



Cyngor **Abertawe**  
**Swansea** Council



# Procurement Guide for Schools

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**September 2022**

## **Purpose of the Guide**

This guide is intended to help Schools by:

- informing Schools about the rules and procedures in place for procuring goods, works and services, and
- raising awareness of the need to comply with this practice
- identify channels of support

The guide is intended for use by both School Governors and Staff, with the aim of providing basic guidance on best practice and to ensure compliance with procurement rules.

The guide is split into the following five sections –

1. Introduction to Procurement
2. Procurement Process
3. Waivers
4. Frequently Asked Questions

# Section 1: Introduction to Procurement

## Background

This guide sets out the procurement responsibilities of school-based staff that are responsible for buying goods, services or works in schools. This guide is intended to support the following core documents:

- The Scheme for the Financing of Schools
- The council's Contract Procedure Rules (CPRs)
- The council's Financial Procedure Rules (FPRs)
- Accounting Instructions for Schools (AIs)
- HMRC statutory requirements
- Hospitality Protocols

Queries in relation to procurement compliance often arise during the course of school visits by Internal Audit and this procurement guide covers the key procurement issues identified by Audit officers.

### 1.1 What is Procurement?

Procurement is the process whereby goods, works and services are acquired. The procurement process spans a life cycle from identification of need, through to selection of suppliers, purchasing, contract management and disposal.

A school will procure various goods and supplies including stationery, supply staff and various work projects, e.g. painting and decorating, plumbing, electrical works etc.

### 1.2 Why is procurement important?

There are a number of rules and regulations that govern the way in which public money is spent designed to ensure that both best value is obtained from public funds and to ensure that, for example, no favouritism is applied in our decision-making.

The total 'cumulative' contract value will determine the route you must take to select a supplier. For instance if you are procuring standard goods and services with an aggregated contract term value in excess of approximately £200,000 (inclusive of VAT) you will need to undertake what is known as a regulated procurement process – so a procurement process in line with the statutory UK Public Contract Regulations. The latest version of the public contract rules is here, but please note that these statutory rules are currently under revision, so will likely change during 2023 (exact date tbc) –

<https://www.legislation.gov.uk/ukxi/2015/102/contents/made>

The various rules and regulations governing procurement activities are in place to protect school staff when carrying out of procurement activities. Poor procurement decisions and a failure to comply with rules and regulations could result in legal challenges from suppliers, contracts being cancelled, and financial penalties.

Should you have any questions with regard to using this Guide please contact the Council's corporate Procurement Service – [procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk)

### **1.3 Value for money**

As you'll be aware value for money is not always about obtaining simply the lowest price - it is about getting the right balance between quality and cost. You will need to think about how you will measure these when you specify and evaluate your proposed purchase and suppliers submissions. Key factors to be considered in purchasing decisions, other than price, can include the following (there may be many more):

- Supplier ability to deliver your request on time
- Quality of items
- Delivery times/reliability
- Warranty information and other terms and conditions

Please also check if there is already a contract in place as Schools *may* have the option to buy through a pre-existing corporate contracts or framework agreements, and further information on this point is within section 2.3 below.

### **1.4 Contract Value Bands**

The value of a contract describes the total estimated value of the contract over the full contract period (excluding VAT) including any possible extensions of the contract. A school must not split purchases or disaggregate spend in order to avoid the contract value bands set out in the table below.

If the goods or services are a regular requirement, consideration must be given to setting up a formal contract or framework agreement (see Section 2 for further details).

If the total contract spend with a single supplier is likely to exceed £10,000, then the procedures outlined in this guide will apply. School staff should, in the first instance, use historic spend data to determine whether a competitive procurement processes is required. The SIMS system will be able to provide this data.

The contract value bands are:

<b>Band</b>	<b>Value</b>
<b>A</b>	Below £10,000
<b>B</b>	£10,001 - £140,000
<b>C</b>	£140,001-£1,000,000
<b>D</b>	Over £1,000,000

Further information on how to proceed is contained below in Section 2.

## 1.5 Contract Terms and Conditions

Under UK public procurement legislation Schools are considered as ‘discrete operational units’ and this means that for contractual purposes, each individual School is treated as a separate entity.

A contract with a total value of more than the amounts listed below may be subject to UK Public Contracts Regulations 2015 and for example the school is required to advertise the contract opportunity on the UK’s Find a Tender Service. **The thresholds are reviewed every two years, so please check if in doubt.** The current statutory procurement thresholds are detailed within the following UK policy bulletin, with an extract in the table below –

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1041964/Procurement\\_Policy\\_Note\\_10\\_21\\_-\\_New\\_Thresholds\\_Values\\_and\\_Inclusion\\_of\\_VAT\\_in\\_Contract\\_Estimates.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041964/Procurement_Policy_Note_10_21_-_New_Thresholds_Values_and_Inclusion_of_VAT_in_Contract_Estimates.pdf)

<b>Extract / Thresholds / Type of Contract</b>	<b>Threshold</b>
Service & Supply (includes supply, lease, rental or hire purchase of goods, provision of relief staff)	£213,477 (inclusive of the applicable rate of VAT)

Procurement activity below these threshold values does not need to comply with statutory procedures but must comply **with this Schools Guide for Procurement** which embeds the principles of *open competition, transparency, equity (equality), and proportionality*. It is therefore important that when entering into contracts that the appropriate procurement process is followed, to avoid claims of unfairness from unsuccessful suppliers.

**For further information and advice** please contact the Council’s corporate Procurement Service using – [procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk)

With regard to Works (building / road repairs / ground works etc) contracts the School should utilise the NEC 3 Short Form following consultation with Facilities Management or the Category Manager for Construction. The NEC 3 short form is the terms and conditions used on works contracts. A Landlords Building Consent form **must be completed** by the school prior to any building or construction works commencing.

If you are considering embarking on a construction or external works project, including all-weather pitches, we have developed a guidance note to assist you with the landlord consent application process, and this can be found here:

<https://www.swansea.gov.uk/schoollandlordconsent> Schools are advised to engage with the authority via the landlord consent process at an early stage to gain initial advice that may avoid abortive costs and work.

***Please note if you enter into a contract on a supplier's terms and conditions there could be unexpected consequences. For instance, unfair termination provisions, yearly cost increases and possible additional unforeseen charges.***

If you are uncertain please seek advice from the Council's Legal Department via your designated contact.

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All services and goods contracts shall be entered into using the school's standard terms and conditions for the supply of goods and services, which are available / embedded below. If you are seeking consultants or a construction contract then different terms will apply and so please contact [procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk)



Conditions of Contract  
Supply Schools.doc



ConditionsofContract-  
Services School.doc



NEC Short Contract  
2022.docx

Should there be a need to hold personal data then please note that there may be a GDPR (data regulations) implication and that the following contract annex should also be used:



Schedule # - Data  
Protection Schedule.d

Finally, please note that:

- ALL - Contracts up to £140,000 shall be signed by the Chair of Governors and Head Teacher.
- ALL - Contracts £140,001 and above, shall be made under the Common Seal of the Council (via the Council's Legal department).

## **1.6 Contracts Register**

Each School should maintain a register of all contracts entered into by the school valued above £10,000.

Information to be contained within the register shall include:

- a. Supplier name
- b. Value of contract
- c. Duration of contract (including start and end dates)
- d. Details on any extension periods

The Governing Body should be aware of the Contracts Register and any changes made.

## **1.7 The Public Purse**

Transparency over spending is required from the public purse.

The Freedom of Information Act is all about the right of access to information held by public authorities (including schools). Schools should be aware that how they spend their money can go into the public domain through FOI requests.

Also, 'Moderate' or lower school audit outcomes will be reported to the Council's Audit Committee and this is a public meeting with for example press representatives in attendance.

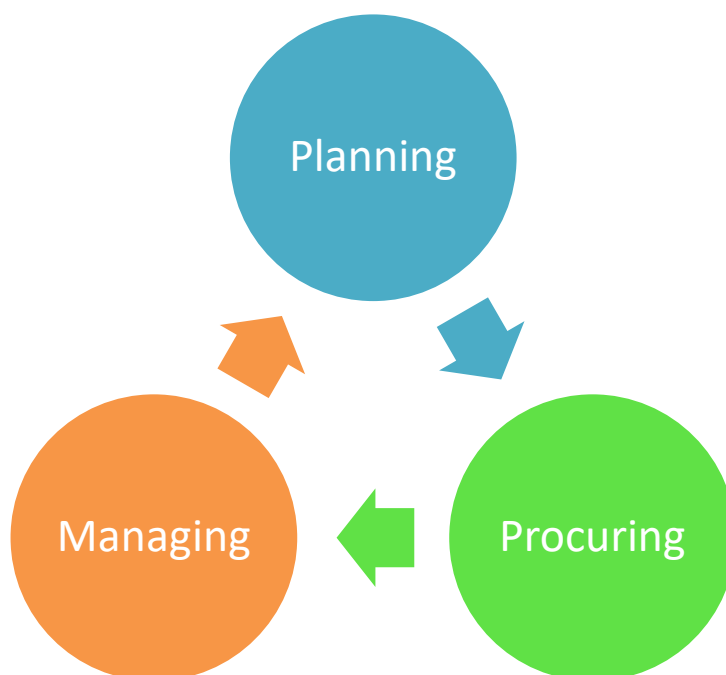
## **1.8 Gifts and Hospitality**

You should not accept any gifts or hospitality from anyone bidding for a contract or from any current supplier. If you do, this may be considered a disciplinary offence.

A template Hospitality Policy is available for schools to adopt.

## Section 2: Procurement Process

### 2.1 Basic Procurement Cycle



Planning, procuring and managing are the key stages of a good procurement cycle. Within each of these stages there are a number of steps that you can take, and these will be explained in more detail in the following sections.

### 2.2 Planning – e.g. contract design and specification

Make sure you plan before you procure; this stage is where the school identifies the need for a service or product.

- **Demand management.** Before you commence a procurement exercise, make sure there is a clear need for your purchase, that you know precisely what you need to buy (ask those who will be using it) and that it will meet your school's needs.
- **Understating the requirement.** Think about whether you could loan equipment or share resources with other schools (which would mean not having to make a purchase at all).
- **Understand where you can procure from.** Maybe you could collaborate with other schools to increase your buying power or speak to the Procurement Team to establish if there are existing frameworks that could be utilised, working with one of the Council's Services, e.g. IT.



## 2.3 Procuring

The procuring stage is where you will acquire the product or service.

**Step 1 - Establish the contract value.** The first step is to estimate the total contract value (the life of the contract, excluding VAT) of what you are procuring as this will determine which value band it falls into (see further info below) and also the route to market.

### **Step 2 - Establish route to market**

There are various routes to market and the following will explore these further. Possible routes include:

1. Via an existing corporate contract / working with one of the Council's Services, e.g Corporate Building
2. Making use of a framework agreement
3. Make your own contract/framework through a quotation/tender exercise

#### **1. Use of existing corporate contracts**

One of the first routes to take would be to see if there is already an existing corporate contract in place that could meet your need.

Corporate Building Services may provide schools with compliant support on construction requirements; Parks and Highways may give support for works on school grounds. Using corporate services ensures all checks are in place and any post-completion issues can be rectified.

It is strongly recommended that wherever possible, you should make use of existing corporate contracts working with the Council's Services. Some of the advantages of using such contracts are:

- Agreed pricing
  - Possibly no need to obtain further quotations
  - Acceptable terms and conditions of contract
  - Quality and safety checks will be built-in where needed (Health & Safety, DBS checks etc.)
  - Safeguarding policies
  - Appropriate insurance cover will be in place
  - Supplier performance can be monitored and rectified by the contract manager
  - Equality and sustainability issues will have been considered
- Details of relevant corporate contracts are available here:  
[Swansea Staffnet - Procurement - Education contracts register](#)

## 2. Use of a framework agreement

Frameworks are essentially contracts that other organisations, such as the council, other local authorities, the Welsh Government or public buying organisations (ESPO) have already procured.

To buy from a framework there are normally two methods of appointing a supplier:

1. Buy directly off the framework (direct award). Using this method means there is no need for any further competition.
2. Carry out a 'mini-competition'. Under this method you will need to invite all suppliers to provide a response to your requirement. This is usually a quicker and simpler process than setting up a new contract yourself.

If schools would like further advice regarding purchasing via a framework they can contact the Procurement Team.

## 3. Creating your own contracts

If an existing corporate contract does not meet your need then you will need to make your own contractual arrangements. In order to comply with this Schools Guide you will need to ensure that the required number of competitive written quotations/tenders are sought from appropriately qualified suppliers.

The competition requirements are as follows for each of the contract bands:

Good , Works & Services		
Band	Value	Competition Requirements
A	Below £10,000	Not subject to procurement rules, but consideration of <b>value for money</b> (for high value purchases, catalogue information/screenshots etc. should be kept for Audit as evidence of the value for money being considered)
B	£10,001 - £140,000	At least <b>four written quotations</b> shall be sought from appropriate suppliers using electronic means (e.g. via email). School staff shall decide the method by which proposed suppliers shall be identified. The same specification must be provided to all four suppliers for their quotation. PLEASE SEE APPENDIX 4 (REQUEST FOR QUOTES GUIDE) – WHICH PROVIDES FURTHER DETAIL
C	£140,001- £1 million	Full tendering procedures apply. Open procurement exercise conducted via <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a> . <b>Contact the Procurement Team for advice for contracts in these bands.</b> <a href="mailto:procurement@swansea.gov.uk">procurement@swansea.gov.uk</a>
D	Over £1 million	

Also, where corporate contracts are not used then relevant checks of the suppliers will need to be undertaken. The following checks will need to be undertaken, in relevance to what you are procuring:

- Track record – can the supplier prove that they can deliver?
- Relevant experience – has the supplier completed similar projects for other schools in the past?
- Capacity – does the supplier have the resources to complete the work?
- Financial stability (if appropriate) – does the supplier have an established pattern of turnover in recent years?
- DBS Policy – does the supplier have a DBS policy (if relevant to the procurement)?
- Safeguarding
- Health & Safety – does the supplier have a written health & safety policy (if relevant to the procurement)?
- Accreditations (if relevant)
- Appropriate insurance cover in place – a supplier must have a minimum of £5 million public liability and £5 million employer's liability insurance cover. If the contract requires professional indemnity cover then the minimum requirement is £2 million. Please take into consideration the financial risk when setting your limits, as anything over and above what the supplier has in place can fall back on the school/authority in the event of a claim.

Evidence of seeking the required number of quotations/tenders, using the same specification, must be retained. As long as it can be shown that the relevant number of appropriate suppliers were invited to provide quotations, it does not then matter if some of the suppliers do not respond to that request. Remember that the contract must be offered on the School's terms and conditions (see section 1.5 above), with any deviation from these to be discussed with the Council's Legal department.

If you are undertaking the Band C or D procurement exercise, you will need to issue an Invitation to Tender as part of the process. An Invitation to Tender (ITT) is a pack of documents sent out to potential suppliers inviting them to submit a bid. Packs are available from Procurement (**these would then need to be amended to suit each School's need**).

### **Step 3 – Develop a specification**

FOR FURTHER DETAIL PLEASE SEE ATTACHED APPENDIX 4 – REQUEST FOR QUOTES GUIDE

When drafting quotations and tenders you must complete a detailed, carefully thought out specification giving precise details about the goods, services or works you require.

The specification should be included as part of the tender/quotation documents sent to suppliers.

#### **When writing a specification:**

- State clearly the product/service that you require, quantity, quality, delivery requirements, and any relevant information about end use.
- Avoid using specific brand names (or, if this is unavoidable, include “or equivalent” to ensure competition is fair) and jargon/abbreviations.
- If the supplier has to meet any legal criteria (e.g. health and safety), outline why and how.
- Outline clearly the standards of performance expected.
- Do not over specify – focus just on what you need, rather than what you want.
- Write Key Performance Indicators (if applicable) and evaluation criteria at the same time, which will make sure they all complement one another.

#### **Why is it important?**

- Ensures that your school receives the right standard and scope of product/service
- An accurate specification will reduce the risk of additional costs post award
- The clearer the specification the easier it is for suppliers to price the requirement and you to evaluate.

### **Step 4 – Develop evaluation criteria and weightings**

#### **What are they?**

Evaluation criteria and weightings are used to objectively evaluate suppliers' tender/quotation submissions. This ensures a decision to award a contract is fair. Tenders/quotations can be evaluated on either:

- Price/cost; or
- Quality; or
- Price/cost and quality.

The supplier who gets the highest score will be awarded the contract. With this in mind, it is important to ensure that your evaluation criteria and weightings accurately address what you need the supplier to deliver.

Evaluation criteria and weightings:

- must be used in tenders
- are recommended for high value purchases
- must be determined at the specification stage of the process, and published with the tender documents issued to suppliers
- let suppliers know how you will make your decision to award a contract

### **Step 5 – Run Competition**

Issue your requirements to suppliers and ensure that a deadline is included for submission.

### **Step 6 - Evaluating Quotations/Tenders**

One of the key things to remember when evaluating quotations and tenders is that you need to be fair, treating all suppliers equally.

Evaluate:

- how well the supplier has quoted to meet your specification
- all quotations returned on time - reject any that are late
- the whole-life cost of the purchase or contract (e.g. delivery charges, maintenance costs, running costs)
- whether there will be price increases over the duration of the contract
- whether you are just looking for the cheapest quote, or the one that offers best value for money, once factors like quality and service are added in

Keep a copy of all the records leading to a decision as per Audit requirements.

### **Step 7 – Drafting a contract award report**

For contracts over £10,000 a contract award report will need to be drafted using template in (this is contained in Appendix 4 / please see Step 7) / to be approved by the Head Teacher.

Please keep a copy of the contract award report and its approvals as per Audit requirements.

## **Step 8 - Notifying suppliers following a quotation/tender exercise**

You must respect the confidentiality of bidders at all times. The notification letter to the successful bidder is an invitation to finalise contractual arrangements and it makes plain that no commitments are made and no work is to commence until the contract is signed by both parties.

Once the contract has been agreed you must inform suppliers who submitted unsuccessful quotes. Standard practice is to formally inform unsuccessful suppliers by letter. If the supplier asks for specific details of the successful bid, restrict information to a summary of the evaluation criteria used and the aspects of the quote that were considered the most economically advantageous, for example delivery arrangements offered, quality and competitive price (do not give the actual price). If an enquirer specifically asks for the successful price to be disclosed it would be acceptable to refuse as this is considered commercially confidential information (however, under the Freedom of Information Act this is now not as straightforward and you may need to seek advice from the Council before providing a response).

Once you have notified all suppliers of your decision you can award the contract to the successful supplier (Appendix 1 and 2 below are example notification letters which can be sent to suppliers following a quotation/tender exercise).

### **2.4 Managing contracts**

This stage is about managing the performance of your chosen supplier and ensuring that the agreed levels of service and quality are being met.

**Monitor performance.** Actively monitor the supplier's performance and record any issues or evidence of poor performance. Ensure records are kept on incidences of both poor and good performance so these can be put to the supplier.

**Prepare for contract end/renewal.** As the contract approaches its expiry date ensure there is sufficient time to consider all the possible options for the contract. Ensure that any outstanding issues are resolved before the contract end date.

### Section 3: Waivers

There may be occasions where there will be a need to deviate from standard procurement rules, e.g for emergency purchases, to protect life and limb, or due to technical considerations – and these circumstances are outlined within this section.

All waiver applications over £10,000 must be sent by formal report to the relevant School's Chair of Governors - after being approved by the School's Head Teacher and having obtained advice from the Council's Procurement Service - for approval in advance of entering into the contract, and School staff must retain documentary evidence for audit purposes. Exceptionally, in the case of emergencies, such waivers may be approved retrospectively.

One of the first routes to take would be to see if there is already an existing corporate contract in place that could meet your need. Further information is below but should you need advice on this matter please contact – [procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk)

The Council's corporate contract rules note the possible rationale for use of a waiver **(however please note that there is additional UK legislation that may apply to large value procurements, e.g those above the approx. £200,000 threshold noted above in Section 1.5):**

- i) where an offer has been made to the market by the Council using the Procurement Process, but where no quotations or tenders have been submitted, or where those that have been submitted are disqualified through the evaluation procedure. In this circumstance an exception can only be granted where the original terms of the proposed contract are not substantially altered;
- ii. the goods, services or works can only be provided by a particular contractor for reasons that are technical, or connected with the protection of exclusive rights;
- iii. extreme urgency brought about by events unforeseeable by the Council;
- iv. where the products involved are manufactured purely for the purpose of research, experimentation, study or development;
- v. for supplies quoted and purchased on a commodity market;
- vi. where a design competition is run where the rules of that competition require the contract to be awarded to one or more of the successful candidates, provided that all successful candidates are invited to negotiate;
- vii. in relation to time limited grant funding from an external body, where the time limitations will not allow a competitive procurement process to be completed and where the grant conditions allow this;
- viii. for the purchase of supplies on particularly advantageous terms from a supplier that is definitely winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors or similar procedure;

ix. where delay attributable to the quotation or tendering process would, in the estimation of the Responsible Officer concerned, create or increase danger to life or limb;

x. where relevant UK not otherwise referred to in these CPR permits.

**School staff should complete the waiver application in Appendix 3 – and send this to [procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk) for advice, prior to submitting it to the Head Teacher and Governing Body for their final approval.**

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## Section 4: Frequently Asked Questions

### Q1. How do I find contracted suppliers?

Please see - [Swansea Staffnet - Procurement - Education contracts register](#)

### Q2. Who do I contact for general procurement guidance and advice?

[procurement@swansea.gov.uk](mailto:procurement@swansea.gov.uk)

### Q3. A supplier has asked me to sign an agreement/contract, what should I do?

If you have not gone through one of the procurement processes noted above then do not sign, refer the matter to Legal. It is a common tactic for sales people to ask you to sign something quickly, typically at a week or month end. Ask them to put the offer in writing and tell them that you have to talk with Legal before anything can be signed.

### Q4. I can't find what I want from a Council's existing / contracted supplier, what can I do?

Please refer to the section above on creating your own contract

### Q5. I have a problem with a Council contracted supplier?

Please inform the Contract Manager for a particular contract immediately if you are having problems with any of the suppliers currently on contract, particularly contracts where services/goods have Health & Safety implications.

### Q6. What if I only receive one quotation back from a supplier instead of four?

Sometimes suppliers do not return quotations, as long as you can evidence you have attempted to source quotations from four suppliers then this is sufficient.

### Q7. What is TUPE?

The Transfer of Undertakings (Protection of Employment) Regulations 2006 or, before 6 April 2006, the Transfer of Undertakings (Protection of Employment) Regulations 1981. TUPE gives effect to the Acquired Rights Directive (2001/23/EC, formerly 77/187/EC). If there is a relevant transfer of an undertaking or part of an undertaking, under TUPE the transferee will transfer the transferor's employees assigned to the undertaking (or part of the undertaking) transferred. For schools, this could cover contracts with third parties to take over services such as cleaning and catering.

**Q8. What is a tender?**

A tender is a sealed bid or offer document submitted in response to a request for tenders and containing detailed information on requirements and terms associated with a potential contract.

**Q9. What is a request for quotation?**

A **request for quotation (RFQ)** is a standard business process whose purpose is to invite suppliers into a bidding process to bid on specific goods, services or works when the value falls between £10,001 to £140,000.

## Appendix 1 – Example notification letter to a successful supplier

Letter to be placed on school letter headed paper

[Bidder's name and address]

### ACCEPTANCE OF QUOTATION FOR [CONTRACT NAME]

**Contract Reference: [Contract reference]**

**Contract Period: [Start/end dates]**

Dear Mr/Mrs/Miss/Ms [Name],

I am pleased to inform you that your quotation dated [date] in respect of the above mentioned contract has been accepted on the basis of the Conditions of Contract annexed to this letter.

No undertaking is given or implied as to the extent or use, if any, of this contract. An official order will be placed in due course.

Yours sincerely,

[Name]

[Position].

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### ACKNOWLEDGEMENT

**Acceptance of Quotation for [Contract Name]**

**Contract Reference: [Contract reference]**

**Contract Period: [Start/end dates]**

I/We hereby acknowledge receipt of the acceptance of my/our quotation and I/we undertake to perform the contract strictly in conformity with the Conditions of Contract annexed to this letter.

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**N.B: One copy to be retained for your records one copy to be signed and returned to the school as soon as possible.**

## **Appendix 2 – Example notification letter to a unsuccessful supplier**

Letter to be placed on school letter headed paper

[Bidder's name and address]

**Re: Request for Quotation for [Contract Name]  
Contract Reference: [Contract reference]**

Dear Mr/Mrs/Miss/Ms [Name],

Thank you for submitting a quotation in respect of the above. On this occasion I must inform you that your quotation has not been successful.

I would like to take this opportunity to thank you for the time and resources your company has invested in responding to this request for quotation and I look forward to you participating in future competitions.

Yours sincerely,

**[Name]**

**[Position].**

**(please note - Appendix 3 is a separate attachment)**