.</p> <p>The ESPD is used in all process, including in tenders under £50k.</p> <p>The sustainability test has been utilised for the catering contract. There is an issues management document used by DF and a sustainability outcomes tracker.</p> <p>Whole life costing has been used for multiple tenders, MFDs, CNC router, table top testing and TV installation. Catering used lessons learned from last contract on KPIs and timely delivery has been addressed.</p>	<p>Level 3 Overview: Organisation can demonstrate that forecast benefits are being achieved.</p> <p>Whole-life costs and total acquisition costs are incorporated for all appropriate regulated tenders and evaluation criteria also reflect lessons learnt from previous exercises within the organisation.</p> <p>3 Lessons learned from the Contract & Supplier Management process feed into the selection and/or award criteria development, where relevant.</p>	<p>Level 3 Overview: Organisation can demonstrate that forecast benefits are being achieved.</p> <p>Whole-life costs and total acquisition costs are incorporated for all appropriate regulated tenders and evaluation criteria also reflect lessons learnt from previous exercises within the organisation.</p> <p>3 Lessons learned from the Contract & Supplier Management process feed into the selection and/or award criteria development, where relevant.</p>
<p>2.4 What does the organisation deliver in relation to Environmental, Social and Economic sustainability in its procurement practices and processes?</p>	<p>The college has one contract in place with a supported business (Haven) for PPE and this is listed on the contracts register.</p> <p>Code of Conduct is used and there is an objective to have 3 suppliers on Sustain by end of financial year. The prioritisation tool and sustainability test is used in tenders.</p> <p>The Flexible Framework has been completed to Level 1 and an action plan is in place, some actions have been progressed. There is no sustainability policy but this has now been identified as being required and Deborah sits on the sustainability group for creating the policy.</p>	<p>Level 2 Overview: The organisation has secured some community, local economic and environmental benefits.</p> <p>The organisation can demonstrate that procurement exercises have successful social, economic and environmental outcomes that are aligned to sustainable procurement aims in the Procurement Strategy.</p> <p>There is at least one contract placed or support provided to a supported business where the organisation has a requirement which can be met through this channel.</p> <p>2 There are clear objectives from the Flexible Framework action plan to build environmental, social and economic sustainability as an outcome of the procurement process.</p> <p>Organisations can evidence progress against the action plan.</p> <p>Refinements to this question or level(s) may be required as a result of output from the Act(s).</p>	<p>Level 3 Overview: Sustainable procurement is embedded in the procurement process across all areas of influencable spend.</p> <p>Evidence shows that sustainable procurement strategy and policies are embedded at appropriate stages of the procurement process across all areas of influencable spend, covering supplies, services and works.</p> <p>The member of staff with responsibility for procurement can demonstrate the success of the above.</p> <p>The organisation has awarded two or more contracts to supported businesses over the last 12 months (where the organisation has requirements which can be met through this channel) and routinely considers whether a requirement can be met by a supported business as part of the Procurement Strategy.</p> <p>Refinements to this question or level(s) may be required as a result of output from the Act(s).</p>
<p>3.1 What does the organisation do to manage contracts and suppliers?</p>	<p>There is a CSM policy in place and the documents are available on Connected. A segmentation exercise has been done and the contracts register is updated with risk level and the CSM route that has been identified from the strategy and the spend analysis. There is also an action plan that shows the CSM route, KPIs and contract management level.</p> <p>Evidence of meetings and MI was shown.</p> <p>Feedback from contracts are sent back to framework owners - e.g. hair and beauty feedback will be gathered from students and surveys will be sent out to students. Meetings for the waste contract take place regularly and MI is produced.</p> <p>The CSM process is managed by stakeholders for catering and digital infrastructure for ICT and procurement will move this process over to them entirely. They will report back on MI and have templates to use but procurement won't be at meetings going forward. This process will need time to embed across the college.</p>	<p>Level 2 Overview: Contract and supplier management (CSM) process is consistently applied across all high value, high risk, and business critical contracts.</p> <p>The organisation has developed and documented a contract and supplier management process and is implementing it.</p> <p>2 The organisation has implemented some roles and responsibilities which are clearly defined for the contract management process. A training plan in place for all staff responsible for the management of contracts.</p> <p>The organisation can demonstrate that they contribute to sectorial and national balanced scorecards where requested and where appropriate.</p>	<p>Level 3 Overview: Benefits from CSM supplier management are being achieved and recognised by the organisation.</p> <p>Contract and supplier management (CSM) process is consistently applied across all high value, high risk, and business critical contracts.</p> <p>Regular contact takes place between the member of staff with responsibility for procurement and/or contract managers and high value, high risk, business critical suppliers.</p> <p>Procurement can demonstrate how savings from contract & supplier management are recognised by the organisation.</p>
<p>3.2 What does the organisation do to work with key suppliers throughout the life of a contract to ensure contractual obligations are met and to identify and deliver additional benefits to both parties?</p>	<p>Dispute resolution procedures are in complaints procedure and tender documents. There is a clause in the contract for contract variations.</p> <p>Implementation plans shown for catering and MFDs. For the MFD contract there was a dedicated member of staff who took people in small groups to show them how to use them. For catering there was marketing type brochures informing students and staff of what was coming into the new campuses.</p> <p>Exit of incumbent supplier included in strategy then new supplier covers this in the new tender. There are many additional benefits being delivered in waste and catering contracts however there needs to be more innovative solutions in place e.g. looking at the root cause of why students aren't recycling properly, rather than offering extra work at waste separation stage.</p>	<p>Level 2 Overview: Contract performance is consistently measured and compared.</p> <p>High value/high risk contracts are subject to regular review meetings between Procurement, customers and suppliers, with a named individual responsible for managing any corrective actions required.</p> <p>Processes and measures to ensure that key suppliers meet the terms set out in the contract.</p> <p>2 Exit strategies are considered at both pre-tender and pre-award stage for all high value requirements and are embedded within the organisations procedures.</p> <p>For high value/high risk contracts the organisation can evidence:</p> <ul style="list-style-type: none"> • The tracking and standardised reporting of performance is in place • Embedded two way process for monitoring KPI's/SLA's, reporting, and improvements. 	<p>Level 3 Overview: Continuous improvement approach to contract performance is in place.</p> <p>For high value/high risk contracts, the organisation systematically utilises supplier feedback to:</p> <ul style="list-style-type: none"> • Support continuous improvement of overall procurement processes • Develop products or services • Deliver additional savings and benefits during the life of the contract <p>3 Continuous improvement is expected and is a formal objective of supplier relationship.</p>

<p>3.3 What does the organisation increase contract coverage, ensure contract compliance and reduce maverick spend?</p>	<p>77% contract coverage and maverick spend 23% - this may be lower if below £2k spend is reviewed.</p>	<p>2</p>	<p>Level 2 Overview: Procurement has the majority of spend under contract and is tackling maverick spend.</p> <p>Contract coverage >65% of potential influenceable spend and can be evidenced by the contracts register and spend report or eProcurement system.</p> <p>Evidence provided that the organisation is working towards the contract coverage target.</p> <p>Activity to reduce maverick spend has been conducted and has been achieved.</p>	<p>2</p>	<p>Level 2 Overview: Procurement has the majority of spend under contract and is tackling maverick spend.</p> <p>Contract coverage >65% of potential influenceable spend and can be evidenced by the contracts register and spend report or eProcurement system.</p> <p>Evidence provided that the organisation is working towards the contract coverage target.</p> <p>Activity to reduce maverick spend has been conducted and has been achieved.</p>
<p>4.1 What does the organisation do to receive goods/ services/minor works, and what is the process for authorising payment?</p>	<p>The process is not wholly electronic however a tender is currently out for a new finance system which might offer new solutions.</p> <p>There are still a number of paper transactions going through and although there is a 3 way match this is not automated. Manual processes will be in place until the new system is in and then there will be an integration with PECOS.</p> <p>With a new system, this could increase to a Level 3 by the time of the next assessment.</p>	<p>2</p>	<p>Level 2 Overview: Some automation exists and opportunities to improve efficiency exploited.</p> <p>The organisation has some systems in place to manage raising orders, receipting goods and the payment of invoices.</p> <p>Appropriate staff in the organisation have access to the relevant systems and separation of duties exist.</p> <p>The payment process is partially automated within some systems performing a 3-way match as standard, prior to the invoice being approved and passed for payment.</p> <p>The organisation is reviewing its P2P processes to streamline workflow, lock-in efficiencies and deliver additional benefits.</p> <p>Processes are in place to identify and rectify over & under billing. The organisation has a process to identify suppliers who repeatedly issue duplicate invoices.</p>	<p>3</p>	<p>Level 3 Overview: Fully electronic processes in place.</p> <p>The organisation has electronic processes in place to manage the raising of orders, receipting of goods and the payment of invoices. Appropriate staff in the organisation have access to the relevant systems and separation of duties are embedded into the systematic workflow.</p> <p>The organisation has implemented other payment methods such as GPC, consolidated invoices, self-billing and invoicing where appropriate.</p> <p>The organisation has reviewed and implemented P2P processes delivering additional efficiencies and benefits.</p> <p>There is an automated process to manage invoice mis-matches.</p>