

reaping the benefits

A Newsletter on Procurement Initiatives
for the Education Sector Spring 2010



A hub of knowledge for the education sector

Tenet has a long track record of successfully completed assignments with more than 200 colleges, schools and universities, and has the experience to relieve the stress of outsourcing, absence of key personnel, procurement and business planning.

Tenet's directors and staff can manage situations for you, or work alongside your staff helping you to maximise resources.

Their specialist knowledge of curriculum, finance, MIS, HR can be vital in managing projects. Their expertise in procurement includes: cleaning, catering, insurance, reprographics, facilities management, grounds maintenance and all the areas highlighted in this newsletter.

Our mission: to enable busy management personnel, whose time is already at a premium, to work smarter, not harder.

Call us on:
01376 511411
or mail us at:
mail@tenetservices.com

LSC/AoC launches new Framework Contract for Procurement

Tenet are delighted to have been chosen as one of only ten companies to provide procurement services to colleges under a new framework contract. There are four different elements to the framework: **Ad-hoc Procurement Services**, including OJEU compliant tendering, FF&E procurement etc; **Complete Procurement Management**, providing a full on-site service with a number of flexible options; **Review and Audit**, which includes a full spend analysis and health check of procurement processes; **Change Agent for Collaboration**, bringing the possibility for a number of colleges to work together on a range of tendering opportunities. Tenet has been accepted for all four elements. Entry to this framework is a resounding endorsement of the work Tenet has been doing with colleges and schools over the last fifteen years, and cements its position as one of the leading procurement advisors to the education sector.

Our Managed Procurement Service is at the forefront of College Savings

Since the launch of Tenet's Procurement Management Service in the spring of 2008, colleges have been reaping the benefits of professionally managed procurement. Managing Director, David Thoms explains: "*We now have **more than 5% of English colleges** signed up to the service, with options of different levels of support. Altogether we are now able to drive through savings in relation to circa **£120 million p.a. non-pay spend**.*"



The impact of professional tendering or competitive quotations is bringing huge benefits to the participating colleges. There are examples throughout this newsletter of different initiatives and savings found, and rarely a day passes without us being able to chalk up another success."

If you have yet to meet with us to discuss how we can help drive through savings in your non-pay budgets, then don't delay – call us on 01376 511411.

ACER Colleges Prefer Tenet

Tenet have recently been awarded preferred supplier status for the Association of Colleges in the Eastern Region (ACER) to provide a full range of procurement services. This has already been taken up by Luton 6th Form College, who have contracted Tenet, via ACER, to manage FF&E procurement for their major new build project, which will be complete in September this year. A number of other colleges in the ACER group are anxious to benefit from the procurement services that Tenet can support through this major initiative in the sector.



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Collaboration in Action

Can two college's who compete for students really collaborate? The answer is yes! Tenet has proved that collaboration between two or more local colleges can work. Tenet's **Complete Procurement Service** has been designed with collaboration in mind.

Across the UK Tenet now works with eighteen colleges that have adopted this model. Tenet typically place one Procurement Officer between two colleges, with an added resource of a Procurement Manager to oversee and assist in the work undertaken. This model allows for a common link between colleges who may otherwise not work closely together.

Evidence of Tenet colleges exchanging information between each other is increasing as Tenet staff actively encourage collaboration and knowledge transfer between colleges.

An example of collaboration includes two Merseyside colleges; Hugh Baird College and Southport College. These colleges share the service of Helen Mas, Tenet Procurement Officer. During the short period of time that Tenet has been working with the colleges, a number of potential collaboration projects have been identified. The first project to be undertaken has been a **joint tender for furniture**. Both colleges acknowledged the need for a standardised range of furniture within their college and therefore a collaborative tender has been agreed. Other projects will inevitably follow.

Will the last one out please switch off the lights?

The services of a London energy broker were recently utilised by Tenet to auction the electricity supply of a college in south-east London, which was out of contract. The on-line auction, which Buy Energy Online ran on a no-obligation basis, identified a **saving of nearly £40,000 (28%)**, which the college immediately accepted.

Have you read the small print?

Chris Dennen, Tenet's Procurement Officer at Bolton Community College **saved her college circa £40K** by having a keen eye for detail.

Bolton Community College are in the process of finalising a number of contracts ready for the move to their new Campus in September 2010. One large area of spend which has been procured is for the ICT infrastructure. With the help of Tenet this has been tendered using a Buying Solutions framework agreement.

During the contract discussions with the chosen supplier Chris noticed a clause within their contract which allowed for the supplier to increase costs in line with exchange rates. This was quickly brought to the attention of the Vice Principal of Finance & Resources and swiftly removed from the contract.

Feedback received from the College confirmed that by having someone on-site who can study the small print and highlight any pitfall, really adds value to the service and saves time for senior managers who's time is already at a premium.

Down with Click Charges

Contracts for the provision of photocopiers are getting all the more complicated as Multi-Functional Devices (MFD) take over from copiers, scanners and network printers. The best tenders will be based on good information and a thorough print audit and strategy is recommended to ensure a



sound specification that fits with an organisation's IT strategy. In order to give time for this to be developed, one of our Procurement Officers arranged a temporary extension to an existing contract including a **saving of £30,000** out of the £150,000 annual printer budget.

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Fitting the Budget

A college in Kent, which is undergoing a major new build programme, has contracted Tenet to manage the procurement of FF&E, working under severe timing constraints to achieve a mid-April occupation of the new facility. To date, **IT Networking, IT Equipment and Furniture** have been successfully tendered using CPC and LUPC Framework Agreements, and the OJEU restricted tendering process, enabling contracts to be awarded well below the budgeted costs. Additionally, Tenet have performed their own tendering process on **Internal Signage, Hair & Beauty Furniture, and Storage Racking**, again allowing the college to award contracts that identified a significant saving over the budgeted amount.



Steve Wood, the Tenet Procurement Manager responsible for the college, explained the tendering process;

"Using the varied skills and experience of Tenet's staff, we are able to establish a network of suppliers and contractors that enable us to conduct the tendering process for commodities and services where the value falls below the EU compliancy threshold, whilst still maintaining the evaluation criteria to reach a fact-based sourcing decision".

Slash the Cost of Cash Collection!

Tenet Procurement Officers operating through our **Complete Procurement Service** review all costs at an early stage and agree an action plan with their college. Based on his experience, our officer Jon Richards identified higher costs than usual for cash collection services at one of his colleges in West London. A new specification was drawn up and a tender run for the service, resulting in **savings of £33,000 (75%)** over the three year period of the contract.

Collaboration the Cornish way

Tenet has stepped in to help a group of schools in Cornwall avoid huge disruption following the collapse

of a PFI facilities contract. Following a contact made at a regional Bursars' group meeting, the School Business Managers from six schools got together with our consultant to consider a **joint tender** for their cleaning services. Using our standard templates, and our expertise from other contracts, it was possible to agree a common cleaning specification, and to identify savings through common management for the group – **savings of 10% are anticipated**. Five schools have agreed to progress and cleaning companies have eagerly engaged in their fact finding visits prior to tendering.

Word of this success spread around the area, and Tenet are now undertaking a similar tender for a further group of nine schools.

Consortium for Catering Supplies

Working under our **Complete Procurement Service** the Tenet Procurement Officer in a Berkshire college identified that using one of the established purchasing consortia for catering supplies would **save his college £15,000 per year (20%)**.



Tenet Cleans up at Academy

As well as all the construction and financial issues involved in procuring and moving in to a new building, it is important not to overlook the need for quality services to operate from day one. In preparation for the move into their new build, City of London Academy Islington employed Tenet's Tender Management Service to cope with the transition of the existing cleaning contract into the new build. Tenet were able to assist the Academy by designing a new cleaning specification incorporating the differing building fabric and floor finishes of the new build, compiling tender documentation, liaison with interested suppliers, admin support, advice on EU Procurement Regulations and evaluation of the bids received, ensuring that the Academy will appoint a contractor able to offer both **good quality service delivery and value for money**.

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Maintenance Costs Reduced

Running the premises is expensive in all colleges, schools and other educational establishments.



Outsourced maintenance arrangements are common and have often run for years without change, partly in the belief that knowledge of the estate needs to be retained. However, the practice is often that staff changes at the contractor reduce this benefit, and good

records obviate the need. Working under our **Complete Procurement Service** the Tenet Procurement Officer in a Hampshire college organised a new tender for all **Mechanical and Electrical** services for the estates team. The outcome was estimated **savings of £176,000 (30%)** over the three year life of our contract.

Managing Wastage

Waste disposal is a competitive market, fraught with regulation and operational difficulties. Tenet developed a new specification with the estates team and retendered the waste needs at one of the colleges working under our **Complete Procurement Service** and achieved **savings of £18,000 per annum (35%)**.

Setting the Tone with Frameworks

There are many framework agreements already in place that are suitable for colleges and schools, from Crescent Purchasing Consortium (CPC), Office for Government Commerce (OGC), BECTA, and others. Under our **Complete Procurement Service**, Tenet will examine which frameworks are suitable for different purchases and conduct mini-competitions as appropriate.

Following a review by the Tenet Procurement Officer, a college in West London will **save £29,000 (10%) on the purchase of toners** over a three year period by the use of a CPC framework agreement.

A similar exercise on stationery purchases in a South London college produced **savings of £40,000 (10%)** by moving to a CPC framework agreement.

FE+ - working together to drive down costs

Tenet is currently undertaking **Audit and Reviews** of the expenditure in FE+ Colleges in the Tees Valley, namely Cleveland College of Art and Design, Hartlepool College of Further Education, Redcar and Cleveland College and Stockton Riverside College. In addition, FE+ member Middlesbrough College have already contracted for our Procurement Management service. These colleges are **working together** on a number of collaborative initiatives, one of which is focused on driving down cost in common areas of spend.

The first step has been to review the expenditure of each college and produce a detailed Audit and Review report. This will be followed by an overarching Group report to identify the areas of spend where a collaborative approach could benefit all colleges. Tenet is working closely with each college to extract the required data from the financial systems to allow the expenditure to be analysed. The Tenet reports will act as valuable tools in enabling the colleges' to identify potential savings, improve efficiencies and decide on the procurement staff structures needed both individually and as a Group to drive forward procurement savings/opportunities.

With any review of data, Tenet use their extensive experience of procurement, within the education sector, to detail **realistic, achievable savings** that can be made by individual colleges, whilst providing the first step for colleges to work collaboratively.

More Savings Examples

Listed below are just a few of the savings that we have been able to identify in the colleges where our **Complete Procurement Service** is operating:

Grounds Maintenance, London	(36%)	£11,000
Cleaning, Middlesex	(5%)	£42,000
Cleaning, London	(3%)	£21,000
ICT Infrastructure, North West	(25%)	£246,000
Security, Berkshire	(3%)	£20,000
Stationery, London	(10%)	£40,000