

HEFMA 2024 CONFERENCE

DATE: 15 OCTOBER 2024

VENUE: UNIVERSITY OF MPUMALANGA

PRESENTED BY:

GROUP CHIEF OPERATING OFFICER (PURCO SA)

MS MESHAL MOONSAMY

WHO IS PURCO SA?

Non profit org. established in 1978

65 members

Created by members to serve members

Our members are our shareholders

National office with regional committees

HE purchasing consortia are international best practice

Level 3 BEE contributor

Serve public & private HE institutions

Procurement support and services

Full and Associate Members

Executive support and co-operation for improved savings and efficiencies

ISO 9001:2015 certified
(World first)

SUSTAINABLE PROCUREMENT STRATEGIES FOR HIGHER EDUCATION

LEVERAGING TECHNOLOGY, INNOVATION & BEST PRACTICES

Key Goals:

- Utilize technology to improve sustainable procurement practices.
- Foster innovative solutions in sourcing and supply chain management.
- Engage stakeholders for collaborative sustainability efforts through best practices

USAF Conference – 9 October 2024

“The relevant question is how today’s institutions should be positioned to respond to future challenges from funding, leadership and management development, teaching and learning, research and innovation as well as transformation perspectives.”

Special Advisor to the HE Minister : Dr Clarence Tshitereke

The Ministerial addressed three areas:

1. **Higher Education Leadership, Management and Governance**
2. **Sustainability of Higher Education Institutions**
3. **The future of transformation in higher education institutions**

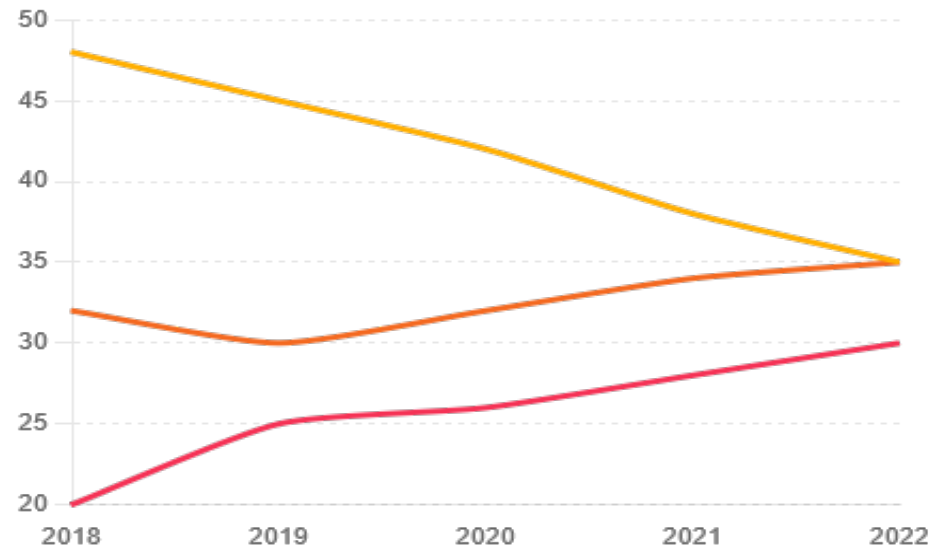
KEY DRIVERS

1. **HE increasing downward pressure on declining subsidies & fees. Upward pressure increase staff and related costs.**

1. **Key Pressures:**

1. Quality in teaching and learning
2. Social Responsibility
3. Transformation
4. Increased Student Enrolment and Demand for Access to HE.
5. Capital Expansion/Expenditure
6. Staff Demands (Salary Increases, Insourcing)

Generalized Trends: Revenue Composition



Y Percentage of Total Revenue by X Year for
State Subsidies,
Tuition Fees, and Third-Stream Income

Source: DHET, CHET, CHE, Annual Reports

SUSTAINABLE PROCUREMENT STRATEGIES

1. **PURCO SA COLLABORATIVE MODEL**
2. **INNOVATION AND TECHNOLOGY- (CUT CASE STUDY)**
3. **FINANCIAL MODEL (UCT –CASE STUDY)**
4. **CATERING (WITS –CASE STUDY)**
5. **TRANSPORTATION (UKZN- CASE STUDY)**

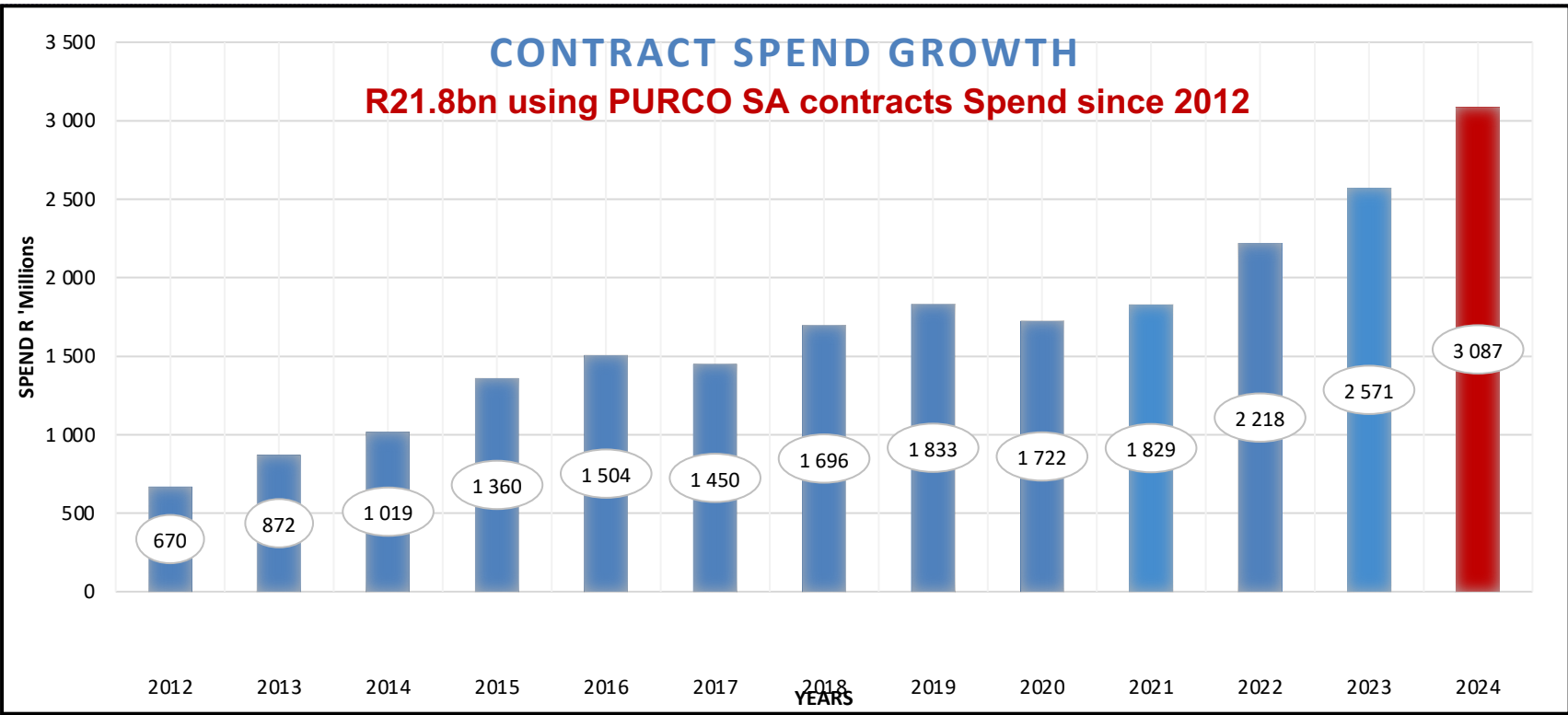


PURCO SA COLLABORATIVE MODEL





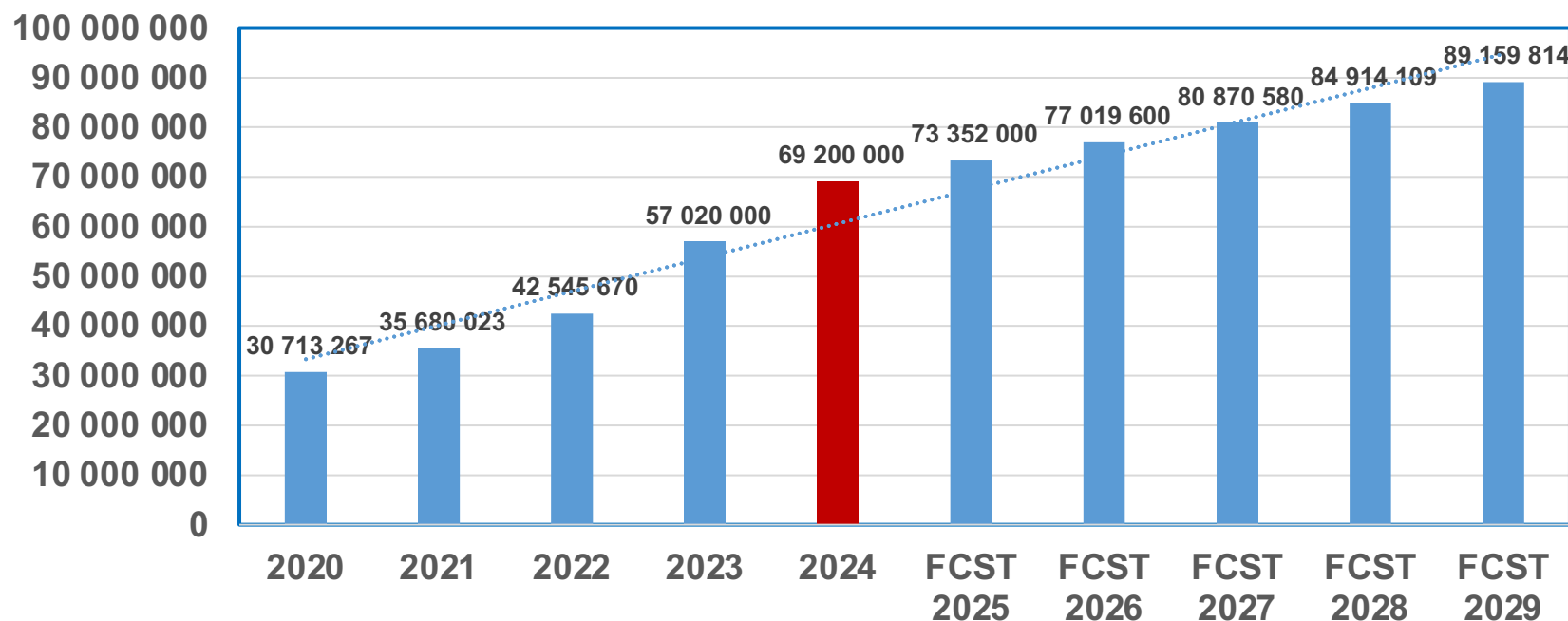
Total Spend Growth





PURCO SA 5 Year Strategic Plan

SURPLUS TO MEMBERS



KEY PROJECTS

1. INFRASTRUCTURE (CONSTRUCTION PROJECTS)
2. ICT INFRASTRUCTURE
3. SOFT SERVICES (CLEANING, SECURITY, GARDENING, CATERING, WASTE MANAGEMENT)
4. NATIONAL FRAMEWORK AGREEMENTS

SECTOR ENGAGEMENTS

1. DHET
2. USAF
3. University & TVET Leadership
4. HE Association and Interest Groups

LEVERAGING TECHNOLOGY & INNOVATION (CUT CASE STUDY) : ROBOTIC PROCESS AUTOMATION

“Business mindsets need to evolve to leverage technology to streamline operations, reduce costs, and improve overall business process effectiveness and efficiency.”

CUT CASE STUDY (MS B MATUBE)

CUT RFP process, via PURCO SA- Robotic Automation Process

- The University spent over R 6 Million in digital transformation projects with no visible outcomes or business benefits realized.
- No business over-sight with the project.
- High resistance from business on the so called digital transformation initiatives.
- For 6 years, not a single business process is automated, despite the target of 80% automated processes in 5 years

IT Satisfaction Scorecard : Department Report / Central University of Technology

IT Satisfaction Scorecard



IT Satisfaction

Satisfaction with the IT department and its ability to support your needs

Up 8%
from last year

NET PROMOTER SCORE: 7%



IT Value

Satisfaction that IT provides high value relative to your perception of cost and staffing

Up 11%
from last year

NET PROMOTER SCORE: 0%

Relationship

76%

Understands Needs

Satisfaction with IT's understanding of your needs.

Up 18%
from last year

71%

Executes Requests

Satisfaction with the way IT executes your requests and meets your needs.

Up 11%
from last year

63%

Communicates Effectively

Satisfaction with IT communication.

Up 5%
from last year

61%

Trains Effectively

Satisfaction with training quality and timing.
trending unavailable



Security Friction

Office/Desktop Security Friction is acceptable

87% AGREE

Regulatory Compliance-driven Friction is acceptable

87% AGREE

Remote/Mobile Device Access Friction is acceptable

67% AGREE

Data Access Friction is acceptable

67% AGREE

FINANCIAL SUSTAINABILITY MODEL **UCT CASE STUDY (MR H MARITZ)**

UCT RFP process, via PURCO SA- SUSTAINABLE VALUE OFFICE (SVO)

- Like other SA HEIs, UCT knows what projects are needed to ensure sustainability.
- Noted it's a common struggle with on point execution, reporting and demonstration of value added.



FINANCIAL SUSTAINABILITY MODEL **UCT CASE STUDY**

A UCT SVO enables the following:

- A 'one stop shop' for all projects and interventions that allows for transparency, appropriate resource allocation, governance oversight and reporting.
- Ensure comprehensive and appropriate change management interventions.
- To take on projects that go beyond just finances
- Appropriate and fit for purpose process for demonstrating, prioritizing and monitoring projects.
- Ensure consistent and appropriate communication.

WITS CATERING (BUSINESS CASE STUDY) Ms **Veronica Lephala**

- The dining halls operate on a hybrid model. The hybrid model is a collaboration between the appointed Service Providers (SP's) and the University.
- It involved the SP's being responsible for using its procurement expertise to source raw materials and stock for meal preparation, while the University provides human capital for meal preparation, serving, and kitchen cleaning.

WITS CATERING (BUSINESS CASE STUDY)

- **PURCO SA Consultancy (WITS Catering)**
 - The consultant conducted a thorough evaluation of both a fully insourced model and the existing hybrid business model for university catering services.
 - The study concluded with the preferred model, particularly when considering the risks associated with mass catering in a university environment.
 - The report included cost-sharing initiatives, such as utility, training, and development costs, while prohibiting service providers from imposing setup costs.

WITS CATERING (BUSINESS CASE STUDY)

Business Case Study before engaging on Procurement Processes :

1. Commitment to Quality (Focus on Excellence)
2. Focus on Excellence
3. Expertise and Resources
4. Regulatory Compliance
5. Innovative Catering Solutions
6. Financial Sustainability & Cost Sensitivity
7. Flexibility and Adaptability
8. Collaborative Partnership
9. Empowerment Initiatives

UKZN TRANSPORTATION (MARKET ANALYSIS) Ms N Moodley

- The study sought to **elevate the efficiency** of UKZN's student transportation and Light Motor Vehicle Fleet Management by exploring the current state of transport management and **providing strategies to better manage**.
- It underscored the importance of **aligning** transport management strategies with **broader organizational goals**, including finance, procurement, sustainability, and departmental capacity.
- Emphasizing the importance of **clear goals**, technology utilization, compliance, and continuous improvement to **unlock operational efficiency and cost reduction**.

CHALLENGES

- The **operational inefficiencies** are further intensified due to the **absence of centralized maintenance**, a comprehensive vehicle pooling system, and an effective ownership and maintenance strategy.
- The current practices **suffer from a lack of cohesion** and a data-driven approach, leading to less-than-ideal vehicle utilization, heightened operational costs, and potential risks like financial losses and compromised operational capacity.

CHALLENGES

- The consequences of **aging vehicle fleets** on fuel usage are multifaceted, encompassing increased fuel consumption, inefficient fuel systems, **higher maintenance requirements**, and limited access to fuel-saving technologies.
- These factors collectively contribute to decreased fuel efficiency, increased downtime, and challenges in implementing fleet-wide fuel-saving measures.

KEY RECOMMENDATIONS

- Key recommendations emerge, advocating for a unified fleet policy, conducting departmental assessments, and transitioning to a leasing model to mitigate the high costs associated with ownership and maintenance.
- The study recommended proactive measures like maintenance, driver training, and fleet modernization to optimize operational performance.

1. COST AVOIDANCE

- **Strategies to prevent future expenses.**
- **Example:** Preventive Maintenance: Regular upkeep of heating/cooling systems to avoid costly emergency repairs.

2. COST EFFECTIVENESS

- **Measures outcomes in relation to costs; focuses on getting the best results for the money spent.**
- **Project Comparison:** Evaluating software solutions based on cost versus efficiency gains (e.g., Solution A vs. Solution B)



CONCLUSION

- By embracing sustainable procurement strategies, we not only enhance our operational efficiency and reduce costs, but also demonstrate our commitment to ethical practices and environmental stewardship.
- Together, we can forge a path toward a more sustainable future, where our choices today empower future generations. Let us be the leaders in this vital transformation and drive meaningful change within our institutions and beyond.

THANK YOU

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