HOW DOES PROCUREMENT AT THE UNIVERSITY OPERATE?

In common with the majority of Public Sector organizations, the University operates on the basis of
devolved budget management. This means that operating units (Colleges, Schools and Corporate
Services Departments) within the University have responsibility for achieving their own financial and
operational targets within the context of delivering the organisation’s overall policies and strategic
objectives.

The University’s financial management is devolved to the Colleges and Corporate Services Departments
with support provided by the central Finance Office to assist the Colleges and Departments manage their
budgets effectively.

Procurement within the University is organised in a similar way, with Colleges, Schools and Corporate
Services Departments responsible for placing Purchase Orders (the transaction process related to
procurement and purchasing) supported by a central Procurement function that establishes compliant
(where compliant means that the arrangements are compliant with any statutory or regulatory obligations
applicable to the organisation) commercial arrangements (Framework Agreements* and Contracts) that
the Departments place their Orders against. The central Procurement Division also undertakes the
competitive processes needed to establish the supply arrangements and to establish specific contracts
for the fulfillment of higher value (usually one off) requirements (such as equipment or even construction
contracts).

(*Note that a Framework Agreement is a “standing offer” and a kind of non-exclusive call of contract
which does not guarantee that the Buyer will purchase anything off or from the Framework Agreement
arrangement or supplier. It establishes a set of terms and conditions, service levels and pricing matrices
that are made available to Colleges and Corporate Services Departments to use and place Purchase
Orders against. The commitment and contract to purchase equipment, commodities or services from the
Framework Agreement supplier is made when the Order is posted by the Buyer).

Beyond the Procurement presence within the University, procurement in Higher Education Sector is
supported by a central resource that operates on a “Consortium” basis.

The Sector has four Consortia in England that are regionally based (North West; North East; South and
London) and the University is a member of the North East Universities Purchasing Consortium.

The Consortia work together with Universities to co-ordinate demand and establish Framework
Agreements that are available to all Universities in England (“national agreements”) or primarily available
to Universities in specific Regions (“regional agreements” though most regional agreements are now
generally made available nationally). There are other Consortia style procurement groups operating in
the Sector that are focused on specific disciplines or operational areas – more details are set out below.

In summary, Colleges, Schools and Corporate Services Departments at the University are able to access
several resources in order to procure and purchase the equipment, commodities and services that they
require.

The University’s central Procurement Division will provide access to and communicate the details of the
Framework Agreements established by the Regional Consortia to Colleges, Schools and Corporate
Services Departments.

From a supplier’s perspective there are opportunities to compete for business at any of the levels
referred to above (National, Regional and University) as the Tendering and competitive processes are
substantially the same – only the volumes differ with the “Consortia” volumes being substantially greater
than those at individual University Level.

We have included links to some of the “Consortia” style resources and organisations that are available to
the Public Sector in general in this information pack.