

# ACHIEVING EFFICIENCIES IN MULTI-ACADEMY TRUSTS 2019

## Making a procurement

When procuring services for your school or MAT, the process will differ depending on the value of the work. Use this outline of the ways school can make a procurement.

There are five different ways a school can make a procurement.

### 1. Select a supplier directly from a framework

This is usually a much quicker and simpler process than setting up a new contract yourself.

Look at a range of framework agreements to find those that are suitable for the type of goods, works or services you need to buy.

You can check with the following organisations:

- your local authority
- Central Buying Consortium (CBC)
- The Crescent Purchasing Consortium (CPC)
- Crown Commercial Service (CCS)
- ESPO
- North East Procurement Organisation (NEPO)
- YPO.

Identify the best-value option from the list of suppliers for what you need and follow the framework's guidelines for making a selection and placing an order.



If the best-value supplier can't supply your requirements or doesn't make you a satisfactory offer, you should use the next best-value supplier.

The framework terms and conditions will have already been set as part of the framework agreement. You won't usually be allowed to change them. However, if anything goes wrong during the life of the contract, you'll have support and assistance from the organisation that negotiated it.

## **2. Run a mini-competition between suppliers on a framework**

Send an 'invitation to tender' to all suppliers capable of meeting your requirements.

Invitations to tender should include:

- a covering letter
- a timetable
- how to ask questions
- how to submit a bid
- your specification
- your award criteria
- specific levels of service you want
- your terms of appointment.

Decide how you will assess the suppliers' bids and evaluate them using award criteria, a scoring system and weightings.

Fairly assess all the bids, choose the 'most economically advantageous tender' (MEAT) and award the contract to the winning bidder.



### 3. Run your own procurement: low-value tenders

DfE guidance values low tenders at under £10,000 and medium tenders between £10,000 and £40,000. Compare at least three suppliers including their reputation and what deals they offer.

Decide what award criteria you'll use to assess the suppliers' bids, such as how well the supplier meets your specification and the whole-life cost of the contract, which may include:

- the sale price of the goods, works or services
- VAT
- delivery charges
- maintenance costs
- running costs
- the cost of removing and disposing of an item or service once you no longer need it
- whether there'll be price increases or decreases over the life of the contract
- value for money.

When you contact suppliers, send all of them the same information, including:

- your specification
- when you need to receive the quote by and when you plan to make a decision by
- any instructions for how they should ask clarification questions about your requirements or the procurement process
- if appropriate, a link to your school's standard terms and conditions on your website.

Evaluate the quotes against your award criteria and select the winning bid.

### 4. Run your own procurement: high-value tenders

The DfE recommend obtaining legal advice when buying high value goods (over £40,000). Consider using the following procurement process to select the best value for money.



- Assess the market: speak to potential suppliers or ask other schools or MATs what they have done.
- Prepare your contract and tender documents.
- Advertise carefully: ensure your advert is clear about what you want and placed where suppliers will look, such as newspapers or education publications and websites.
- Consider using an expression of interest to cut the number of bids you'll need to assess later (be aware this will make the process longer as you'll have to wait for submissions).
- Send an invitation to tender to suppliers who reply to your advert.
- Fairly assess all the bids you get, using the same scoring process.
- Award the contract to the highest scoring bidder.

## 5. Run a procurement for tenders over the EU threshold

If your contract is over the EU procurement threshold you must advertise in the Official Journal of the European Union (OJEU) to comply with EU law.

Different rules can apply depending on what you are buying (goods, works or services). The DfE recommend obtaining legal advice to make sure you fully understand EU procurement legislation.

- Assess the market and prepare your contract and invitation to tender.
- Consider whether to use the restricted procedure to reduce the number of bids you must assess later, or the open procedure to let anyone bid (you must assess at least five bids).
- Advertise your contract in the OJEU using eNotices.
- Ensure your invitation to tender and all other documents are available electronically from the time that the contract notice is published.
- Assess all the bids you get and award the contract to the highest scoring bid supplier.