

Mini Guide to Procurement

for schools in England

PROCUREMENT
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department for
education and skills


Doncaster
Metropolitan Borough Council

How to use this Mini Guide

This 'mini guide' aims to help you navigate processes to follow when buying (procuring) on behalf of the school. It also gives a brief overview to help you get started. **It does not** replace Local Authority Standard Contract Regulations/Standing Orders.

What is Procurement?

A catch all term covering all functions of purchasing, inventory control, traffic and transportation, receiving, inspection, management, store keeping, salvage and disposal.

Getting Started

Here are a few basics before getting started:- confirm you have approval to spend and check budget is available to cover this. Keep in mind the need to follow procurement ethics (e.g declare any interest), set a value for money target, make best use of agreements in place and follow procurement procedures – if you don't know what these are ask (see 'Help & Advice').

The guide includes 'Key questions' which will help you decide whether a purchase is needed and if so, how best to do that. If in doubt ask for help (see 'Help & Advice').

Processes to Follow

The approach to take will depend on the financial value of what is being purchased. Each Local Authority sets standards for procurement which Governing Bodies apply to the procurement in their schools. As this is a national guide, example values have been applied to the processes. Please seek out financial levels applied by your Governing Body and simply amend this leaflet. If you have a contract value greater than current OJEU limits contact your LA Procurement Team.

*(**Note:** contract value is the total contract exc. VAT, **not** annual value. It is not acceptable to break contracts into smaller elements to avoid OJEU limits as aggregation applies to these too).*

Help and Advice

For sources of help and advice contact your Local Authority Procurement Team, the CPP website www.dfes.gov.uk/cpp and draw on the expertise of colleagues in other schools in the area.

Questions to ask before getting started...

Are the goods, services or works really required by the school?

Will they contribute to objectives of the school and are reflected in the School Plan?

Is a procurement necessary? Can they be borrowed/shared from this or another school?

Are they a priority? Could the money be better spent elsewhere?

Is this the time to make the procurement? Consider resources, changes in the market, potential risks that may be clearer later.

Quality level needed (rather than desired)?

What is the total cost (including maintenance, consumables, installation, in-house management, disposal etc)?

Sustainability – Can environmental impacts be reduced? – available substitutes, running costs, emissions (energy efficiency), haulage, disposal (re-usable or recycled option).

Can the cost of the procurement exercise be justified/reduced? Could it be included in a similar procurement in the school? Could you work together with another school(s)?

Is the budget available? Are the right authorities in place, does it need to go to the Governors for consideration?

Is the necessary technical expertise available in house? How can it be obtained?

Are the resources available for the procurement?

What are the latest developments in the market and might they benefit the school?

Who will be affected by the procurement and how best to involve them in decision making process?

What are the risks affecting the procurement and how will these be managed?

Are you competent to carry out the procurement in order to meet all legal requirements and to achieve the best value for money for the school?

10 Tips for a Successful Procurement Process...

1 Spend Plenty of Time Planning

- At the very beginning, consider the full extent of who needs to be involved, what needs to be done, by whom, and by when. Consult the people who will be using the purchase.
- Get advice from others, either within the school or with other bursar colleagues.
- Establish a complete timetable from consultation period through to contract award, making sure enough time has been allowed.

2 Establish Roles and Responsibilities

- Establish roles and responsibilities of all involved. Get everyone to contribute to the planning process.

3 Ensure Transparency of Proceedings

- Be seen to be fair, conduct the process without favouritism. In advance of formal proceedings, consider range of suppliers in the market.
- Before going out to tender, get all internal players to contribute to the critical success factors and key evaluation criteria. Record these!
- Allow sufficient time for suppliers to submit tenders.

4 Observe Legalities

- Ensure compliance with EU Procurement Directives, domestic legislation, Contract Procedure Rules etc.
- Seek legal advice and involvement in the process at the beginning. You are initiating events resulting in a contract. It has to be legal!

5 Accommodate Innovation and Secure Best Value

- Don't be too restrictive with suppliers. Don't be too prescriptive in how you want the work delivered.
- Describe the 'outcomes' you require.
- Try to find ways specialist suppliers and contractors who can contribute their expertise; allow tenderers to innovate and offer you their best solutions.
- Make sure you secure Best Value, not just the lowest tender price.

6 Prepare Sound and Complete Tender Documents

- Specify clearly what you want and describe in detail how tenderers are to price their submissions – and whether VAT is included.
- Give thought to pricing mechanisms (ie lump sum or schedules of rates,) and if these will be good enough to accommodate potential changes in the future.
- The more information you provide, the greater your chances of success.

7 Consider Performance Monitoring and Payment Arrangements

- Be clear as to how payments are to be calculated. Make payments on time.
- Be clear about contract performance measures to be achieved.
- Consider default procedures, performance incentives and profit sharing.
- Establish monitoring procedures.
- Incorporate these processes into the tender documents.

8 Ensure Procedures Provide for Probity and Accountability

- Ensure the whole process is documented and recorded, and that all key documents are signed, dated and retained.
- Communicate all decisions to the whole team.

9 Think Before You Act

- Review your plans before commencing and don't rush things.
- Think what can go wrong? And put possible contingencies in place.

10 Learn From the Process

- Learn, experiment, and don't fear mistakes.
- Ask how could it be improved next time?
- Develop your skills. Above all else – ENJOY IT!

Low Value Contracts (typically below £10,000)

Establish £ level for your school
and add here

Challenge the requirement and consider how
to maximise value for money

Ensure budget is available

Does a framework
agreement exist?

YES

Purchase
from
framework
agreement

NO

Obtain at least **three** written or verbal quotes
(*check number required in your school*)

Evaluate quotations using whole life costing and
consider environmental and sustainable issues

Identify quote offering best value for money

Issue Purchase Order with LA approved terms
and conditions – or – use your procurement card

Check delivery against stated requirements

Retain details for audit trail. Record contract
'review' & 'expiry' dates on schools central record

Medium Value Contracts (typically £10,000 – £50,000)

Establish £ level for your school
and add here

Check **1** requirement has been identified in School Plan
2 if an external funding opportunity exists
3 whether opportunity to combine/collaborate with other schools

Business case – consult stakeholders construct options appraisal, include procurement options e.g. is there a framework? EU aggregation rules etc

Does a framework agreement exist?

YES

Purchase from framework agreement

NO

Obtain at least **three** written quotes

Evaluate quotations using whole life costing (price plus ongoing support) and environmental and sustainable issues

Run finance check on suppliers (*check with your LA for advice*)

Identify bid offering best value for money and award contract

Check delivery against stated requirements (ongoing contract management)

Retain details for audit trail. Record contract 'review' & 'expiry' dates on schools central record

High Value Contracts (typically £50,000 – £144,000)

Establish £ level for your school
and add here

Does the contract value exceed £144k for goods/services or £3.6m for works?

YES

Tender is subject to EU rules.
Contact LA Legal Services

NO

Check **1** requirement has been identified in School Plan **2** if an external funding opportunity exists **3** whether opportunity to combine/collaborate with other schools

Business case – consult stakeholders, construct options appraisal, include procurement options (processes), EU aggregation rules etc

Seek advice from LA procurement team in following agreed procurement processes

Produce advert for the domestic market and forward to LA for advice

Evaluate tenders using whole life costing and considering environmental and sustainable issues

Identify tender offering best value for money

Check delivery against stated requirements

Retain details for audit trail. Record contract 'review' & 'expiry' dates on schools central record