

Procurement information for Schools – Key Points to Consider

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Introduction

This document has been prepared to support all schools (maintained, non-maintained and Multi-Academy Trusts) who may, for the first time, be looking to enter significant contracts for catering and cleaning services.

This information is intended for Governors, Trustees, Head Teachers, School Business Managers, and finance leads and aims to provide initial guidance on some of the statutory procurement requirements that govern schools. In addition to highlighting some of the potential pitfalls that arise with procurement processes, we have set out some areas that schools may wish to consider when looking to secure new catering and cleaning contracts.

Schools have a responsibility to safeguard public money and there are certain rules and requirements which must be followed if the supply/service is of significant value and/or planned to run over several years.

Please note that this information is not exhaustive, and schools should refer to the DfE [buying for schools](#) website for more detailed guidance and information. Schools are also urged to consider taking independent legal and financial advice before commencing on any procurement exercise or contract award.

Achieving an effective procurement

If your school is currently considering their future options for certain services - the following approach may assist the achievement of a smooth and effective procurement:

Business Case: developing a business case will help to set the scene for the procurement activity to take place. A business case will provide an outline of what is needed (in this case the securing of a catering or cleaning contract), the available budget, timescale for purchase and what approval route is required.

Route to purchase: this will depend on whether the school is a Multi-Academy Trust or a maintained school. This will enable you to consider whether any proposed procurement route is adherent to the school's own policies and procedures as well as any external regulations governing the decision.

Contract Value: The DfE recommends that any high value purchases exceeding £40,000 should be subject to a full tender. The council recommends for maintained schools that a full tender process is undertaken where the expected contract value is £75,000 or more.

Remember.... when assessing the value of a potential contract the figures quoted above will be for the life of the contract, this means for a 3-year contract the spend needs to be below £25,000 per annum to not require tender arrangements.

Multi- Academy Trusts will have their own finance/purchase policies and financial regulations, but we would expect limits to be similar in value to the Local Authority.

Working with other schools: if you decide you want to benefit from potential economies of scale by working with other schools, then the total value of any 'group' contract could exceed the thresholds in Public Contracts Regulations. These thresholds are set by the Cabinet Office and govern the way procurements are to be undertaken. The current thresholds are: £213,477 for supplies and services (the services may be subject to the light touch regime for which the financial limit is £663,540).

Specification: The specification is a key part of the procurement process. It ensures that whatever you purchase is best value and fit for purpose. Gather as much information as possible around your needs and requirements before you start. The specification should include:

- A precise description of what is needed.
- An explanation of what the service should do.
- The amount needed.
- Quality of the service and expect ways to measure (do you require them to have healthy eating accreditations?).
- When the service is needed.

Obtaining Value: make sure your Governors/Trustees are on board with your plans as ultimately, they will be asked to agree them. Think carefully about the different routes to market and which will best meet the needs of your school. The government's [buying for schools](#) website contains lots of useful information including templates for specifications and guidance on procurement law.

Points to consider

- If you are planning to follow a tender process, make sure you have all the information you need to be able to operate a fair and transparent process. This includes being transparent about the evaluation process. You could be challenged by potential suppliers if your procedures are not up to scratch, this can be (very) costly and may hold up the start date for any new service.
- You may want to consider using an established framework agreement for securing your contract. There is more information available on this procurement route together with a list of DfE recommended suppliers on the [buying for schools website](#).

- Make sure you ask lots of questions and understand how the contract will operate, asking questions will ensure that you are able to assess the risks that the school may face and help you to derive best value.
- Example questions might include:
 - Who owns the equipment, has responsibility for ensuring it is safe and well maintained?
 - For catering contracts - you may previously have received an annual deep clean as part of the contract arrangements. Will this be included in you new contract and if so, how much will this cost?
 - Does your prospective supplier provide any cover for repairs and maintenance of equipment?
 - Does your prospective supplier provide cover arrangements if equipment fails? How soon will replacement equipment be installed?
 - Particularly in catering contracts - who has responsibility for training staff on safety and hygiene?
 - Who employs the staff and covers any risks associated with employing those staff, i.e., managing performance, sickness cover, redundancy?
 - What contingency arrangements will be put in place to cover staff sickness?
 - What cover will suppliers offer on “snow days”?
 - If the school needs to close at short notice, what costs might you be liable for?
 - How will you monitor performance of the contract, have you been clear in your specification what your requirements are?
 - Is the company financially solvent, have a good reputation in their area of expertise? Are they able to supply references?
 - Don't assume that all services previously included by current providers will continue with new providers, try to break down the components of the service and confirm arrangements. Get into the detail, remember your supplier is likely to have contracts with a few 3rd party providers to make the service work.
 - Do you have clauses and arrangements in place if you are not satisfied with the provision of service and wish to end the arrangement early?
 - Insurance?
 - If you are going to share a procurement process with other schools?
 - Is the procurement company aware of possible pension contributions?

Remember, the procurement process continues throughout the life of the contract, and you would be recommended to monitor:

- Company continued solvency
- Contract performance in a structured way
- Keep a note in advance of the contract end date so that performance can be considered and if necessary new procurement activity planned.

<https://www.gov.uk/guidance/buying-for-schools/cleaning-services>

Choosing an In-House Route

This information covers routes to procuring from an external supplier. Some schools may decide to undertake their catering/cleaning services themselves and directly employ the staff to undertake these roles.

In this instance the compilation of a business case and specification is still beneficial. It will assist the school in ensuring that the resources they intend to have in place to fulfil their needs, are sufficient and effective. It will provide Governors/Trustees with assurance that key risks associated with an in-house function have been considered, and where possible, mitigated.

Some of the above example questions contained in this document can also be applied to decision making for an in-house provision.

Additionally, the following list may also apply (this is not exhaustive):

- The need to develop a financial model for the delivery of an in-house service to ensure that it is self-financing.
- Careful management of perishable stocks to ensure they are:
 - Purchased observing food hygiene and storage requirements
 - Used by best before/use by dates to avoid wastage
 - Stored in compliance with food allergy requirements and labelled appropriately
- The school will need to ensure they have a robust model for calculating the per meal price to take account of all food costs and associated overheads.
- The need to have effective accounting systems and reports to provide an accurate and regular overview to Governors/Trustees on the performance of the service/(s)
- Consider how sickness of cleaning/catering staff will be covered
- Ensure there is significant reserves to cover any redundancy costs or other staff related costs (e.g., maternity/paternity leave).
- Training and supervision, how this will be managed and how the school will ensure that they achieve all necessary accreditations to safely handle and serve food to children.

Contacts:

This document has been prepared by South Gloucestershire Council.

If you have any questions about any of the information contained in this document, please email: internalauditmail@southglos.gov.uk