



University
of Glasgow

SUPPLY CHAIN SUSTAINABILITY PROGRAMME A CASE STUDY

WORLD
CHANGING
GLASGOW



Contract and Supply Management at the University of Glasgow

HISTORY

The University is the fourth oldest University in the English-speaking world. Founded in 1451, it has earned an international reputation for research innovation, for connecting with experts in global business, and for being the home of inspiring thinkers, from the father of economics Adam Smith, to the eminent scientist Lord Kelvin. In keeping with its historic legacy of changing the world, the University is a founding member of the elite Russell Group of 24 major UK research universities.

The University Strategy 2015-2020 is to create a campus with facilities fit to recruit, inspire, and support the next generation of world changers. In 2016 the University commenced its Campus Development Programme to invest £1bn over the next 10 years.

The **University mission statement** is to bring inspiring people together and create a world-class environment for learning and research, empowering staff and students alike to discover and share knowledge that can change the world.

The **Chartered Institute of Procurement and Supply (CIPS)** awarding body granted the University with **CIPS Procurement Excellence Standard Award No. 0500**. The **Procurement Office mission statement** is to be an innovative and progressive change agent to deliver effective transformation to maximise opportunity for academic success. The University has a non-pay expenditure of c£280m across goods, services and works from external Suppliers each year.



GO Sustainable Procurement Award 2017/18 (Scotland)

What is Contract & Supply Management (C&SM)

The University of Glasgow manages its Contracts and Suppliers through our Contract Supplier Relationship Management (C&SRM) programme. The approach is closely linked with risk management.

The following will guide you through how Contract & Supply Management has been developed, is managed and operates at the University of Glasgow. It will demonstrate the techniques utilised, processes followed and outline the benefits and results from implementing such a program.

Why we do it

C&SM is critical to achieving strategic supply chain objectives:

- Effective partnership management
- Delivery of Effectiveness & Efficiency
- Open, fair and transparent procedures
- Effective competition
- Measure and monitor key performance indicators (KPIs)
- Drive innovation and creative solutions
- Compliance to Sustainable procurement principles
- Bribery Act 2010
- Health & Safety Regulations

The C&SRM programme provides the framework for obtaining value for money, holding regular review meetings with suppliers to ensure that they are meeting all of the requirements of the contract at the agreed rates and monitor performance management. It provides the University opportunity to build relationships through the Agreement life cycle with suppliers and the end users of the contract.

Key Components of C&SM

In support of our Corporate Social Responsibility, the University of Glasgow commits to procure all goods, services and works with a high ethical standard.

Supply Chain Code of Conduct

The University Supply Chain Code of Conduct created in collaboration with Advanced Procurement for Universities and Colleges (APUC) is evaluated on all tenders and forms part of our Contractual Agreement with all key strategic suppliers.

EcoVadis Sustainability Programme

The University has formally engaged with EcoVadis to utilise their expertise for assessment and monitoring of our high-risk suppliers. The EcoVadis CSR Programme provides the opportunity for our suppliers to obtain a rating of their performance in the areas of Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

Contracts Register

Hosts all the University's Contractual Agreements, which is regularly reviewed on a monthly/quarterly basis and maintained by the Procurement team. The Contracts register is available on the University's web pages for staff as well as being externally market facing and visible to potential suppliers.

Contract & Supplier Relationship Management (C&SRM)

All contracts awarded, have the provision included for a C&SRM program.

Dun & Bradstreet Live Monitoring

The University subscribes to D&B reporting, which provides real-time risk information on up to 500 suppliers.

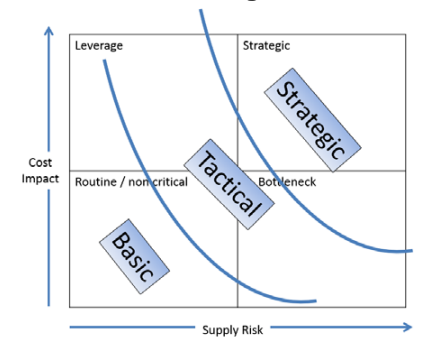
Constructionline

The University has utilised Constructionline since 2014, to obtain feeds primarily for providers in the Estates & Buildings.

C&SRM – How we do it - Supplier Segmentation

Phase 1 - Based on Contract Value and Risk

Procurement uses the Kraljic Matrix methodology to assess suppliers based on cost impact and risk. Using the current contracts register as a basis for analysing spend activity, suppliers are assigned a low, medium or high rating based on both, cost impact and risk. Feedback from stakeholders is obtained at this stage to validate the impact analysis considering the business area. From this review, suppliers can be classified as **Strategic, Tactical and Basic**.



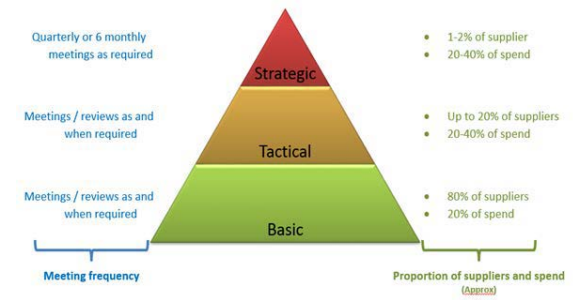
Supplier Segmentation

The segmentation determines the level of engagement that there will be with the suppliers that have been categorised, as illustrated

Strategic – monthly /quarterly review meeting

Tactical - 6monthly / annual review meeting

Basic – as required



Phase 2 - Based on a three stage process

- Category Risk Prioritisation (Marrakech Tool Kit)
- DEFRA Prioritisation Kit
- EcoVadis Sustainability Rating

Stage 1 – Category Risk Prioritisation (Marrakech Tool Kit) -

University's spend categories and sub-categories are assigned an initial sustainability score using a pre-prioritisation matrix against key sustainability criteria like Environmental, Social, Bribery, Modern Slavery risks

Stage 2 - DEFRA Prioritisation Kit - Pre-prioritisation generates risk ratings for different categories and in the order of highest risks, sub-categories are further analysed using the Department for Environment, Food and Rural Affairs (DEFRA) toolkit. This produces detailed graphs showing sustainability risk exposure in combination with economic spend.

Stage 3 – EcoVadis Sustainability Rating - The suppliers with contracts corresponding to the above high-risk categories from the DEFRA model are evaluated for sustainability performance. This is provided externally and independently by EcoVadis. The suppliers undergo a detailed assessment in Environment, Labour & Human Rights, Ethics and Sustainable Procurement. The results are published on the EcoVadis online portal, allowing clients such as the University to view, analyse and where required work on improvement areas jointly with the suppliers. EcoVadis provides a robust methodology covering 21 Corporate Social Responsibility (CSR) Criteria's.

Stage 1 – CATEGORY RISK PRIORITISATION (MARRAKECH TOOL KIT)

Risk pre-prioritisation. Used to determine priorities for taking forward to analysis such as DEFRA and Marrakech Life Cycle Mapping and Marrakech Prioritisation tool

| 1=Low, 2=Medium, 3=High | | Equity Team | | Equity Team | | Key: >15 = Highly Relevant/risk, >11 = Medium Relevance/risk, >9 = Low | | H&S Check | | Pre-Prioritisation | | | |
|-------------------------|---|-------------|---------------------------|---------------|---------------|--|-----------------|------------------|----------------|-----------------------|------------------|------------------|------------------|
| Com Code | Commodity Code Description | Equality | Environmental/Sustainable | WEEE/disposal | Social issues | Reputation | Health & Safety | Bribery Act Risk | Modern Slavery | Risk Score (Max = 24) | Priority 1 (H&S) | Priority 2 (H&S) | Priority 3 (H&S) |
| S | Stationery & Office Supplies | | | | | | | | | 0 | 1 | 2 | 2 |
| S1 | Office Equipment/Purchases, Leases, Hire and Maintenance | 2 | 2 | 3 | 2 | 0 | 1 | 1 | 1 | 12 | 0 | 1 | 0 |
| S2 | Printers (Photocopying etc) | 1 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | 12 | 0 | 1 | 0 |
| S3 | Photocopying - Retail, Leases, Purchase, Maintenance, Change | 3 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | 15 | 1 | 0 | 0 |
| S4 | Pre-printed Stationery | 1 | 3 | 1 | 2 | 1 | 0 | 1 | 1 | 10 | 0 | 0 | 1 |
| S5 | General Stationery | 1 | 3 | 1 | 2 | 0 | 0 | 1 | 1 | 9 | 0 | 0 | 1 |
| S6 | Education Packs and Materials Specific to Teaching and Learning (not Media - use) | 2 | 2 | 1 | 2 | 0 | 0 | 1 | 1 | 9 | 0 | 0 | 1 |
| S7 | Other and General Stationery and Office Supplies | | | | | | | | | 0 | 0 | 0 | 1 |
| T | Travel & Transport (incl. Vehicle Hire & Subsistence) | | | | | | | | | 0 | 9 | 7 | 3 |
| T1 | Accommodation & Hotels, not roombookings | 3 | 1 | 1 | 2 | 2 | 1 | 1 | 3 | 14 | 0 | 1 | 0 |
| T2 | Air Travel | 3 | 3 | 1 | 1 | 3 | 2 | 2 | 1 | 16 | 1 | 0 | 0 |
| T3 | Rail Travel | 3 | 3 | 1 | 1 | 3 | 2 | 2 | 1 | 16 | 1 | 0 | 0 |

Stage 2 - DEFRA PRIORITISATION KIT



Stage 3 – ECOVAIS SUSTAINABILITY RATING

A Robust Methodology: 21 CSR Criteria Covered

| ENVIRONMENT | LABOR & HUMAN RIGHTS | ETHICS | SUSTAINABLE PROCUREMENT |
|--|--|--|---|
| <ul style="list-style-type: none"> Energy Consumption & GHGs Water Biodiversity Land & Accidental Pollution Materials, Chemicals, & Wastes Product Use Product End-of-life Customer Health & Safety Environmental Partners & Advocacy | <ul style="list-style-type: none"> Employee Health & Safety Working Conditions Equal Opportunity Child Labor, Forced Labor & Human Trafficking Overworking/Exhaustion & Harassment External Stakeholder Human Rights | <ul style="list-style-type: none"> Corruption Anti-competitive Practices Responsible Information Management | <ul style="list-style-type: none"> Supplier Environmental Practices Supplier Social Practices |



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Contract & Supplier Relationship Management (C&SRM) Applied to Contracts - based on risk prioritisation

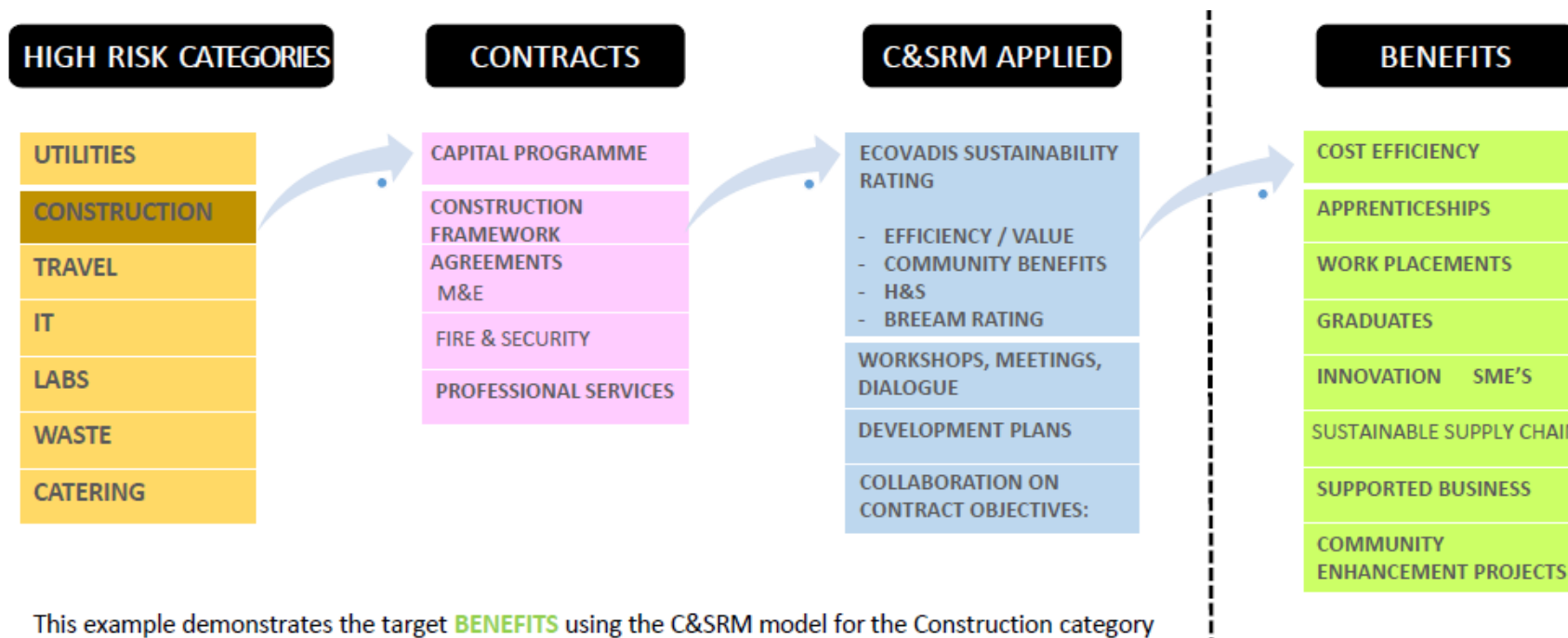
The Procurement Office at the University of Glasgow comply with the **Procurement Sustainable Duty** by applying the principles as set out in this case study.

Phase 1 describes Suppliers segmentation, **Strategic, Tactical and Basic**.

Phase 2 describes the following:

- The **first step** is identifying high risk and high spend **CATEGORIES**.
- The **second step** is identifying **CONTRACTS** within high risk categories.
- The **third step** is applying **C&SRM** for the management of Contracted Suppliers in a structured and measured manner.
- The **final step** is achieving the desired **BENEFITS** for win, win, win outcomes. The University, the Supplier and wider Community.

C&SRM forms an important part of the procurement process, included in the Strategic Sourcing Journey. C&SRM templates and process are included in the tendering documentation and inside Contractual Agreements to ensure that Suppliers are contracted to follow the process. Documentation includes KPI metrics, Stakeholder Feedback form and the Contract Change Note.

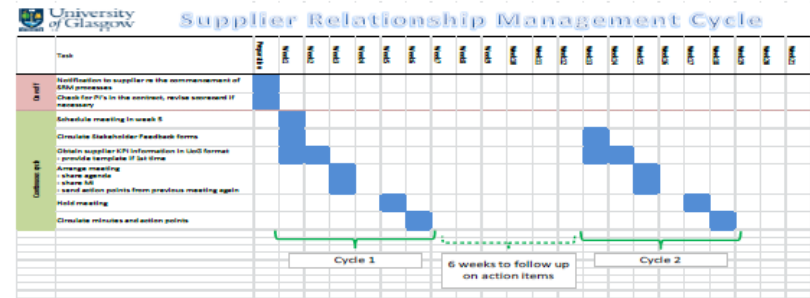


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Supplier KPIs and Dashboard

Suppliers complete an agreed set of metrics using management information on a periodical basis dependent on their categorisation –i.e. monthly, quarterly, etc. This information generates a dashboard for performance levels achieved (example below). The University uses a RAG system to manage the supplier performance:

- o≥70% Green -Acceptable
- o50-69% Amber -Review
- o≤50% Red -Unacceptable



Benefits / Results

- A continuous, fully embedded **Contract & Supply Management** program with increased **collaborative participation**.
- Improved spend **compliance** with a reduction in maverick spend.
- An end-to-end integrated fully **sustainable supply chain**.
- Ability to **identify and manage supply chain risks**, in real time.
- Availability of enriched analytics which enhance and supplement the information available from internal systems.
- An environment that creates and promotes **true innovation**.
- Measuring Performance through KPI reviews and Stakeholder Feedback Forms.
- Effective communication through Supplier Workshops - accessibility to **spend demand and forecasting**, standardisation on specifications, delivered efficiencies and improved ways of working **and sharing best practice**.
- Active Procurement influence and engagement in the **mobilisation and communications** with key internal and external stakeholders through-out the Contract life cycle.
- Effective **Exit Management** plans where appropriate.
- **Continuous Improvements/Lessons Learned** through standardised set of terms and conditions, such as the introduction of the NEC4 suite of contracts.

THE END