



**CUMBRIA LOCAL EDUCATION AUTHORITY**

**SCHOOLS' PROCUREMENT ADVISOR**  
services

## A Schools' Procurement Guide

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1. Introduction
  - 1.1 Schools are increasingly responsible for budgets which used to be under the control of Local Education Authorities. Delegation is not new, but despite the inherent strengths of local management, it is our view that increased delegation has brought with it a number of problems . This does not mean that Delegation is not a “good thing”. What it does mean is that the way it has been rolled out to schools and/or the way in which schools, the LEA and suppliers are managing it, could be improved.
  - 1.2 Some examples of where delegation and subsequent procurement are perceived to be causing problems are:
    - lack of choice of providers
    - delegated funds not enough to cover the cost of the service
    - lateness of services and prices given by providers
    - budget allocations made late in the day
    - additional time and workload for heads and governors
    - Best Value requirements
    - contract and tendering requirements
    - the packaging and pricing of services working against choice
    - frustration with lack of movement in e-commerce
- These are a few of the most common examples.
- 1.3 What this Guide professes to do is to look at these issues and to suggest ways in which schools can work to combat these problems. It also outlines the action being taken by the LEA’s School Procurement Services with reference to such problems.
  - 1.4 This Guide is split into 8 sections:
    9. Introduction
    10. The Principles of Good Procurement
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    16. Achieving Best Value
- 1.4 Parts of this Guide have already appeared in the LEA’s F.A.S.T. Manual<sup>1</sup> and large parts are also taken from the DfES “Purchasing Guide for Schools”, which is available from <http://www.dfes.gov.uk/vfm/pg.shtml>. Further relevant internet links are included throughout the text.
  - 1.5 This Guide will be available from the Schools Procurement Advisor services Website.

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<sup>1</sup> “Financial Administrative and Security Tasks”. Updated September 2001.

## Section 2: The Principles of Good Procurement

### Value for Money

2.1 To achieve Value for Money (VfM), there has to be a recognition that price is not the only consideration. Schools should consider “cost”, which will include the price, plus, for example, delivery costs, insurance, invoice processing and so on. Other factors might be:

- qualifications and experience of provider
- quality
- range of provision
- responsiveness and how the supplier can accommodate you
- compatibility with school ethos and culture

2.2 The famous “3 E’s” should be held in regard. These are:

|                      |  |   |
|----------------------|--|---|
| <b>Economy</b>       | Minimising the costs of resources used, but not forgetting Quality   | <i>e.g. purchasing goods over the Internet or from a local shop</i>   |
| <b>Efficiency</b>    | The relationship between resources used and the output they produce  | <i>e.g. employing own staff or buying back from Learning Support Service. One may be cheaper, but there are hidden costs</i>                      |
| <b>Effectiveness</b> | The extent to which objectives have been achieved and the relationship between the intended outcomes and the actual outcomes | <i>e.g. did the use of an agency improve the standard of cleaning or was the standard maintained but with less monitoring by school managers?</i> |

### Best Value

2.3 Schools are not covered directly by best value legislation. However, schools do spend directly a large amount of the financial resources used to educate young people. In recognition of their responsibilities, the statutory guidance on LEA schemes for financing schools makes provision that schools should demonstrate that they are following best value principles in their expenditure.

2.4 Best Value is often summed up as the 4 C’s:

- **Challenge** why, how and by whom a service is provided
- **Compare** performance with that of others
- **Consult** with service users, the local community etc
- use fair **Competition**, wherever practicable, to secure efficient and effective services.

School governing bodies are required to submit, with their annual budget plans, a statement setting out the steps they will take to ensure that expenditure reflects the principles of best practice. They should ensure:

- a) the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-

OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:

challenging how and why a service is provided (including consideration of alternative providers);

comparison of performance against other schools taking into account the views of parents and pupils;

mechanisms to consult stakeholders, especially parents and pupils;

embracing competition as a means of securing efficient and effective services;

- b) the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;
- c) that the following are included in school development plans -
  - a summary of objectives and strategy for the future;
  - forward targets on an annual and longer term basis;
  - description of the means by which performance targets will be achieved;
  - a report on current performance
- d) that internal and external audit takes place ensuring that performance information is scrutinised. LEA oversight of school finances provides external review.

2.5 OfSTED have developed their schools inspection framework to take account of the new best value agenda. This can be found at:

<http://www.official-documents.co.uk/document/ofsted/inspect/primary/pri-ax1.htm>

#### Examples of Best Value in Practice

Challenge may result in schools determining that they can provide some of their own services rather than purchasing externally – or vice versa.

Comparisons will allow schools to see if they amount they spend on administration means they are getting the best deal.

Consultation with pupils and parents might mean an improved meals service.

Competition is about testing the market place. A school may decide to join a consortium using a certain payroll provider.

## Section 3: The Rules and Regulations

- 3.1 The Cumbrian Scheme for Financing Schools sets out the main requirements:

*The governors are responsible for establishing an appropriate managerial and operational structure, including appropriate delegation to the Head and other staff. The LEA would prefer that governing bodies delegate responsibility for routine spending decisions and financial administration, and must formally approve and adequately monitor the nature, scope and effectiveness of such arrangements. All individuals involved in the spending, collection or custody of LEA resources or property must observe satisfactory standards of financial probity and regularity as reflected by these conditions and requirements, by the Financial Regulations for Schools by the Standing Orders of the County Council and in associated guidance issued by the Director of Finance and Central Services.*

*Whatever internal arrangements are put in place at school level, the first formal budget plan of each financial year (to be sent to the LEA by May 1st) must be approved by the governing body.*

- 3.2 Schools should have written financial procedures, or a Scheme of Financial Delegation<sup>2</sup>, which sets out:

- financial limit on purchasing decisions which can be made by the head without reference to the governors, or by school staff without reference to the head
- purchasing threshold over which quotations or tenders must be sought (these must be at least the equivalent of those set by the LEA, see 3.4 below)
- effective separation of duties<sup>3</sup>
- an audit trail

- 3.3 Other documents which schools are required to have with regard to procurement are:

- Register of Business Interests<sup>4</sup>
- Whistle blowing Policy<sup>5</sup>
- Tendering Policy<sup>6</sup>

### Contract and Tender Limits

- 3.4 The LEA's Standing Orders for Schools state that no contract can be awarded where

- a) the estimated amount or value of which exceeds £30,000 unless the provisions of Standing Orders 4(a)(i) of the Local Education Authority's Standing Orders as to contracts has been complied with, namely that at least ten days public notice inviting tenders has been given in one or more local newspapers circulating in

<sup>2</sup> See F.A.S.T. Manual section 4.6.1 and Appendix 4B

<sup>3</sup> See F.A.S.T. Manual section 4.9

<sup>4</sup> See F.A.S.T. Manual section 4.8.4 and Appendix 4C

<sup>5</sup> See F.A.S.T. Manual Appendix 4D

<sup>6</sup> See F.A.S.T. Manual Section 6.3

the district and also, wherever the estimated amount or value of the contract exceeds £300,000 in one or more newspapers or journals circulating among such persons as undertake such contracts unless in either case an invitation to tender has been given in writing to persons, firms or companies who shall be selected by the appropriate Chief Officer and approved by the appropriate Committee or selected by the appropriate Chief Officer from a list compiled in accordance with Standing Orders relating to contracts;

- b) the estimated amount or value of which exceeds £10,000 but does not exceed £30,000, unless an invitation to tender has been given in writing to at least three persons, firms or companies;
- c) the estimated amount or value of which exceeds £2,000 but does not exceed £10,000, unless a tender in writing has been obtained by the Head;
- d) the estimated amount or value which exceeds £500 but does not exceed £2,000 unless two quotations have been obtained by the Head.
- e) EU Regulations come into effect above the £150k level or where, when no specific contract exists, a period of 48 months. Schools should seek advice in individual circumstances from the Corporate Purchasing Unit.
- f) The use of Contracts offered by CCS (Cumbria Contract Services) avoids Standing Order requirements, as Supplies will already have complied with these in awarding their contracts.

## Section 4: Contracts and Agreements

- 4.1 Section 3 outlined the legal requirements as regards contract and tender limits. This section provides some additional advice.

Tenders (see also Section 6.3 of the F.A.S.T. Manual)

- 4.2 Tendering is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with other bids received against specified criteria. A team normally comprising the user, the purchaser and a technical expert (if appropriate) undertakes this process.
- 4.3 There are three basic types of tenders:
- (i) Open Tender, where all potential suppliers are invited to tender
  - (ii) Restricted Tender, where otherwise a large number of suppliers would come forward or the costs of publicity and advertising are likely to outweigh the potential benefits
  - (iii) Negotiated Tender, perhaps where the other types have not resulted in a satisfactory outcome or extreme urgency exists
- 4.4 Criteria should be established for the evaluation of tenders. Such criteria will add up to Value for Money (see section 2.1 above) rather than simply lowest price or lowest cost (which is higher than price). This process should be objective and transparent.
- 4.5 When considering future service provision, the current level of service should not be regarded as the standard needed. Schools should consider whether the service is necessary, and the appropriate level, given the school's budgetary constraints. The service should also take account of any objectives in the School Development Plan.

Contracts and Agreements

- 4.6 Contracts are formed between two or more separate legal entities and are usually drawn up by the client or school. Agreements, such as Service Level Agreements (SLAs) are usually drawn up (by the supplier) between two parts of the same legal entity.
- 4.7 An SLA should however be treated as a formal contract in most cases. This means that schools should be willing to negotiate the terms of each agreement, where possible and practicable.

A Good SLA will include:

- names of the supplier and the school
- duration of the agreement
- services or goods to be provided
- obligations of both parties
- location of provision
- details of supplier, including qualifications
- process for agreeing variations to the agreement
- complaints and disputes resolution process
- price and payments arrangement
- authorisation to be signed and dated by both parties
- consideration of Health and Safety issues

#### Prices and Payments

4.8 There are a number of ways of calculating prices and these may be presented to schools for consideration. The following points may be useful.

##### *(i) Pay As You Use*

4.9 These agreements will allow the school to have greater control of the frequency with which they use the service. The downside is that because of uncertainties of demand, the supplier may not always be able to guarantee delivery and the price is usually higher.

##### *(ii) Fixed Charges*

4.10 The school will be charged whatever utilisation they make. There may be various levels of service offered. As the supplier has some guarantee of income, the price may be lower and the delivery constant. The certainty of the price will also help the school's budgeting. However such contracts may lack flexibility and the school may be unable to demand changes partway through.

##### *(iii) Insurance-type Agreements*

4.11 This is where a holding fee is paid by the school to guarantee unlimited or only partially limited availability of the service. Examples of this are supply cover insurance, Governors Services courses and other insurance agreements.

#### Length of Agreements; Timing

4.12 Schools will need to balance up the flexibility of short-term agreements with the consistency and possible lower price of longer term ones.

4.13 Whereas in the past, annual agreements were the norm, schools and suppliers are becoming more involved in 2,3 or even 5 year contracts.

4.14 LEAs offering support services are not allowed to make agreements which bind schools into contracts for a period of more than 3 years (except for catering, which may be up to 5

years, or seven years if being renewed). The same limits do not of course apply to private sector providers. CAPITAdb is such a private provider and their agreements bind schools into a rolling contract. Should schools wish to leave the CAPITA contract, they must give notice by 31<sup>st</sup> December preceding the end of the current agreement.

- 4.15 There are further restrictions on services provided by LEA units. Any such service must be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages.
- 4.16 LEA Service Level Agreements must be in place by 31<sup>st</sup> March to be effective for the following financial year. Schools must have at least a month to consider the terms of agreements.
- 4.17 If services or facilities are provided under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.
- 4.18 Services, if offered at all by the LEA, will be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements.

## Section 5: Defining What You Want

- 5.1 The use of Specifications and Statements of Requirement should be made with discretion. The general rule should be that where a school is considering making an expensive, complex or long term purchase, a full specification should be prepared. There should be a balance between value and additional work required.
- 5.2 A Statement of Requirements could be useful for simple purchases or to obtain quotations, but again an element of discretion should be used.
- 5.3 A Statement of Requirements could also be used to measure and assess services which are currently provided to the school.
- 5.4 The DfES recommends the following 10 steps to an effective Specification or Statement of Requirements
- 1) Contextual Data, e.g number of PCs to be covered by an agreement
  - 2) Consultation, with members of staff who use the service or other stakeholders
  - 3) Details, e.g. frequency and deadlines. Suppliers should have sufficient scope to advise on how the service could be improved over the life of the contract.
  - 4) Encourage innovation, avoiding saying how the service should be provided
  - 5) Require the supplier to abide by the law
  - 6) Be clear and specific, avoiding any terminology or abbreviations which could be confused
  - 7) Output-based, leaving the supplier to determine the inputs
  - 8) Avoid specifying particular brand names, as this may restrict options
  - 9) Avoid amending the specification after it has been circulated
  - 10) Performance Measures, as part of the monitoring and evaluation process.
- 5.5 This DfES outline is useful, though perhaps, in a few cases, the school may – for ethical reasons, say – be interested in the inputs being used, as well as the outputs. In other cases, the school may wish to balance its position as a community leader and how its orders could complement that.
- 5.6 The following is an outline Statement of Requirements, again defined by the DfES.

*Statement of Requirements for School Finance Support Service*

We require a finance support service which will assist the effective planning, management and reporting of the school's finances.  
The following outlines the school's main requirements.

1. Income. All income due to the school to be efficiently collected and accounted for.
2. Expenditure. All authorised expenditure to be efficiently made and effectively accounted for in accordance with the LEA, local school financial regulations and appropriate legislation. To assist the school management team with achieving best value in its purchasing arrangements.
3. Budget Monitoring. Reports to be prepared each month for the school management team and bi-monthly for the school finance sub-committee. School accounts to be closed each year in accordance with agreed timetable.
4. School Budget. To be prepared annually to an agreed timetable in conjunction with the school management team.
5. School Voluntary Funds. Accounts to be maintained to the same standard as school's main budget.
6. Audit. To liaise with and respond appropriately to the school's auditors.

## Section 6: Getting What You Want

- 6.1 This section looks at the many ways in which schools can shop around and try and get the best deal. It is complemented by section 7, which explains how the LEA intends to help and facilitate this process, where necessary. Appendix A gives a summary of considerations to be made when looking at alternative suppliers. Appendix B provides some tips on "Dealing with Suppliers"

### Background and Reputation of Suppliers

- 6.2 The background of suppliers is very important, and should never be ignored. Often suppliers are passed on through local recommendation and this is one method where schools can easily see if the supplier is able to provide a quality service. However, a detailed background search might include:
- Any bankruptcy orders against company officers
  - Any potential conflicts of interest, e.g. are any of the company's staff related to school staff or its governing body?
  - Audited accounts for the last 3 years and a banker's reference
  - Insurance (employers' liability, public liability, etc.)
  - Complaints Procedures
  - Quality Assurance Procedures
  - Names of referees

### Alternatives: Information from Cumbria LEA

- 6.3 Section 7 deals in more detail about how the LEA can help schools find suppliers.

### Alternatives: School Consortia

- 6.4 Schools are generally looking for the same type of services, e.g. payroll, bursarial support. It may therefore be useful to consider forming a consortium of schools which may be able to offer financial or organisational advantages. Benefits might be:
- combined purchasing power
  - increased negotiating power
  - a forum for sharing effective practice
  - economies of scale
  - suppliers may be more interested in larger groups, and therefore the choice for schools widens
  - less administration
- 6.5 A consortium is different from where a number of schools decide independently to purchase the same or similar services from one supplier. In a consortium there is more of an emphasis on schools working together and sharing information and ideas. In some cases, e.g. financial support, there is an understandable reluctance to share too much information.
- 6.6 Before establishing a consortium, schools should consider the following:
- the number and range of schools to be included; getting the balance right between too small and too big

- the geographical spread of schools; in a county like Cumbria this can be very important. One drawback is that isolated (and in suppliers' terms, uneconomic) schools may find themselves left out
- the legal status of the group; if the group is informal, would this leave schools vulnerable if some decide to leave? How would suppliers view an informal group. Schools may wish to think about forming a company limited by guarantee (more information on this can be found on the SPA website)
- the management of the group; the needs of schools should be considered, but if the group becomes bureaucratic it negates one of the supposed effects of having it in the first place. How should the admin be paid for?

6.7 More information and advice on setting up a consortium can be found on the SPA website.

#### Alternatives: Brokerage

6.8 Brokerage is generally where one organisation procures services on behalf of another.

6.9 Benefits of such a system are:

- saving time in finding and evaluating suppliers
- access to a wider range of suppliers than usual
- economies of scale
- technical and professional expertise of the broker
- power of broker in terms of being able to remove a poorly-performing company from its list

6.10 Disadvantages of a brokerage system may be perceived to be:

- impartiality of the broker: what is their links with the company chosen? What is in it for them?
- Additional cost?
- Are the needs of individual schools being subsumed and by-passed?
- Does the broker have the right level of expertise in each particular field?
- Is the school simply substituting the background checks on the supplier with those on the broker?

6.11 The LEA's School Procurement Advisor will provide a brokerage service where required. Further details can be found in the next section.

#### Alternatives: E-Commerce

6.12 Purchasing over the internet is becoming increasingly widespread, whether this is simply ordering or actually making payments.

6.13 Schools can find more detailed advice on buying on the Internet from <http://www.oft.gov.uk/html/shopping>.

- 6.14 Some potential benefits of buying over the internet include:
- access to a wider pool of suppliers
  - reduction in the cost of goods
  - reduction in the costs of the procurement process
  - reduction in errors, as information does not have to be transcribed and there is no complex paper chain between the school and the supplier
  - prompter delivery
  - single access point
- 6.15 A number of questions should be asked at the school before embarking on e-commerce. These will mainly centre on:
- financial management procedures, authorisations and security
  - accounting arrangements
  - ICT infrastructure and training
  - Is on-line the most suitable method of purchasing all items
- 6.16 It may be appropriate for the school to delegate responsibility for e-commerce to one member of staff. Their responsibilities might include:
- developing an e-procurement policy for the school
  - arranging appropriate training for staff
  - establishing and maintaining a list of approved suppliers, considering price and other costs, choice, reliability and speed of delivery
  - monitoring and evaluating the effectiveness of on-line purchasing (e.g. Best Value issues)
- 6.17 Current Regulations do not allow schools in Cumbria to operate Credit or Debit cards. For the moment, therefore schools must restrict themselves to instances where suppliers offer "accounts", i.e. where invoices are sent to the school on a, say, monthly basis. Alternatively schools can use the Internet to search for suppliers and to order goods, but perhaps not to actually pay for them.

## Section 7: The LEA's School Procurement Advisor

- 7.1 The LEA's School Procurement Advisor (SPA) is a service set up to offer schools advice and guidance on procurement issues. This section outlines in detail what exactly that means.

### Access to Suppliers

- 7.2 The SPA will set up and maintain lists of suppliers and what they can offer to schools. These lists will eventually cover all goods and supplies which schools may purchase, particularly financial and administrative support.
- 7.3 The LEA will not be giving an official stamp of approval to the available suppliers on the lists, although we will provide details of the services they offer. Schools will be encouraged to give their own recommendations or make comments (where helpful) on their experiences.
- 7.4 We will also arrange roadshows around Christmas time, when suppliers will be invited to "display their wares" to schools.
- 7.5 Another feature will be where we facilitate individual meetings between suppliers and groups of schools. For example a number of schools have expressed a wish to look into opening bank accounts. We would set up meetings where we would explain the "statutory requirements" and other regulations. Then it would be over to the supplier (in this case a Bank) to "sell their product". Such meetings would not be seen as an automatic endorsement of the supplier, merely as an example of the service. We would provide access to other suppliers through the list/web-site and by facilitating other meetings (where relevant).

### User Group

- 7.6 We are in the process of setting up a user group. This will consist of finance officers from schools and/or headteachers or other school nominees. It will be facilitated by the LEA but its "ownership" will be by schools.
- 7.7 There will be 10 members (4 secondary, 5 primary and 1 special).
- 7.8 Its tasks will include:
- acting as one voice to put pressure on or to have dialogue with major suppliers
  - sharing information and knowledge through schools
  - advising other schools thinking of e.g. running their own payroll system
  - helping to compile suppliers list

### Procurement Training

- 7.9 We will arrange for procurement training to be provided and aimed mainly at headteachers and governors.
- 7.10 In Year 1, this training will be free of charge.

### Brokerage Services

- 7.11 The main tasks of the Schools' Procurement Advisor service will be to facilitate and to advise. However, where requested or required, we will arrange for a brokerage option to be operational. The principles of this are outlined above in section 6.8ff.
- 7.12 The brokerage service will use the expertise within the LEA, principally the Client Services and Property Unit and Corporate Procurement Unit, and the schools' User Group.

### Website

- 7.13 A SPA Website is being developed. This will be the main point of contact for schools and will consist of:
- list of suppliers
  - this Procurement Advice Guide
  - split of LEA-school responsibilities
  - message boards: to allow schools to swap tips and advice
  - recruitment section: to enable schools to advertise for staff or staff to advertise for schools free of charge
  - other advice
- 7.14 Although the Website, and the SPA is being set up within Cumbria LEA, it is hoped to roll out access to schools from other authorities. This will in turn increase the number of suppliers available for schools.

### School Procurement Contact

- 7.15 The main point of contact for procurement advice will be Anton Hodge, Deputy Head of Finance.

## Section 8: Achieving Best Value

8.1 Best Value is described in more detail in sections 2.3ff. One important part of Best Value is the ability to measure performance and in this case, to measure the performance of Suppliers. However, performance measurement (and Performance Indicators) can also be one of the biggest bugbears of Best Value. It is essential that the time and effort taken in collecting this data is balanced with the usefulness of such a system in achieving overall Value for Money.

8.2 It is important to concentrate on outputs rather than inputs.

8.3 Schools might consider following the SMART system, i.e. that performance measures are:

**Specific**  
**Measurable**  
**Achievable**  
**Realistic**  
**Timed**

8.4 Performance measures should be included within the contract. An example of a cleaning specification is given by the DfES and is shown below:

“All classrooms will be cleaned before each school day. Cleaning to be completed between 6am and 8am, Monday to Friday, during term time. Cleaning to include dusting or wiping down of all surfaces, chairs and tables using approved cleaning agents, all waste bins to be emptied and liners replaced....cleaners to record what they have done on the task sheets provided”.

This measure is:

- **Specific** in that it defines what is meant by cleaning,
- **Measurable** in that a quality check can be done by physical inspection of whether the cleaning has been done and cleaners are to evidence their own work.
- **Achievable** in that none of the requirements are impossible to meet on a regular basis.
- **Realistic**. The measures, including physical checks and recording by staff relate directly to the service being provided.
- **Timed**. The measure includes time requirements i.e. cleaning to be done each day and between fixed times.

8.5 The following is a list of attributes for Performance Indicators. They should be:

- Relevant – to the aims and objectives of the school
- Clearly defined – to ensure consistent collection and measurement
- Easy to understand and use
- Comparable – with other organisations and schools
- Cost effective to collect
- Attributable – so that responsibilities for achieving good performance are clear
- Allow innovation in service delivery – concentrating on outputs not inputs
- Timely

- 8.6 The next stage of proving VfM is monitoring and evaluation. Whereas monitoring is general checking that things are happening – on time and within budget – evaluation is about judging the quality of service provided, comparing it with the expected standard and looking at the reasons for variances. Again, another example from DfES might help to illustrate:

*Data collected in relation to the uptake of school meals (monitoring) could highlight a significant reduction in the number of pupils taking lunch during a term. Evaluation would seek to identify the reasons why. There may have been changes to lunch time arrangements, a price rise, the opening of a local fast food outlet or there may have been a significant decline in the quality of the food. Discussions with pupils in a primary school or a pupil satisfaction survey in a large secondary school would provide the evidence on which judgements could be made. Should the quality of catering provision appear to be the cause of declining numbers, information collected from pupils will inform discussions and help to identify the desirable changes to service provision.*

- 8.7 Some evaluation will be done because of apparent decline in the level of service provision, perhaps in areas such as catering, cleaning or grounds maintenance. However, it is imperative that there is systematic evaluation in those aspects of service provision that directly influence the quality of teaching and learning, and pupil welfare. Evaluation in these areas of service provision should be routine, ongoing and include both formal and informal mechanisms.
- 8.8 Monitoring and evaluation need to be built into the strategic plan or set up at the same time the contract is drawn up.

#### Contract Reviews

- 8.9 It is recommended that Contracts and SLAs should be reviewed at least 3 months in advance of the termination date. The review will concentrate not only on the measurement against the specification, but should also assess its adequacy in changing requirements.
- 8.10 It should consider:
- the extent to which the service met the specification
  - the extent to which any performance targets or quality thresholds were met, and any mitigating circumstances identified by the provider
  - the number and magnitude of complaints and the response of the client
  - the flexibility of the supplier in dealing with new requests and responding to new situations

## **APPENDIX A**

### **Considering Possible Suppliers**

(adapted from School Management Task Force, DFE, with Coopers and Lybrand: "Buying For Quality", 1992)

#### **General Points**

- consider the best provider for each service separately
- don't be afraid to have a mix of providers for different services
- consider in-house provision, external provision (LEA and non-LEA) and consortium arrangements

#### **In-house provision**

- work out costs on a full-cost basis, including all support costs
- avoid loading senior school staff with routine tasks just because it appears cost-effective
- include recruitment, training and cover for absence in the costs of recruiting extra staff

#### **For External Provision (including from your own LEA)**

- remember that external providers include other public sector bodies (including other LEAs and schools) as well as private sector firms
- build up your own picture of other providers, especially by talking to other schools

#### **Consortium arrangements**

- can be used for buying or providing services
- can give economies of scale or a stronger negotiating position with providers
- must have clear roles and responsibilities for members, particularly for winding up arrangements should this become necessary.

## APPENDIX B

### Dealing With Suppliers

(adapted from School Management Task Force, DFE, with Coopers and Lybrand: "Buying For Quality", 1992)

#### a) Evaluating different suppliers

- i. Is the company reliable? Can it demonstrate a consistent track record of satisfactory performance? If indoubt, ask for third party referrals (particularly other schools which have been supplied) and check them out.
- ii. Does the company employ representatives who can be called upon to assist with ordering and queries, and to demonstrate products?
- iii. Does the supplier have a Customer Service department to check on the progress of your order and dela with any delivery, invoicing or servicing problems?
- iv. Are the advertised prices correct or are they likely to change unexpectedly?
- v. Are the products tested for safety and suitability in schools?
- vi. Is the quality of the product sufficient for rigorous and/or specialist use in schools? If in doubt, ask to try it first.
- vii. If the price is a special offer, is it genuine or is it due to the product being inferior, old, out of date or non-replaceable.
- viii. In the case of stationery, is the specification adequate for school use?
- ix. Does the company offer to take back, and credit in full, goods which prove unsatisfactory?
- x. Is the company a member of the relevant Trade Association?
- xi. Is the company sensitive to environmental considerations?
- xii. Are the products environmentally friendly and made from sustainable materials?

#### b) Getting the best from your supplier

- i. Most suppliers will supply a pre-printed Order Form, the benefit of which is that it requests all the information required for transcribing your requirements accurately<sup>7</sup>. Even if you are unable to use this Form, include all the information requested on your own order form.
- ii. Tell your supplier by when you require the goods; a specific date is better than "asap". If you require your order very quickly, then ring up the supplier.

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<sup>7</sup> Note however that a pre-printed order form may commit you to certain terms and conditions and these should be checked thoroughly

- iii. Give the supplier specific delivery instructions. Include times if necessary. A named individual is useful to a carrier attempting to deliver to a large establishment.
- iv. As most suppliers make a carriage and handling charge on small orders, it is in your interests to accumulate all your equipment requirements onto one order.
- v. If you can, avoid the peak ordering months of May- July – order earlier or later and you are likely to receive your order more quickly.
- vi. Check your order carefully as soon as possible after receiving it. The longer the delay, the more difficult it becomes for your supplier and their carriers to trace problems or missing goods. Some suppliers must be informed within 3 days, otherwise no claims can be considered.
- vii. When contacting suppliers, always have the paperwork handy and refer to it to speed up the response.
- viii. Check your invoice thoroughly on receipt and pass it on for payment without delay. Any query should be communicated in writing to the supplier - the sooner the better.