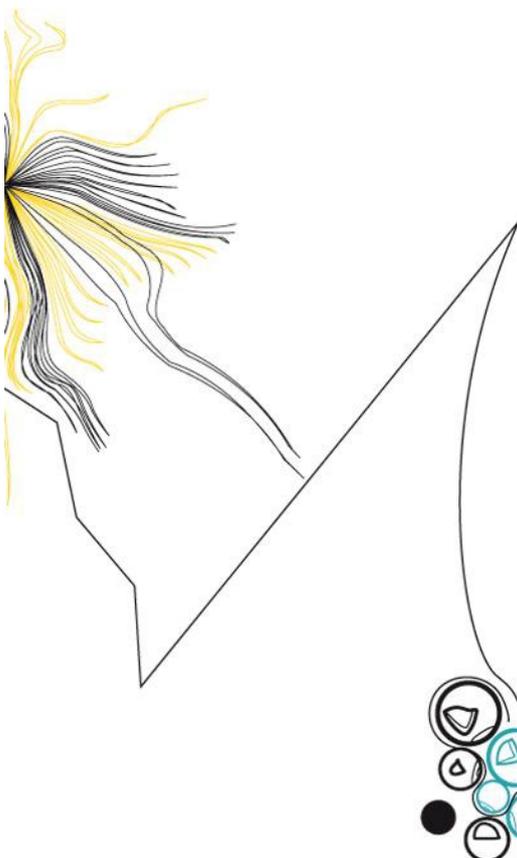




**Vision on Purchasing
2017-2020
University of Twente**

**The UT's Purchasing department puts
clients first**



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1. Introduction

Motivation for this vision on purchasing

Before you lies the vision on purchasing 2017-2020 of the University of Twente (UT). The purpose of this document is to outline the ambitions and key principles of our Purchasing department (henceforth Purchasing) for the period 2017-2020 and concretise these into actions and results. This vision translates the UT's strategic objectives and relevant external developments into purchasing objectives and, in doing so, demonstrates the contribution Purchasing can and wants to make. This is a dynamic document and it will be evaluated periodically in light of the UT's strategy for the coming years.

In addition to this vision on purchasing, the UT has drawn up a procurement policy and a purchasing management model which outline the methods, the policy and the frameworks within which purchases are made. Both documents are available on Purchasing's website.

Purchasing's mission

Purchasing wants to make a positive contribution to the continuous improvement of the UT's purchasing professionalism. Purchasing gives substance to contract management in a professional manner and supports purchasing, order and procurement processes. Purchasing therefore serves as an integrated part of the operational management process and contributes to the continuity of the primary process. Purchasing strives to contribute optimally to the UT's (strategic) objectives and proactively advises the UT's various Faculties and Services about the purchasing function. Everything the department does is driven by its core value of putting the client first.

2. Key principles and objectives of the purchasing function

This chapter translates the UT's strategic course into concrete principles and objectives for the purchasing function. Firstly, it is important to consider the ways in which the purchasing function can contribute to the strategy. Next, several external developments that affect the UT's purchasing function are covered. Finally, the key purchasing principles for the coming years are detailed.

Purchasing's contribution to Vision2020

In light of Vision2020, the UT strives to be an international, collaboration-oriented and entrepreneurial (experimenting, pioneering and risk-taking) university. In order for Purchasing to contribute to these objectives and put its clients first, these goals were taken into account when drawing up the department's course and its key principles. Furthermore, the UT wants to have a regional impact. In terms of purchasing, this aspect was incorporated into the procurement policy: tender smaller projects whenever possible and invite regional suppliers for single or multiple direct agreement procedures.

External developments that affect Purchasing

Several developments are taking place around us:

- The new procurement law offers more room for innovation;
- Extensive focus on large IT projects from not-for-profit organisations (report from the Elias committee);
- Developments pertaining to privacy legislation;
- Critical view on the integrity of the government (Zembla);
- Digitisation, more room for e-procurement;
- Transparent government;
- Public-public or public-private collaboration;
- Recognition of the importance of a better alignment with the organisation's business and strategy in order to actually add value.

Purchasing keeps a close eye on these developments and, when relevant, they are translated for the benefit of our internal clients.

Key principles of the Purchasing department

➤ **Give substance to innovation**

What do we want to achieve? (objectives)

The new procurement law stimulates innovation. It is up to Purchasing to take advantage of the leeway within and the potential of these legal frameworks. In light of innovation, the department can also contribute to the UT's efforts to give substance to its role of launching customer. As a launching customer, the UT is the first client of an innovation and helps bring this innovation to market. Innovation and launching customership tie into the theme of a living smart campus and help the UT maintain close relationships with businesses.

In order to realise optimal purchasing results, the UT utilises the latest insights in the field in its purchasing process. The UT also intends to make optimal use of new opportunities that result from legislative changes. Think of e.g. the procedure of innovation partnership that the new procurement law facilitates. Competition-oriented dialogue and competition procedures with negotiations are also easier to realise.

The UT wants to be open to expertise from the market. For that reason, the UT is careful about prescribing exact solutions with which to realise its objectives. Instead, it will give suppliers as much room as possible (within the limits of the applicable conditions) to come up with the most optimal and innovative solution (functional specification).

What will we do? (actions/strategies)

- Purchasing will stay up to date on the (im)possibilities of innovation within the framework of procurement legislation;
- Purchasing stimulates internal clients to avoid prescribing exact solutions (whenever possible);
- Purchasing stimulates the use of procurement procedures with room for input from potential suppliers, so their expertise is optimally utilised through e.g. market consultations, competition-oriented dialogue and/or competition procedures with negotiations;
- Purchasing stimulates and facilitates partnership between the UT and its suppliers, within the frameworks of the law.

➤ **Setting up an efficient procure-to-pay process**

What do we want to achieve? (objectives)

The UT's existing procure-to-pay process is not optimal. Client feedback points to a difficult process that leads to dissatisfaction. A thorough study and analysis of the "ideal" procure-to-pay process reveals that an optimal process should meet the following requirements: one standardised process, an effective approval structure, a single automated system, a select number of trained purchasers, proper information provision for applicants, purchasers and authorising officers and the availability of proper management information. The aforementioned study also revealed that the UT's ideal situation is best realised by designing an entirely new purchasing process, supported by a procure-to-pay system (henceforth P2P system). This presents significant improvement opportunities in terms of lead times, information provision regarding orders and invoices and insight into budget utilisation and the efficiency and legitimacy of the process.

What will we do? (actions/strategies)

In close collaboration between the Financial and Economic Affairs department and Purchasing:

- Determine the ideal procure-to-pay process for the UT together with the Faculties and Services;
- Select a P2P system via a procurement procedure;
- Implement the ideal process and the selected P2P system;
- Monitor the implemented process and make any necessary adjustments.

➤ **Professionalise contract management**

What do we want to achieve? (objectives)

The UT maintains a large number of contractual relationships with suppliers and other external market parties. It is important that these contractual relationships are managed properly. For that reason, the UT's contract management will be further professionalised in the coming period. With this, Purchasing wants to ensure that internal clients feel more satisfied about supplier performances, that contracts are optimally utilised and that contract risks are minimised.

What will we do? (actions/strategies)

- During the phase prior to the signing of a contract, more focus will be given to contract management. Frameworks for this must be created in the conditions and agreements, e.g. through clear service level agreements and discussion and escalation structures;
- Together with the Faculties and Services, determine which contracts are most critical and manage these carefully;
- Purchasing brings the various contract managers or colleagues who perform this task in the organisation together in order to improve their role, exchange knowledge and standardise working methods;
- Purchasing stimulates and facilitates partnership between the UT and its suppliers within the frameworks of the law;
- Purchasing improves contract compliance (use of existing contracts) by using the P2P system to guide purchasers to the existing contracts.

3. Conclusion

In addition to the aforementioned key principles, Purchasing will ensure that everything that currently goes well will continue as before, e.g. (European) tenders, purchasing advice, projects related to purchasing and orders. Consult the Purchasing department's website for more information. If you have any questions or remarks, we would like to discuss with you how we can best support you with these key principles.