



IMPROVED PROCUREMENT PRACTICES AND OPPORTUNITIES TO SECURE VALUE FOR MONEY

Improving your procurement practices and finding opportunities to receive value for money can be done throughout the procurement life cycle, even after your contract is in place. From the service you procure and how you review and manage it, to how you re-tender for your next contract, there are three steps to the process. James Vaughan, Procurement Lead, and Nicole Dallal, Marketing Manager at the Schools' Buying Club, explain.

Step one: Review

Start by reviewing your contracts, which can be done using a contracts register, a single template that holds all the information on your service contracts. Record your start and end dates, the costs, what you like and dislike about the service, and what it might be lacking. As part of your review, ask your suppliers what value-added initiatives and innovations you are currently receiving and if there are any extras you are not currently benefiting from.

Now is one of the best times to review your contracts because their suitability has really been tested during the pandemic. Think about the questions that have been raised during this period: do you have suitable IT equipment, is your cleaning regime effective enough, has the take-up of school meals changed? By reviewing

all this information, you can start to establish if you are receiving a value-for-money (VfM) service from your current contractors. It will also help define your next specification, making sure it meets your current requirements, and future-proofs you as best it can.

The final step of your review is to think about the budget areas where you overspent and where you might be likely to overspend again (e.g. facilities maintenance).

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By scheduling these meetings regularly for the duration of your contract, you will be able to assess how well your service is performing and if you are receiving VfM. For example, if your ICT managed service provider committed to ensuring the service desk is available Monday to Friday from 08:00–17:00, but you are constantly struggling to reach the service desk, it is clear that your providers are not reaching the promised deliverable you are paying for and, therefore, you are not receiving VfM. If the standards do start to slip, have an honest conversation with your suppliers to address the issues, and you can also schedule more frequent meetings until it is resolved. Alternatively, if your suppliers are constantly meeting all the deliverables, find out if they could be delivering more within the scope of your contract.

A contract's success relies on a relationship between you and your supplier, based on mutual respect and a two-way open dialogue. However, things can go wrong, and sometimes in confrontational or stressful situations, it is easy to forget to take minutes at meetings. Meeting minutes don't have to be formal, they can simply be notes, but the important things to record are the date of the meeting, the agreed actions, who owns the action, and the deadline to report on the progress. This forms part of an audit trail that will help should you wish to exit a contract.

The contract management process will also help you prepare for your next procurement because you will already have the information required for your bid specification. You will know what KPIs and SLAs are vital for your school, what value-added activities should be embedded as a part of your contract, and what extras you could benefit from.



James Vaughan



Nicole Dallal

If you factor this into your specification, it can be included in the fixed-price aspect of your tender rather than as additional costs.

The Department for Education (DfE) offers a benchmarking tool that compares your school's spend against other schools of the same establishment type or within your local authority. It will break spend down into different budget lines so you can assess how your spending compares to other schools. This can be beneficial to your review process because it can demonstrate where you might be overpaying and not receiving VfM; equally, it can be used to demonstrate to trustees or governors that you are successfully ensuring VfM.

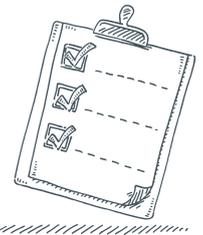
Step two: Manage

The next step to improving procurement practices and achieving VfM is ensuring your service constantly improves and adapts to your changing requirements. A robust, ongoing contract management process will ensure your service remains fit for purpose, meets all the promised deliverables, and provides additional value.

For your contract management to be effective, track the service performance against your key performance indicators (KPIs) and service level agreements (SLAs), scheduling regular meetings with your suppliers to review them. You should also discuss what value-added activities you are receiving and what extras you could still benefit from.

Step three: Plan

Planning your procurement is vital for achieving VfM from your next contract. During your review process, diarise when you should start the process, typically allowing six to nine months for a full open tender. The earlier you start the process, the more time you'll have to write a strong specification, detailing all your requirements, and the greater level of competition you can drive from the supply market. Ensuring you have >





a robust competition where suppliers really understand your specific needs is vital because it will guarantee that bids are tailored to your requirements and show exactly how the supplier can help you moving forward. A generic specification will lead to a generic bid, which, ultimately, will fail to deliver on expectations.

During the planning stage, there are a few factors you should consider, including whether you can roll over your contract, run a full open tender process, or utilise a framework. At the start of the pandemic, it may have seemed practical to extend existing contracts because rolling over a contract is convenient if the quality of the service is good and the contract terms allow you to. However, without approaching the market, it's difficult to know whether you are truly receiving VfM.

Lessons learnt from the pandemic showed that, in some instances, rolling over contracts might not be the best solution. The various Cabinet Office Public Procurement Notices not only demonstrated the need for shorter procurement timescales with the potential to modify contracts when needed but allowed you to compliantly exit a contract if it was no longer fit for

purpose and therefore no longer VfM. These principles are being consulted on through the Government's green paper, Transforming Public Procurement,¹ and will lead to an overhaul of current procurement practices to make new processes more efficient and less resource-intensive.

If you are going out to tender, one of the DfE-approved frameworks² could be an option. Some frameworks now incorporate Dynamic Purchasing Systems (DPS), which allow any local supplier to join the framework. Once they prove they are eligible to deliver the service, they can then bid for your new contract.

Frameworks give you the flexibility to compliantly appoint your new supplier in a shorter timescale, especially for commodity purchases such as water, furniture, stationery, or ICT equipment. New 'serviced' frameworks are also available, where you are allocated a consultant to help with your procurement, advising on whether a direct award or mini-competition would result in a more favourable outcome for your school or trust. Frameworks such as these can rapidly onboard suppliers who aren't already part of the supply chain so you can compliantly award directly to your preferred or incumbent supplier. This will provide more peace of mind than rolling over your current contract because the framework will run a benchmarking exercise to ensure you are receiving the best price.

External procurement consultancy expertise can be used if you lack certain procurement or category knowledge, or simply require some advice. Companies such as Minerva, Tenet, and Schools' Buying Club, as well as others in the marketplace, provide comprehensive services and can assist you through the whole process.

Once your new contract is in place, start the process again: review, manage and plan. These are your key steps for improving your procurement practices and securing value for money for your school. ■

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1 Transforming Public Procurement: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/943946/Transforming_public_procurement.pdf

2 www.gov.uk/guidance/find-a-dfe-approved-framework-for-your-school