

# How to leverage procurement process and contract management to drive competition and best value for your school.

*Delivering a Procurement Support Service as part of Herts' Business Management Services*



- HfL's new procurement tendering service
- What is OJEU and why is it important?
- Contract Management – What is it?
- Contract Management – What are the Benefits
- Contract Management – How to Manage Performance
- Contract Management – What should be in a Contract?
- Prioritisation of areas that could save your school money
- Case studies



## The new service – Procurement Support

- Herts for Learning (HfL) currently provides a range of support services to its School Business Leadership community, and is going to extend this offer to include Procurement Support.
- The new service's aim is to add capacity and expertise to your school across a range of different categories.
- HfL are using Schools' Buying Club as their delivery partner. SBC are a specialist education procurement organisation who also run a MAT with 7 schools in it. We come at this very much from a school perspective.
- We want to help ensure that your contracts are compliantly procured, achieve best value and hopefully save you money!



## The OJEU process

- Anything over £181k must be OJEU'd in order to spend public money transparently and compliantly
- Values are aggregated – if the same supplier has had your business for years, the total cost of your spend with them is what is measured.
- The process takes time. Approx 6 months:
  - PQQ 30 days
  - ITT preparation 30 days
  - ITT 30 days
  - Assessment of all bids 30 days
  - Standstill 10 days
  - TUPE 30 days
  - Mobilisation



## What is Contract Management?

- *Contract Management is a vital part of the procurement life cycle. It can be defined as the management of the interface between your school and a contractor to ensure that performance is optimised in order to deliver best value*
- Getting started
  - Lay the right foundations - relationship
  - A clear (unambiguous) specification
  - Agreed service levels/performance standards
  - Price
  - Clarity on who will manage the contract and how often meetings will be held
  - Continuity of personnel

## The Benefits of Effective Contract Management

- *Effective contract management ensures:*
- Best value – maximising every penny spent
- Continuous service improvement. No room for slacking
- You get what you want
- Makes sure that the supplier keeps performing
- Clear ownership and accountability
- Full engagement means faster resolution of issues
- Personal development

## How to manage the Contract

- Ensure your paperwork is in order. If there is a problem later you'll need evidence
- Change control – ensure any changes are recorded
- Charges and cost monitoring
- Payment procedures
- Management Information – what do you need to make your job easier?
- Maintain full records from each meeting
- Define the Exit
- Capture the lessons learnt

## Contract Management - Performance

- Deal with concerns promptly
- Minute and capture actions into an Active Action Report. Ensure there is an owner for every action and a deadline for completion
- Hold monthly meetings
- Manage expectations
- Know your supplier
- Be reasonable!





## Contract Management

- *Contract – a lawful agreement between 2 parties where goods, services or works are provided in exchange for a consideration*
- What should be in a contract?
  - A clear specification
  - Appropriate SLA/KPIs – make sure they are measurable
  - The agreed contract period and mechanisms for extension/exit
  - Terms and Conditions
  - Payment schedule – invoicing linked to milestones
  - Reference to all relevant correspondence

## What can the new HfL service do to help you?

- advise on procurement related issues
- Run tenders
- capture the individual school/Trust/Cluster requirements
- write the full suite of tender documentation
- co-host the bidders' day
- answer bidders' clarification questions
- assess the bids received
- provide the schools with an assessment summary of all bids received
- facilitate a moderation panel with the schools in order to reach a successful outcome, and drive transition and mobilisation
- draft the contract between the schools and the successful contractor



## If you are thinking of re-newing your contracts

- Prioritising catering would be our recommendation as it is potentially an easy win for revenue generation for schools. By way of example Cassiobury are now generating £43k's worth of guaranteed income over their three year contract period.
- Cleaning, ICT and cluster or trust-wide MFDs, telephony and broadband can also be supported.

## Case studies

### **Stour Valley Academy Trust**

A growing Trust with a variety of catering challenges across its seven primary schools. £97k guaranteed back to the Trust over the life of the contract.

### **Kent Catholic Partnership**

28 schools outsourced all of their catering to one contractor. Guaranteed income for the Trust of £450k.

### **Hastings Academies Trust**

7 Primaries, 2 secondaries. £258k back to the Trust and £156k to upgrade kitchens.

### **Tottingdon Secondary School**

£36k saving over three years on its cleaning contract

## Case studies

### **St Michael's Primary (2FE)**

£48k guaranteed back to school over three years on their catering contract.

### **St Joseph's Primary (3FE)**

£42k back to school over three years on their catering. In addition a saving of £15k was made in not paying LA SLA fees.

### **Aylesbury Secondary ICT**

Saving of 10k made over life of contract.

### **Ash Schools Cluster**

1 secondary, 2 primaries. New 'pod' installed at secondary (£15k) plus £50k guaranteed back to the schools. By including a secondary in the mix it enabled primaries to take advantage of having an outsourced provider to include quality of their provision.