

Value for Money, Sustainability and Procurement Policy and Strategy

Written by Richard Lane, Director Resources, January 2006

1 Definitions and Policy Statement

Attaining **value for money** (VFM) means obtaining the maximum benefit from goods and services acquired and provided, within available resources. It involves economy, efficiency and effectiveness. VFM measures cost, quality, fitness for purpose, timeliness and convenience.

Sustainability means minimising the environmental pollution impact of what we do and also minimising inequalities in our society and economic inequalities in the world.

Kensington & Chelsea College recognises its responsibility to achieve VFM and sustainability from all its activities, however they are funded, and will seek to adopt good practice and incorporate VFM and sustainability principles in all its activities. One of the main ways in which the College can apply this policy is through its **procurement** practices.

2 Responsibility

All members of the College Management Team are responsible for ensuring that the principles set out in the document are rigorously applied by all staff involved in procurement and other activities of the College. The Director of Resources has overall responsibility for ensuring that the Policy and Strategy are implemented. The Finance & General Purposes Committee receives reports from the Director of Resources on the application of this policy.

This document is subsidiary to the College's financial regulations which, in the event of a discrepancy, take precedence.

3 Achieving Value for Money and Sustainability

In order to achieve VFM and sustainability the College will:

- Integrate VFM and sustainability principles within existing management, planning and review processes – including procurement – in a ways that can be demonstrated to external observers. Sustainability will be particularly promoted in the areas of transport (see [Green Travel Plan](#)) and Equality & Diversity (see Equal Opportunities Policies).
- Set targets and monitor their achievement.
- Undertake studies on areas of activity identified as worthy of review.
- Where appropriate, benchmark the institution's activities against other similar activities and organisations.
- Adopt other recognised good practice.
- Respond to opportunities to enhance the VFM and sustainability of activities.

- Ensure that all members of staff recognise the need to seek VFM and sustainability for the institution as part of their routine activities.

Specific measures/guidelines which can be considered to promote environmental sustainability are detailed in [Appendix A](#).

4 Procurement Objectives and Principles

The objectives and principles governing College procurement are as follows:

4.1 Security of supply/risk

Fundamental to procurement is that the College's supply requirements must be met. There may be circumstances where other objectives and principles described below have to be sacrificed in order to obtain necessary supplies in the required timescale. In these circumstances the authority of the College Principal will be required if normal purchasing procedures are to be by-passed.

It also follows from this objective that when dealing with key suppliers who cannot easily be replaced the College should not drive such a hard bargain that the supplier's financial viability is put at risk. This principle also has implications for the selection of suppliers: companies should be vetted to ensure that they are likely to be secure source for the whole of the contract period.

4.2 Value for money

Obtaining VFM is the second most important objective in procurement activities. Essentially this means market competition must be used between different suppliers in order to achieve the most advantageous combination of cost, quality, fitness for purpose, timeliness and convenience. In order to promote competition between suppliers it is necessary to:

- Identify a suitable number of competitive suppliers. The College would be unlikely to obtain value for money if only one supplier is approached.
- Do not exclude suppliers without good reason.
- Be a good customer so that competitive suppliers will want to do repeat business with the College. For instance, it is important to pay bills promptly (within 30 days of invoice or delivery date, whichever is later).
- Consolidate a large number of low value supplies into larger framework agreements or call off contracts in order to obtain bulk discounts. Having achieved this, 'maverick' purchasing outside of these agreements should be kept to a minimum. This can may be more cost effectively achieved by using existing contracts and agreements set up by purchasing consortia (such as Cresecent Purchasing Consortium) or other Public Sector purchasing agencies such as the Office of Government Commerce (OGC) or the purchasing arm of the Department for Education and Skills or the LSC.

- Regularly test for value for money by retendering services at least every three years.
- VFM will not be achieved if a small saving is achieved at the expense of severe inconvenience – delay or complicated and risky delivery arrangements.

4.3 Legality

Procurement, particularly in the public sector, is subject to a number of rules, regulations and legislation to ensure that tax payers' money is not wasted. In general these rules require Colleges to use competition to achieve the best value for money. How Colleges achieve this is left to local discretion below EU procurement thresholds. Above these thresholds it is essential that EU procurement regulations – intended to ensure open competition between member states – are closely followed.

4.4 Sustainability

There are limits to the extent to which sustainability considerations can influence procurement decisions. EU procurement rules do allow sustainability to be taken into account in certain circumstances provided it is relevant to the procurement and applied in a non-discriminatory and transparent way. If a procurement exceeds EU thresholds and it is proposed to include sustainability as a selection criterion, specialist advice should be obtained.

For lower value procurement it is more straight forward to include sustainability as a consideration. Sustainability can be incorporated in the following ways:

- When requirements are specified. Where it is consistent with achieving long-term VFM (after allowing for likely disposal costs, for example) more environmentally friendly materials can be specified. Insisting on energy generated from renewable sources or ethical investments could also be consistent with VFM. Sustainable options should always be considered.
- When suppliers are selected. Suppliers can be vetted for sustainability practices in areas like equal opportunities and recycling.
- When the procurement decision is made. If in other respects VFM is equivalent, it is legitimate to select the more local supplier on the grounds that the environmental impact of transport will be less.

4.5 Minimal Bureaucracy

A certain amount of bureaucracy is likely to be involved in procurement in order to ensure fair competition and transparency in the selection of suppliers. However, the College recognises that for low value purchases in particular or purchases where convenience is at a premium or there is little scope for meaningful competition, this can be disproportionate to the saving achieved. Therefore, in many cases, low value items (not covered by contracts) should be purchased using College Purchasing Cards.

The College aims to minimise the bureaucracy involved in procuring goods where a formal ordering process is required by making the maximum use of internet based e-procurement technologies.

The following factors should never influence procurement decisions:

- Personal relationships with suppliers or their staff.
- Gifts from suppliers.
- The nationality of the supplier, provided they are in the EU. (This is an EU requirement).

A flow chart showing how different types of purchasing decision are to be made is found in [Appendix B](#).

5 Roles and Guidelines for Specific Types of Procurement

The College does not have a central purchasing function. However, the Finance Department oversees the operation of purchasing systems and compliance with this policy and detailed procedures for different types of procurement. However, responsibility for most procurement is devolved to support unit managers and Heads of Department (with support available from Finance if required).

It is essential that there is adequate separation of duties in all procurement matters. At least two members of College staff should be involved from the ordering stage to the authorisation to pay stage and this must be evidenced on the paper documentation or electronic records.

The table in [Appendix C](#) shows how the procurement of specialist items and items under contract is to be carried out in the College.

6 Sources of Further Help

Specialist help with procurement can be obtained from the following sources:

- The Office of Government Commerce, www.ogc.gov.uk
- Crescent Purchasing Consortium.
- London Universities Purchasing Consortium.

Appendix A Guidelines to Promote Environmental Sustainability

1 Energy Use

- Monitor and set targets for carbon emissions from consumption of electricity and gas as a performance indicator using the following formula:

Fuel Type	KgCO ₂ /KWh
Grid Electricity	0.43
Natural Gas	0.19

Further information on carbon emissions can be found at these web sites:
<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=9006010&contentId=7012265>

http://www.thecarbontrust.co.uk/energy/pages/page_63.asp

- Consider switching heating/lighting/electricity supply to a cleaner fuel or a renewable source (e.g. wind, sun and hydro). Also consider installing a ground heat pump system (which generates 4 times more heat than it uses). Renewable electricity may cost more. Decide how much more you will be prepared to pay on sustainability grounds. Do everything possible to save energy and minimise waste and you may find your bills are no bigger.
- Prevent Waste by:
 - Improving insulation
 - Draught-proofing doors and windows.
 - Double glazing where possible.
 - Double doors leading to outside help to keep the warmth in.

2 Water Consumption

- Install water butts to catch rain from the roof. Consider reusing this water – and other ‘grey’ water (for instance to flush toilets).
- Repair dripping taps.
- Don’t leave taps running. Install taps that cannot be left running.
- Get a water saver for toilet cisterns, available free from many local water companies.
- Have water meters installed and monitor use.

3 General Purchasing

- In making purchasing decisions aim to reduce:
 - Unnecessary purchases.
 - Toxic chemicals for home or garden and all aerosol cans.
 - Over-packaged products.
 - Disposable items when re-usable alternatives exist.

- Items containing tropical hardwoods from unsustainable sources. (Look for the Forestry Stewardship Council logo.)
- ... aim to increase the use of
 - Organically grown food.
 - Fairly traded coffee like Cafe Direct and tea marked with the Fair Trade logo.
 - Free range eggs and meat — but check claims are genuine! Look for the RSPCA 'Freedom Food' labels.
 - Cleaning products that are biodegradable or less polluting.
 - Recycled products, including paper, envelopes and envelope re-use labels.
 - Products that have travelled the shortest distance (to cut down on pollution from road and air freight).
 - Products designed for long life.
 - Energy efficient light bulbs and appliances.
 - Products with clear labelling about content, origin and environmental quality.

4 Transport and Travel

- Aim to increase the use of Public transport, walking or cycling as modes of transport. If you need to drive, use leadfree petrol, fit a catalytic converter and offer someone else a lift. Please see the [Appendix D Green Travel Plan](#) for further details on this.

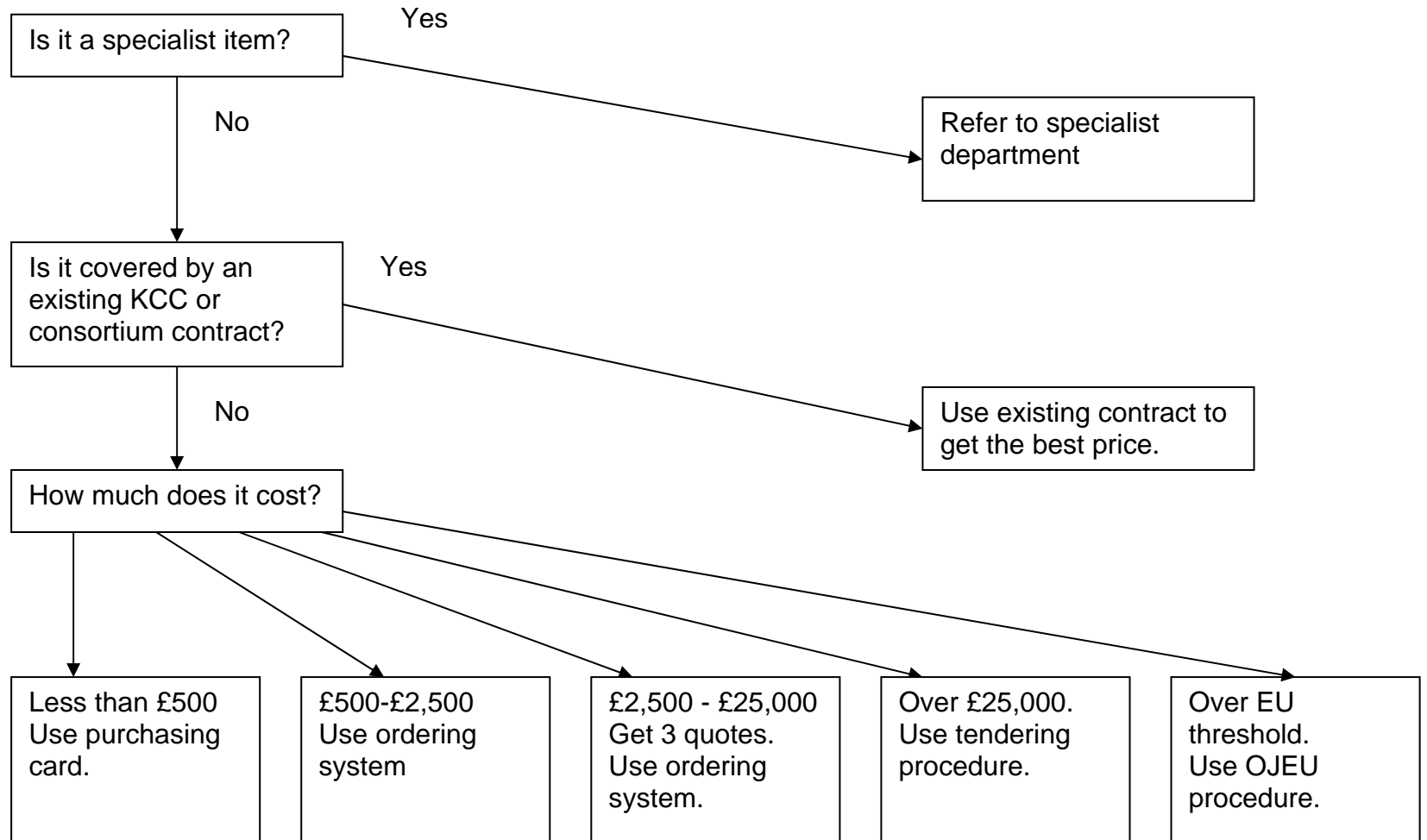
5 Waste Management/Recycling

- Monitor the volume of waste produced and the proportion of it which is recycled.

6 Building Projects

- Consider using more environmentally friendly materials and processes.
- For example, consider using wood framed windows instead of UPV where lifecycle costs are similar. When UPVC windows need to be replaced, disposal is likely to be much more costly than for wood framed windows.
- Consider using recycled materials (wood, steel etc).
- Use locally sourced materials.
- Design-in low energy use features.

Appendix B Procurement Decision Flow Chart



Appendix C The Procurement of Specialist Items/Items Under Contract

Item	Annual Cost	Lead Responsibility	Specification/ Contract	Selection of Suppliers	Procurement Process	Evaluation of Offers	Delivery
Building work	£250k-£500k	Building Surveyor/ Estates Manager	Detailed spec. by Building Surveyor and standard building contract.	Approved contractor list – financial and insurance check.	Tender or quotes.	Usually based on price.	Building project. Managed by building surveyor. Staged payments as per procedure.
IT hardware/ generic software	£75k-£200k	IT Manager	Detailed Spec by IT Manager. Standard licence/trade terms.	Survey of market.	Tender or quotes.	Based on price and after sales service.	Timed to minimise storage/ security problems.
Major Software Package	£10k-£100k	User Dept. Manager (with advice from IT Manager)	Detailed statement of need and bespoke contract checked by lawyers.	Survey of market for market leaders.	Pre-tender shortlisting, then tender. Scope for competition limited for upgrades.	Based on price and extent to which requirements met.	Project managed by manager of user Dept with help from IT Manager. Staged payments.

Item	Annual Cost	Lead Responsibility	Specification/ Contract	Selection of Suppliers	Procurement Process	Evaluation of Offers	Delivery
Photocopiers	£30k-£40k	Learning Resources Manager	Standard lease /service agreement (consortium considered)	Survey of market for market leaders.	Tender every 3-5 years.	Based on price, terms and quality.	New machines replace old ones. Training required.
Printing consumables	£10k-£20k	Learning Resources Manager.	Volume discount/ contract agreed (consortium considered)	Survey of market for market leaders.	Quotes or tender (if multi-year deal)	Based on price and sustainability (recycling)	To Learning Resources stock. Distributed from there.
Mobile Phones	£10k-£20k	Financial Controller	Agreement with mobile intermediary (consider consortium).	Survey of market for leading suppliers. Take specialist advice.			
Other Telecoms	£20k-£40k	IT Manager					
Consultancy	£50k	Member of CMT					
Office supplies, stationery and furniture	£20k	Budget Holders	Volume discount/ contract agreed				

Item	Annual Cost	Lead Responsibility	Specification/ Contract	Selection of Suppliers	Procurement Process	Evaluation of Offers	Delivery
			(consortium considered)				
Marketing – design and printing	£75k	Head of Learner Services	Design, advertising – tender, contract. Printing – quotes/tender.				
Examinations	£300k	Student Information Manager	Not subjected to competition.			Selection dependent on curriculum need/demand from students and issues of process/ quality.	
Art/design materials	£50k	Head of Visual Arts	Small orders from specialist companies or volume discount/ contract agreed				
Contract cleaning	£100k	Estates & Facilities Manager	Contract re-tendered every 3-6 years.				

Item	Annual Cost	Lead Responsibility	Specification/ Contract	Selection of Suppliers	Procurement Process	Evaluation of Offers	Delivery
Books/Study Centre	£30k	Learning Resources Manager					
Classroom Equipment	£30k	Learning Resources Manager					
Franchised course provision	£600k	Director of Resources	Negotiated bespoke contracts – involving lawyers.				
Insurance	£60k	Director of Resources					
Audit	£35k	Director of Resources					
Banking Services		Director of Resources					
Cash Collection Service		Head of Reception					
Renting of Premises		Director of Resources					
Temps/ Recruitment Agencies/ Advertising	£250k	Head of HR					

Appendix D Green Travel Plan



Kensington and Chelsea College

Green Travel Plan 2005 - 2008

31 March 2005

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1.0 Introduction

- 1.01 Kensington and Chelsea College has recognised the aims of the Government to create sustainable development and the important contribution to the quality of life that a carefully implemented Green travel Plan can achieve. The need to consider the ways in which students and staff travel to and from the College sites plus the use of ICT communication systems support an improved living environment.
- 1.02 This is the first Green Travel Plan prepared by the College and it sets out the initial objectives and targets of the Plan for the period 2005 – 2008. The proposed new build at the Hortensia Road site offers new opportunities from 2008. A proportion of the work set out in the Plan is the need to collect data on travel and College use by visitors, students and staff and to structure this into a format which is appropriate for use within the Plan. In addition there is the requirement to extend the existing consultation programmes with staff and students, to encompass the Travel Plan objectives and formulate their realistic delivery.
- 1.03 It is considered appropriate for the Travel Plan to be reviewed on a regular basis and its implementation to be fully co-ordinated during the period 2005 – 2008. This will permit the performance of the Plan to be monitored and any changes considered necessary that arise out of College needs or from the results of the data collation and or the consultation process to be fed into the Plan. Development of the plan will focus on the new building and the ancillary developments enabled at other sites.
- 1.04 The following sections of this Green Travel Plan set out the initial objectives and targets for the Plan period as well as the preliminary direction for the delivery of the various identified components of the Plan. The final section of the Plan sets out the College intentions concerning implementation and co-ordination.

2.0 Travel Plan Objectives and Targets

The Travel Plan Objectives

The Travel Plan Objectives include the following:

- To reduce the overall amount of car travel, particularly sole use, to College
- To encourage the use of alternative and more environmentally friendly transport
- Develop further the delivery of educational courses by means of ICT systems
- Reduce the need for inter-site travel for staff and students by means of IT communications and course scheduling

The Travel Plan Targets

The College is aware of the need to develop a Travel Plan, which is realistic to deliver yet one which is proactive. There is an early requirement in the Travel Plan to collect further data on travel and use patterns for staff, students and visitors and to structure this data into a meaningful format. In addition there is the requirement to set up a consultation programme with staff and students so that the targets and objectives have cross College input and ownership.

As a result of the need to collect data and to consult, the targets for the Plan period 2005 – 2008 are set at modest levels. The new build will also not be completed until 2008-09. The monitoring process within the Plan will allow these targets to be re-visited should they be impossible to achieve or be set too low.

The following targets have been identified:

- Reduce the number of car journeys to College by 10%
- Increase walking and cycling journeys by 15%
- Reduce inter site travel by 15%
- Increase those who travel to College by bus (public/private) by 15%

3.0 Existing Travel Data

- 3.01 The College is already in possession of certain basic data of staff and students. However this data is not currently in a format which can be applied to travel patterns and further work will be required and additional data obtained before it is appropriate to application into a Travel Plan.
- 3.02 In order to ensure that the objectives and targets of the Travel Plan are relevant to the needs of the College and the staff and students who attend the sites a comprehensive consultation programme will be required. It is intended that this programme will develop the views of those who will be affected by the Travel Plan and so generate ownership which will result in a realistic and deliverable Plan.
- 3.03 The consultation programme will include a comprehensive survey in which students and staff will be asked for their views on: travel to College, difficulties encountered, ideas on possible action plans to reduce car use and avoid unnecessary travel.

4.0 Travel Plan delivery

The College have given preliminary consideration to the delivery of the Travel Plan and the attainment of the initial targets. A number of possible actions have been identified and these are described in greater detail in the sections set out below:

4.01 Travelling by car

The College recognise that travelling by car may be the only realistic option, especially where no alternative or appropriate safe transport is available. Organising car sharing is a way of reducing car use and to encourage this the College aim to:

- Provide and maintain a data base of car users/sharers
- Provide priority parking spaces for car sharers
- Investigate an 'emergency get you home service'
- Provide practical advice on car sharing
- Introduce incentives for car sharers
- Encourage staff to share transport when travelling between sites

4.02 Travelling by bus (private/public)

In order to encourage the greater use of bus transport, both public and private, the College proposes to investigate the following:

- Discussions with public transport operators to explore enhanced routing and time tabling of bus movements to facilitate greater use of this form of transport.
- Explore partnerships with bus operators to provide services to the College sites from areas not currently covered by existing routes.
- To consider the introduction of bus transport for those attending College in the evening.
- To advertise more widely and to promote additional use of the existing inter-site van/ bus link.

4.03 Travel by cycle

To encourage the increased use of cycles for transport to and from the College the following initiatives will be implemented.

- The provision of secure cycle racks at each of the College sites; initially a minimum of 50 across sites and to increase the provision when the initial allocation is consistently used to a level of 90%.

- To identify where possible on the routes between Hortensia, Wornington and Marlborough sites segregated cycle ways to ensure safe and separate passage of cyclists from vehicular traffic
- To generate incentives for those travelling to and from the College sites using cycles
 - To provide Male and Female changing rooms (and showers) for use by those who cycle to the College

4.04 Pedestrian Travel

The College will encourage those who walk to the College, but recognises that the number may be limited when matters such as personal health, and safety are taken into account.

The College would offer the following:

- A data base for those living in the same location so that paired walking can be achieved
- The provision of drying facilities for those walking in wet weather
- The improvement of external lighting in a manner which assists the safe passage of pedestrians into and about the site

4.05 Provision of car parking

The locations of the two main College sites at Hortensia Road and Wornington are such that historically the provision of car parking has been considered desirable for staff attending College. However it is recognised that with the implementation of the Green Travel Plan the need for additional parking provision will be reduced and the removal of spaces a possibility. A reduction of over 50% will be achieved at the new site in Hortensia Road.

The College would therefore propose the following:

- The regular and frequent monitoring of the use of car parking spaces provided and if it is found that the provision is in excess of need then consideration will be given to the removal of spaces.
- An increase in the number and proportion of parking spaces for those students and staff with a disability.
- Ensure that adequate parking for the disabled is provided and clearly marked.

- The monitoring of those using the parking facilities to ensure that those who qualify for priority use are sure of spaces
- To monitor the parking of cars owned and used by students/staff on the adjacent public highways so that pressure can be brought on those identified to use the College parking spaces or alternative means of transport and related advice provided.

4.06 Reduced need to travel

In line with all educational establishments the College is well advanced in the use of ICT by both staff and students for teaching and learning purposes. The College already have installed links between the Hortensia Road and Wornington and Marlborough sites. The direction of future learning is very much linked with the greater use of computer technology and so the need for students to attend the College in person will be reduced over the coming years.

The College, as part of a co-ordinated initiative to reduce travel to study will implement the following:

- Be proactive in the generation of courses using ICT methodology
- Explore the delivery of courses utilising greater use of IT utilising the College Intranet to develop extranet areas.
- Offer advice to students who wish to 'learn from home'.
- Expand existing initiatives with other providers and explore new so that the use of IT technology can facilitate, directly and indirectly, the reduced need to travel to learn.

5.00 Travel Plan co-ordination and delivery

5.01 The College recognises the importance of controlling the delivery of the Green Travel Plan and to ensure that the various elements of the Plan are fully co-ordinated. The responsibility, therefore, for the delivery of the Plan will be carried out by a member of the College Management team.

5.02 The role will include the setting up and monitoring of the following aspects:

- The collation of existing data for use within the Plan
- The identification of further data required from staff and students
- The setting up of a survey of staff and students to gather views and needs in relation to travel
- The consultation programme and reviewing the findings
- The exploration of partnerships with private and public transport operators
- The monitoring of on and off site parking
- The generation of incentives as appropriate to the success of the Plan
- The regular monitoring of the Plan objectives and targets and reviewing same in order to achieve the best possible results