



Strategy on sustainable procurement

March. 2023

Purpose:

This policy sets out the parameters for the purchasing of all goods, services, and works, with the objective of ensuring a cost-effective, sustainable, environmentally friendly, and legally compliant approach to purchasing that provides the best value for money for the university.

Scope:

The policy covers all spending, in respect of the acquisition of goods, services, and works in all departments including research institute, and university campus facilities requirements. The policy applies to purchases (defined below) by all of the university departments and its subsidiary facilities.

Definitions:

Purchase Requisition- means entering into a binding agreement for the acquisition of goods, services, works, and utilities on behalf of the University and its subsidiary facilities.

Request for Quotations - a stage in the competitive tendering process, in which suppliers and contractors are invited to provide offers for material supplies or service contracts.

Quotation Opening- a stage where all competitive quotations are opened to be technically and financially analyzed by the concerned end for each.

Contracting- building legally binding agreements between contractors, suppliers, and the university to provide the needed requirements.

Delivery-acquiring goods and services that fulfill the requirements of the University and its facilities.

End-user- KFUPM departments, research institutes, and university facilities all of which have requirements, materials, and services that need to be procured.

Policy Principles:

1. Securing optimum Value for Money.
2. Using high-value suppliers' lists to choose vendors, rather than price in isolation.
3. Complying with all relevant legislation.
4. Procurement will help determine the optimum procurement strategy and route to market with the relevant department.
5. Engagement with procurement will take broadly one of three routes depending upon the Purchase complexity, value, risk level, and type, available local resource.
6. Procurement roles:
 - Procurement as lead primary responsibility for most sourcing and tendering activities.
 - Procurement as a consultant, which may include specification setting guidance, procurement strategy and route to market, as well as procurement documentation review for end-user departments.
 - Procurement as advisors, providing ad-hoc advice and guidance.

Sustainable Procurement:

The university operates a semi-devolved system of purchasing, so sustainability considerations should be factored into all purchasing decisions. The university's procurement team is here to help end-users with these considerations.

○ Consideration should be given to the following:

- Seek to ensure that procurements are carried out in accordance with KFUPM procurement policies.
- Ensure that all suppliers comply with the requested requirements to submit their quotations for competitive tendering.
- Identify and prioritize high-value purchases.
- Embed sustainability in the procurement process, monitor and report on progress through cultivating data and analyzing it.
- Work with internal stakeholders, purchasing, and contract managers to provide training and knowledge to successfully deliver the objectives of the procurement policy.
- Establish collaborative partnerships with suppliers.

Sustainability considerations in purchasing are to be promoted by:

- Educating, informing, and encouraging staff to understand the university's purchasing policy and how to deploy sustainable principles in all procurement activities.
- Providing training for procurement teams.
- Addressing any obstacles which could face local suppliers to bid for any goods/services or works.
- Question the need for the purchase and the choice of product in support of the university sustainability agenda.
- New Suppliers are only added to suppliers' lists after meeting the supplier's registration criteria stated in the university procurement policy.
- Procurement due diligence tools, videos, and templates can be found on the university website.

Environmental Sustainability of the Procurement Process:

Through selecting suppliers and directly engaging with them, we will support suppliers that effectively:

○ Reduce the environmental footprint through:

1. Conservation of resources, including the use of energy, and materials.
2. Waste minimization, through procuring for chemical waste management.

○ Society and economic growth through:

1. Creating and facilitating Job opportunities for local small and medium-sized enterprises.
2. Encouraging supply chain innovation.
3. Safe Disposal of chemical waste by consulting with and choosing vendors who adopt an environment-friendly approach.

Responsibilities of the General Director of Materials:

- Provision of university-level negotiated contracts and preferred supplier arrangements for the purchase of goods and services by all departments, where aggregation of budget spending yields demonstrable benefit and/or such a contract reduces significant contractual risk to the university.
- Working with Legal to ensure that all material contracts entered by the University maintain and protect the best interests of the University.
- Providing up-to-date guidance on legislation applicable to university procurements.
- Management of the General Department of Materials (Purchasing Department, Contract Department Storehouse Department, and Quality and Safety Management Unit) to provide delivery of a professional purchasing service to all end-user departments.
- Providing professional leadership (including coordination of training) for staff involved in purchasing and contract management activities throughout the University.

The General Department of Materials is responsible for:

- Provision, Purchase Request Review (PR), creation of Request for Quotation (RFQ), publication of RFQ, and terms and conditions as stated in the booklets published on the procurement page of the university website.
- Provision of a professional purchasing advisory and facilitation service to include sourcing advice or support on specifications, tendering, contract negotiation, contracting, and contract management.
- Proactively identifying opportunities in purchasing areas and implementing plans to deliver the benefits identified.
- Utilize a category planning and category management approach, to approach vendors and acquire quotations.
- Responsible for determining the procurement route (Direct Purchase, Limited Tender, Open Tender).

- Ensuring that departmental end-users are supported through the tendering, contracting, storing goods loading & delivering processes where appropriate.