

Getting to  
grips with

# Procurement

A guide for governors

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# Foreword

Nick Petford, Vice-Chancellor,  
University of Northampton and  
Chair of Procurement UK

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Universities and specialist colleges in higher education control over £9bn of purchasing power annually. This is a huge spend, second only to our financial responsibilities for the pay budget. But rising expectations from our students and stakeholders coupled with growing demands on the public purse from other sectors mean we need to sharpen up. Showing with evidence how we spend this money efficiently and effectively is now a matter of enlightened self-interest.

Governors have a crucial role to play in making sure we rise to this challenge. Your role in overseeing procurement should be clear in terms of assurance and effective risk management. Put simply you have a responsibility to ensure your institution manages its resources wisely and achieves value for money. Effective procurement is part of that solution.

But how should you do this? What questions should you be asking and what information should you be drawing on to best help you carry out that role? All institutions are different, with diversity and autonomy our greatest strengths. That means there is no single 'right answer' to managing procurement and each of you must decide what is best according to your own values and culture. The aim of this guide is to help with that.

Two years ago, following the review of efficiency and effectiveness in higher education chaired by Sir Ian Diamond, I took on the role of Chair of Procurement UK. Sir Ian identified procurement as one of the main levers for change and improvement in the sector. Although we have made great progress in the last few years there is more to do to raise the status and contribution of procurement in our universities.

To that end, procurement itself is changing, shaking off its traditional image as a dry technical process and claiming its place as a key strategic asset in helping achieve wider social objectives. Carbon reduction, ethical sourcing and support for local industry, all of which resonate with institutional missions, are some of the desirable outcomes addressed through strategic procurement.

I hope you share my enthusiasm for this challenge and find this guide a helpful addition towards fulfilling your role as a governor. ■

Governors have a  
crucial role to play in  
making sure we rise to  
this challenge.



## Foreword

Geoff Dawson, Chair of Board of Governors,  
Sheffield Hallam University, and Chair of  
Committee of University Chairs

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Good governance is at the heart of the higher education sector in the UK, and will continue to be of the highest importance as it continues to develop.

The responsibilities of the governing body are many and various, and were set out most recently by the Committee of University Chairs (CUC) in its revised HE Code of Governance. These include a clear and unambiguous responsibility for all decisions that might have significant reputational or financial implications, and for demonstrating value for money to funders and stakeholders.

Given the scale and reach of spending by universities, it is vital that governors assure themselves that the procurement decisions taken by their institutions not only meet the various legal and statutory requirements placed upon them, but also manage risk effectively and deliver value for money.

I am therefore delighted to recommend this guide to support members of governing bodies faced with this responsibility. It is in line with the policy of the CUC to ensure that those who govern universities have relevant and contemporary non-prescriptive advice to assist them in meeting the requirements placed on them.

I am grateful to the Leadership Foundation for Higher Education for producing the guide and for working closely with the CUC in its finalisation.

I hope you find the guide a source of helpful support and advice in meeting the increasingly demanding requirements made on you in this area. ■

Good governance is at the  
heart of the higher education  
sector in the UK.

# Overview

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## 10 key procurement issues for governors

This Getting to Grips guide provides governors of higher education institutions (HEIs) with information and advice to help them consider procurement in their institutions. It is a companion to other guides that the Leadership Foundation for Higher Education has produced for governors in areas such as finance, audit and human resources. [www.lfhe.ac.uk/G2G](http://www.lfhe.ac.uk/G2G)

In the following pages, we identify a number of issues for you to consider as a governor to help you ask the right questions in your institution. A quick overview of the following 10 key issues may be helpful in getting started.

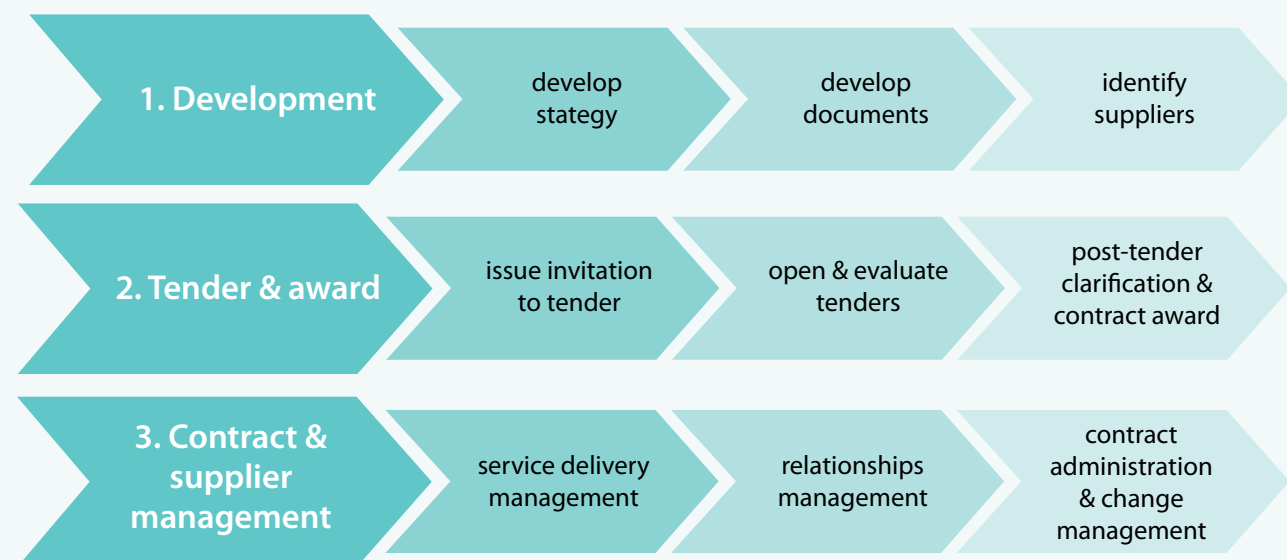
1. Does my institution consider procurement to be a process for delivering strategic and operational objectives? **Section 2**
2. Do we understand how procurement supports the achievement of value for money? **Section 2**
3. Do we know who leads on procurement within our institution? **Section 3**
4. Do we have a professional procurement function that is adequately resourced, and is it involved at the right stages in projects? **Section 3**
5. Do we understand our roles and responsibilities as governors in respect of procurement decisions? **Section 4**
6. Do we receive sufficient information to discharge our responsibilities and to have oversight of the procurement process? **Section 5**
7. Do we understand the legal and reporting framework? **Section 6**
8. Are we assured that the institution is maximising its buying power through collaborative procurement? **Section 7**
9. Do we know how we compare with other institutions in terms of our performance in procurement? **Section 8**
10. Are we using procurement to pursue social objectives such as sustainability and support for the local economy? **Sections 9 and 10** ■

# 01 What is procurement?

Procurement is about accessing goods and services from third parties to fulfil the strategic and operational objectives of the institution. It therefore involves the entire process of identifying requirements, drawing up specifications, assessing risks, managing tenders, awarding contracts, and managing and monitoring supplier performance. It includes planning for and deciding what to buy at the outset, after having conducted a thorough analysis of needs, and at the other end of the process, varying contracts as requirements change over time.

Procurement can be characterised as a journey with three main stages (Figure 1)<sup>1</sup>:

Figure 1: The procurement journey



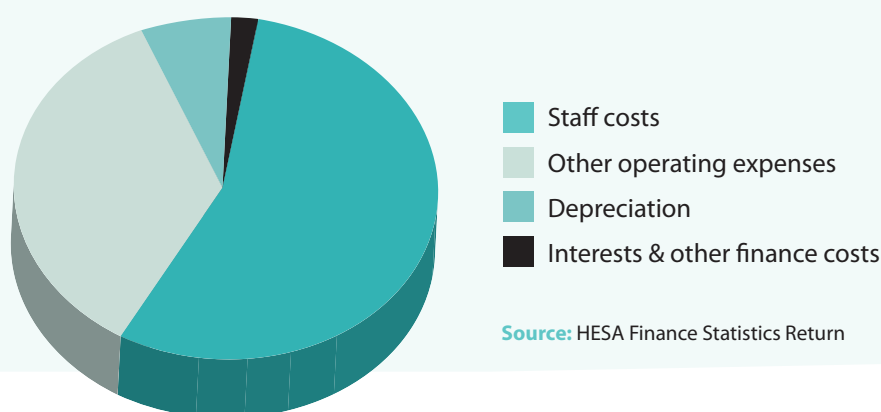
The key point to remember is that procurement is about much more than just the tendering and contract award stage. In fact, many of the most severe problems encountered by organisations occur with contract and supplier management after the contract has been awarded. This may be because the initial specification was not right or the contract terms were inappropriate, or because risk was not assessed and managed properly, or because circumstances have changed dramatically since the original contract was let. ■

<sup>1</sup> More detail on these stages can be found in 'The Procurement Journey' on the Higher Education Procurement Association (HEPA) website ([www.hepa.ac.uk](http://www.hepa.ac.uk)). Similar stages are contained in OGC 2008 (see References).

# 02 Why does procurement matter?

Higher education institutions (HEIs) are major contributors to the national and local economy, with expenditure of over £29bn per annum. Of this, some £13bn (45%) is on non staffing matters, two thirds of which (£9bn) is subject to some kind of procurement process (see Figure 2). This places procurement decisions as second only to staffing decisions in terms of their financial impact.

Figure 2: Total expenditure of UK publicly funded HEIs 2013-14



The importance of procurement has been growing steadily in the private sector for many years and is now also in the spotlight in the public sector. Central government has embarked on a programme of reform for the Civil Service, and this is mirrored by policies to improve procurement standards in the NHS<sup>2</sup> and local government<sup>3</sup>.

In higher education, the importance of procurement was recognised by the Diamond Review<sup>4</sup>, which recommended that procurement be seen as a 'strategic asset' by HEIs. The authors argued that, despite some positive achievements over the previous 10 years, during which time many HEIs had recruited professional procurement staff and formed procurement consortia, the potential of the sector to use its size and purchasing power to generate additional savings had not been realised fully.

The Diamond Review put forward a number of sector-wide proposals and targets in order to increase collaborative procurement, raise professional standards and develop more effective leadership. It also identified procurement as a major contributor to efficiency, effectiveness and value for money in every HEI.

Procurement increases value for money by raising quality (value) and decreasing costs (money). Higher quality can come from better specification, improved standards for products and services, better management of contracts and suppliers, and a better overall procurement process. Lower costs can come from collaborative purchasing (which increases volumes to achieve economies of scale and improve the attractiveness of the sector to suppliers), increased competition among suppliers, better negotiation of contracts, improved risk management and simpler tendering procedures.

Procurement in many sectors is looking to improve value for money through 'category management', which involves detailed analysis of key areas of spend and a more in-depth engagement with suppliers. ■

Major projects and developments will have a team around them.

## 03 Who is responsible for procurement?

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Most HEIs will have a central professional procurement team, led by a director of procurement or equivalent. In some smaller HEIs, this service may be shared with a larger institution and bought in under a service level agreement, or be bought in from a procurement consortium.


Some or all of the procurement team will have professionally recognised qualifications in procurement, or be working towards them. Most commonly, they will be members of the Chartered Institute of Procurement and Supply (CIPS)<sup>5</sup>.

The director of procurement normally reports to the director of finance, particularly in smaller institutions, although in a minority of HEIs there are other reporting arrangements (eg, to the chief operating officer or registrar).

The director of procurement will be responsible for the overall procurement strategy and for aligning procurement with the strategic aims and objectives of the institution. He or she will also lead on the procurement aspects of major projects and set the framework for purchasing across the institution, much of which is often highly devolved. Many HEIs have widespread e-procurement systems to allow staff in faculties and departments to make routine purchases quickly and easily electronically rather than relying on paper catalogues and ordering processes.

Major projects and developments will have a team around them, bringing together various professional disciplines. This should include members of the procurement team from the outset.

Certain central functions – particularly estates, IT and libraries – are major buyers of goods and services in their own right and will have specialist expertise in their functional areas. However, they should still draw on the support of the procurement function. Experience has shown that involving the procurement function in new developments from the earliest stage possible is the best way to achieve value for money and to prevent problems occurring at the tender and contract management stages. ■



The best way  
to achieve value  
for money.



# 04 What is the role of governors in procurement?

The general responsibilities of governors are set out in the *Higher Education Code of Governance*<sup>6</sup> (and its Scottish equivalent<sup>7</sup>). These include specific accountabilities for assuring the following:

- All expenditure is undertaken in line with clear procedures and controls.
- There is full and transparent accountability for public funding.
- The institution meets all legal and regulatory requirements.
- There is a rigorous process of due diligence for decisions with a significant reputational or financial risk.
- The use of public funds achieves good value for money.

The Code also outlines procedures for ensuring that governors act, and are perceived to act, impartially. This includes disclosing any pecuniary, family or other personal interest in any matter under consideration.

These responsibilities relate to procurement as much as to any other activity incurring expenditure. Additional accountability requirements for public funding are set out in the terms and conditions of funding issued by the funding councils<sup>8</sup>, which include the responsibilities of the head of the institution as 'accountable officer' for ensuring value for money.

More generally, the role of governors is not to become involved in the detail of individual procurements but to assure themselves that the function is being exercised in a way that aligns with the strategic objectives of the HEI, achieves value for money, and manages reputation and risk effectively. This requires governors to play the role of 'critical friend' and to constructively challenge the information and practices presented to them.

Governors may naturally wish to focus on major developments in their HEIs as these often contain the greatest financial and reputational risks, as well as the greatest potential benefits, but they should also be assured that their institution is using the best possible systems for day-to-day business and that the underlying procurement processes are sound.

Internal audit should support governors in exercising their assurance role through regular reviews of procurement activities and decision-making. ■

Ensuring that governors act, and are perceived to act, impartially.

<sup>6</sup> Committee of University Chairs 2014 <sup>7</sup> Committee of Scottish Chairs 2013 <sup>8</sup> For example, for English HEIs (see HEFCE 2014a)

# A wider reporting of risk management and value for money.

## 05 What information could governors receive?

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Higher education institutions are autonomous bodies and it is for each one to decide what information governors receive. However, it is likely that most reporting on procurement will be to the institution's Audit Committee, sometimes as part of a wider reporting of risk management and value for money.

Beyond this, it is difficult to generalise and much will depend on the particular circumstances of the institution and its history, culture and practices. What follows is therefore a range of information and reporting that governors may wish to consider.

Governors could receive a copy of the HEI's procurement strategy, which will outline how the procurement team intends to help the institution meet its strategic aims and objectives. This is often produced alongside and in response to the institution's overall strategic plan.

Governors could also receive an annual report detailing the cost-savings that have been achieved and what progress has been made against targets (eg, for collaborative procurement<sup>9</sup>). This information is sometimes included in a wider value-for-money report.

Governors could receive feedback from the periodic assessments of procurement capability that are carried out by independent assessors and benchmarked against those of other HEIs. This might include a summary of any recommendations for improvement and an action plan.

Finally, governors may wish to receive specific reports on the procurement aspects of major developments. This could be a briefing to assure them that the risks have been identified and are being managed effectively, and that value for money is being achieved. This would be in addition to any role they have in maintaining general oversight of significant projects. ■

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<sup>9</sup> See Section 7 on page 11.

# 06 What are the legal and reporting requirements?

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Procurement operates within a legal framework that is intended to ensure transparency and fair competition by creating a level playing field for suppliers. HEIs are also generally regarded as public bodies and therefore subject to European Union (EU) directives for letting of contracts. These directives require contracts above a certain value to be advertised at the European level through the *Official Journal of the European Union* (OJEU).

Because tuition-fee income from home undergraduate students in England has not been ruled as public funding in the courts, some HEIs deem that they are not bound by EU directives, but nonetheless use the framework as a guide to good practice. This is an area where there is a risk of legal challenge under the relevant EU directive, so governors should ask whether their HEI has made such a decision and satisfy themselves that the advice on which it was made is sound.

EU legislation is complex and requires specialist interpretation by procurement professionals. For example, there are specific provisions regarding the possible challenge of contracts by suppliers. The legislation also covers requirements such as safeguarding employee rights when undertakings are transferred to new providers, which could be relevant where an institution outsources services.

HEIs produce regular returns to their funding councils on a range of financial and accounting matters. In England, the most relevant of these for procurement are the requests for an annual value for money report and for a return relating to the efficiency measurement model (EMM). The request is currently voluntary in England, although a similar requirement in Scotland is mandatory.

The EMM is a reporting tool developed by the sector to provide a consistent approach to measuring savings and efficiencies. It enables each English HEI to report annually to HEFCE its procurement performance in cashable savings and non-cashable efficiencies. The EMM has recently been expanded to capture more data on collaborative spend and on the amount of non-pay expenditure that can be influenced by procurement.

In Scotland reporting is to the Scottish Government Procurement Information Hub, which also collects data across the wider Scottish public sector. ■



Ensure transparency and fair competition by creating a level playing field for suppliers.

# 07 What is collaborative procurement?

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Collaborative procurement is the pooling of requirements by more than one business unit to achieve economies of scale and increase purchasing power. In some institutions, developing internal collaborative procurement was a major achievement, but most have now moved on to collaboration with other HEIs.

Almost all HEIs are members of one of the four regional consortia in England or the national consortia in Scotland and Wales. These consortia are member-owned bodies and establish framework contracts with suppliers on behalf of their members, and nationally on behalf of the sector as a whole, for a wide range of goods and services. There are also nationwide consortia for energy (TEC) and for catering (TUCO) which operate in a similar way, and for IT through Jisc, which is a consortium that procures and supplies the Janet network and other IT services. In addition, HEIs may buy goods and services through frameworks that are organised by central and local government and the NHS.

Outside these formal frameworks, HEIs often collaborate with each other where they face similar requirements (eg, for major technical equipment), or where grant funding awards are shared between institutions.

The Diamond Review<sup>10</sup> set the higher education sector a target to make 30% of its non-pay expenditure through collaborative arrangements by 2016. Progress in this area in England is measured annually through the EMM return to the funding council. A higher target of 40% has now been set for higher education in Scotland following the achievement of the 30% target by Scottish HEIs.

The most recent estimate<sup>11</sup> of collaborative procurement for England is £1.6bn, with at least half spent through the purchasing consortia.

The main lessons here are that collaborative procurement has been one of the primary ways in which the sector has achieved better value for money in recent years, and that universities and higher education colleges should consider its benefits wherever possible. For example, it is estimated that collaborative arrangements have consistently delivered average savings (versus market prices) of well over 10%. ■

The most recent estimate of collaborative procurement for England is £1.6 billion.

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<sup>10</sup> Universities UK <sup>11</sup> Source: Hefce data for 2013/14

# 08 How can we assess performance?

Governors are able to assess performance and year-on-year progress through the annual reports they receive on value for money and using the information prepared for funding council returns. However, there are additional assessments of performance and capability that have become common in recent years.

In England, a Procurement Maturity Assessment (PMA) service is available from one of the purchasing consortia, the Southern Universities Purchasing Consortium (SUPC)<sup>12</sup>. The PMA assesses the objective performance of an HEI's procurement function and also benchmarks it against that of other HEIs to provide an overall assessment of the level of maturity. Recommendations for improvement and an action plan are also provided.

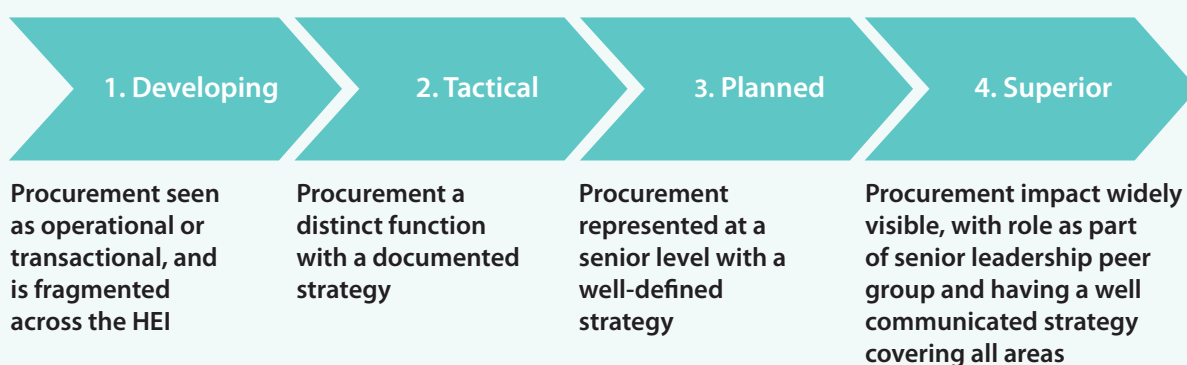
In Scotland, a similar service, known as a Procurement Capability Assessment (PCA), is available from the Advanced Procurement for Universities and Colleges (APUC) centre of expertise<sup>13</sup>.

Both approaches use a similar set of questions and data analysis to provide an independent assessment of capability, and APUC and SUPC meet regularly to ensure the approaches are as comparable as possible.

Capability over nine key procurement attributes is measured, one of which is associated with governance. The levels of maturity (in ascending order) and the descriptors of governance associated with each are shown in Figure 4.

The progress of an HEI to a higher level of maturity generally brings greater cost-savings and increased value for money. ■

Figure 4: Maturity levels and governance descriptors



**Note:** These descriptors are taken from SUPC's PMA briefing material. Governance is seen as covering the relationship between the procurement function and the senior leadership of the institution.

<sup>12</sup> www.supc.ac.uk <sup>13</sup> www.apuc-scot.ac.uk Although focused on Scottish HEIs, the PCA is open to all HEIs.

# 09 How can procurement promote sustainability?

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Many HEIs have a strategic objective to promote sustainability. This can mean setting targets to reduce their carbon footprint, and supporting more environmentally sensitive practices.

Procurement can play a major part in helping HEIs to meet these objectives, in how services are both specified and sourced. For example, in catering many HEIs have moved to source fresh food locally in order to reduce food miles and have supported organic and Fairtrade producers; and in estates, many have introduced energy-saving heating and lighting systems.

Some HEIs have also found sustainability to be a productive area to work with students and campaigners, bringing them into the procurement process at key stages to better inform decisions and outcomes.

The annual Green Gown Awards, run by the Environmental Association of Universities and Colleges (EAUC)<sup>14</sup>, celebrates the progress individual HEIs have made in environmental and sustainability issues and benchmarks them against each other.

In Scotland, APUC has developed a tool to assess ethical, social and environmental performance at various depths in an institution's supply chain. This has been designed so that it can be shared with other regional purchasing consortia across the UK in due course.

Annual information from HEIs on their carbon footprints and progress in meeting sector-wide targets is collected by the funding councils. They also provide advice on the measurement of 'scope 3 emissions', which are indirect emissions produced by HEIs through activities not owned or controlled by them (eg, business travel, suppliers, and waste and water). ■



Setting targets to reduce their carbon footprint.

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<sup>14</sup> [www.eauc.org.uk](http://www.eauc.org.uk)

# 10 How can procurement support the local economy?

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Higher education institutions are major contributors to their local economy through direct employment and the goods and services they buy. In fact, some will be the largest local employer and generator of wealth in their area.

While procurement practices must be transparent and fair, they can be designed to encourage local suppliers to tender. This can be done by introducing criteria that benefit local suppliers, such as requirements for low transport costs and green sourcing.

Contracts can also be broken up into smaller units so that they are open to small and medium-sized enterprises (SMEs) as well as large firms, given that many local economies comprise mainly SMEs. Alternatively, large national suppliers of contracts can be encouraged to use SMEs as subcontractors, many of which are likely to be local.

Such flexibility is enshrined in the Social Value Act<sup>15</sup> in England. This allows public bodies to take into account social as well as commercial objectives when awarding contracts, by requiring them to consider how services procured might improve the 'economic, social and environmental wellbeing of the area'.

This freedom can also be used to stimulate delivery by social enterprises such as mutuals and cooperatives, as well as to promote social objectives, such as an increase in the number of apprenticeships offered by suppliers.

Similar flexibilities are allowed to Scottish HEIs through the Procurement Reform (Scotland) Act<sup>16</sup>. ■

Some will be the largest local employer and generator of wealth in their area.

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<sup>15</sup> The Public Services (Social Value) Act (2012) came into force on 31 January 2013.

<sup>16</sup> The Procurement Reform (Scotland) Act 2014 came into force on 17 June 2014.

# Annex 1: The procurement landscape

The higher education sector has a large number of bodies that support procurement. These can be grouped into those that support purchasing, training and best practice, and strategic coordination across the sector.

## Purchasing

Central to purchasing and collaborative procurement are the eight member-owned **purchasing consortia** in the sector:

Advanced Procurement for Universities and Colleges (APUC) for Scotland	<a href="http://www.apuc-scot.ac.uk">www.apuc-scot.ac.uk</a>
Higher Education Purchasing Consortium Wales (HEPCW)	<a href="http://www.hepcw.ac.uk">www.hepcw.ac.uk</a>
London Universities Purchasing Consortium (LUPC)	<a href="http://www.lupc.ac.uk">www.lupc.ac.uk</a>
North East Universities Purchasing Consortium (NEUPC)	<a href="http://www.neupc.ac.uk">www.neupc.ac.uk</a>
North West Universities Purchasing Consortium (NWUPC)	<a href="http://www.nwupc.ac.uk">www.nwupc.ac.uk</a>
Southern Universities Purchasing Consortium (SUPC)	<a href="http://www.supc.ac.uk">www.supc.ac.uk</a>
The Energy Consortium (TEC) for England	<a href="http://www.tec.ac.uk">www.tec.ac.uk</a>
The University Caterers Organisation (TUCO) for the UK	<a href="http://www.tuco.org">www.tuco.org</a>

In addition, Jisc provides contracts and services for IT, and HEIs can use the purchasing frameworks established for central government by the Crown Commercial Service (CCS).

## Training and best practice

Many procurement professionals will be members of the **Chartered Institute of Procurement and Supply** (CIPS), which sets professional standards and supports professional development across both the public and private sectors. CIPS has recently achieved Royal Charter status. The **purchasing consortia** also deliver professional development for their members.

The **Higher Education Procurement Association** (HEPA) was established to provide professional support, development and training for procurement managers in all UK HEIs. It provides tailored courses, both face to face and through e-learning packages, as well as a forum for managers to exchange best practice and share learning.

The **Efficiency Exchange** was set up following the Diamond Review<sup>17</sup> to showcase efficiency related work across the sector and to act as an online repository of good practice, including case studies of procurement best practice.

## Strategic co-ordination

**Advanced Procurement for Universities and Colleges (APUC)**, as well as operating as a purchasing consortium, acts as a centre of procurement excellence and shared service for Scottish further and higher education.

**Procurement England Ltd** has been established to represent the various procurement related bodies in England and to coordinate activities.

**Procurement UK** was set up to provide oversight of the progression of procurement towards the Diamond Review objectives of increased strategic impact, greater collaboration and better training. ■



## Annex 2: References and further reading

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There is a wide variety of sources of further information in published guides and on the web. The following are of particular relevance to procurement in higher education.

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## Annex 3: Glossary of terms

The following is a list of some of the terms that you may come across in procurement.

Category management	a systematic approach to the development of strategies and plans based on an analysis of demand and supply in major spend categories. The process typically brings together procurement professionals, buying organisations, suppliers, industry bodies and users
Commissioning	a cycle of activities including strategic planning, budgeting, procurement and performance management. It is most commonly associated with the health and social care sectors
Competitive dialogue	a process through which a shortlist of suppliers are invited to discuss requirements and to refine proposals before their final submissions. It is sometimes used for complex procurements where it is difficult to define precise requirements at the outset
Contract management	management activities that occur after contract award. Good contract management will ensure that effective key performance indicators are set at the start of the contract period, and that compliance and contract scope are managed effectively throughout the life of the contract
Contract variation	an alteration to the terms of the contract
Dynamic purchasing system	a framework established (for a limited time) for the purchase of commonly used goods, works or services that is open to new supplier admissions throughout its lifespan. Seen as advantageous to a traditional framework in certain scenarios
eMarketplace	a website allowing purchasers to buy simply and securely online at pre-negotiated prices
Framework agreement	an agreement between a purchasing body and suppliers for the provision of goods, services or works over a specified period (not normally more than four years) that negates the need to conduct a full tender exercise for each specific requirement. Contracts resulting from the framework are often known as 'call-off contracts'. Frameworks can be within a single institution or at the consortia level for use by many institutions
Invitation to tender (ITT)	document(s) containing the specification, proposed terms and conditions and other appropriate information issued to tenderers to solicit formal tenders
Key performance indicators (KPIs)	a set of quantifiable measures, including targets, built into a contract, to allow the HEI to monitor a supplier's performance in delivering the contract
Market sounding/testing	engagement with suppliers pre-procurement to test commercial viability and to enable the market to gear up for the procurement
Mini-competition	a competitive invitation to tender extended to a limited number of suppliers who are on a pre-tendered framework agreement
Negotiated procedure	award of a contract without going through a competitive process; allowed only in very special circumstances by EU directive
Open tender procedure	process through which all suppliers that respond to an open advertisement are considered, without any form of prequalification or pre-selection; often used for small tenders or where pre-selection is not relevant

Prior information notice (PIN)	publication of information to stimulate market interest before the start of the procurement process and to allow potential bidders to prepare themselves to bid; can enable reductions in timescales for competitions
Pre-qualification questionnaire (PQQ)	a questionnaire that suppliers or contractors must fill out when bidding for work or applying to go on an approved supplier list; often the first stage in a restricted tender process
Procurement strategy	document describing the current and future contributions that effective procurement and the procurement team will make to fulfil the aims and objectives of the organisation within a set timescale
Restricted tender procedure	a two stage process involving first an invitation to suppliers to submit an expression of interest or pre-qualification questionnaire, and then selection of a shortlist of candidates who are invited to tender; often used for larger tenders
Scope 3 emissions	indirect emissions that organisations produce through their activities, but which occur from sources not owned or controlled by the organisation. Examples of such activities include business travel, commuting, supply chain (procurement), waste and water
Single-source tender	the acquisition of goods, services or works from only one source. This is a non-competitive procurement method and should be used only in exceptional circumstances. Sometimes called a Direct Award
Social value	social, economic and environmental benefits that may be additional to the commercial purpose of the contract
Specification	document setting out detailed requirements for a particular good or service
Spend analysis	analysis of how much is spent, on what and with whom
Statement of requirements	simplified form of specification, setting out requirements for a service, usually in terms of outputs or outcomes
Strategic supplier	supplier with whom the value of spend is high, or who presents a high level of risk/dependency for the HEI
Supplier strategy	a coordinated approach to the segmentation of suppliers relating to spend with them and their risk profile. The supplier strategy should be clearly linked to the procurement strategy
Teckal exemption	an exception from normal procurement rules under EU legislation. The exemption allows contracting bodies in certain circumstances to award 'contracts' for providing services or works to an in-house provider without going through the usual tendering procedures
Tender evaluation	process by which tenders are compared with the specification or statement of requirements. It typically involves assessment against pre-determined evaluation criteria, and is divided into a technical (or qualitative) evaluation and a financial (or commercial) evaluation

# The Leadership Foundation and our governance work

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## About the Leadership Foundation

The Leadership Foundation is a membership organisation that delivers leadership development and consultancy advice to higher education institutions in the UK and around the world. The focus of the Leadership Foundation's work is to improve the management and leadership skills of existing and future leaders of higher education. The services provided include consultancy, leadership development programmes and events, including a major series of events for governors. This work is supported by a highly regarded research and development activity that underpins the leadership development programmes and stimulates innovation.

The Leadership Foundation has a small team of experienced leadership and organisational development professionals drawn from higher education, other parts of the public sector, and also from the private sector. Much of the Leadership Foundation's work is delivered in partnership with the higher education sector and other partner organisations. **[www.lfhe.ac.uk](http://www.lfhe.ac.uk)**

## More about Governance at the Leadership Foundation

Our governance activities are led by Aaron Porter, who oversees our approach to governance, the governor development programme and research activity that relates to governance. He is also our lead contact with the Committee for University Chairs and other relevant higher education networks and organisations.

During the year 2014-15 we have launched a series of exciting new development opportunities for governors and those interested in the subject. This has included an online course over 5 weekly modules called Rethinking Governance created with York University; and an online self-assessment tool, ([www.lfhe.ac.uk/GDP-SAToolkit](http://www.lfhe.ac.uk/GDP-SAToolkit)) that enables governors to better manage upskilling themselves on how governance works in this sector. We have published a series of interviews with chairs of governing bodies entitled Governor Dialogues ([www.lfhe.ac.uk/govdialogues](http://www.lfhe.ac.uk/govdialogues)), and in June 2014 we published a trio of reports and think pieces on governance, you can find them online here (<http://bit.ly/1PjaxQy>). This is all in addition to the series of Governor Development Programme events that are taking place throughout the year, full details are at **[www.lfhe.ac.uk/gdp](http://www.lfhe.ac.uk/gdp)** ■



# Biography

of John Lakin

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John Lakin is an associate with the Leadership Foundation and an independent member of Procurement UK. He was also an adviser to the first round of the Innovation and Transformation Fund which supported the establishment of the Higher Education Procurement Association and the rollout of procurement maturity assessments in England. Prior to joining the Leadership Foundation he was a partner in PricewaterhouseCoopers LLP with responsibility for higher education consulting and for wider government policy and research. ■

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## Notes


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