



MINERVA
PROCUREMENT CONSULTANCY

Procurement Challenges and How to Overcome Them

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Director
16 May 2024

Agenda



01 Budget Optimisation

Techniques for optimising procurement processes to ensure budget efficiency and resource allocation

02 Risk Mitigation

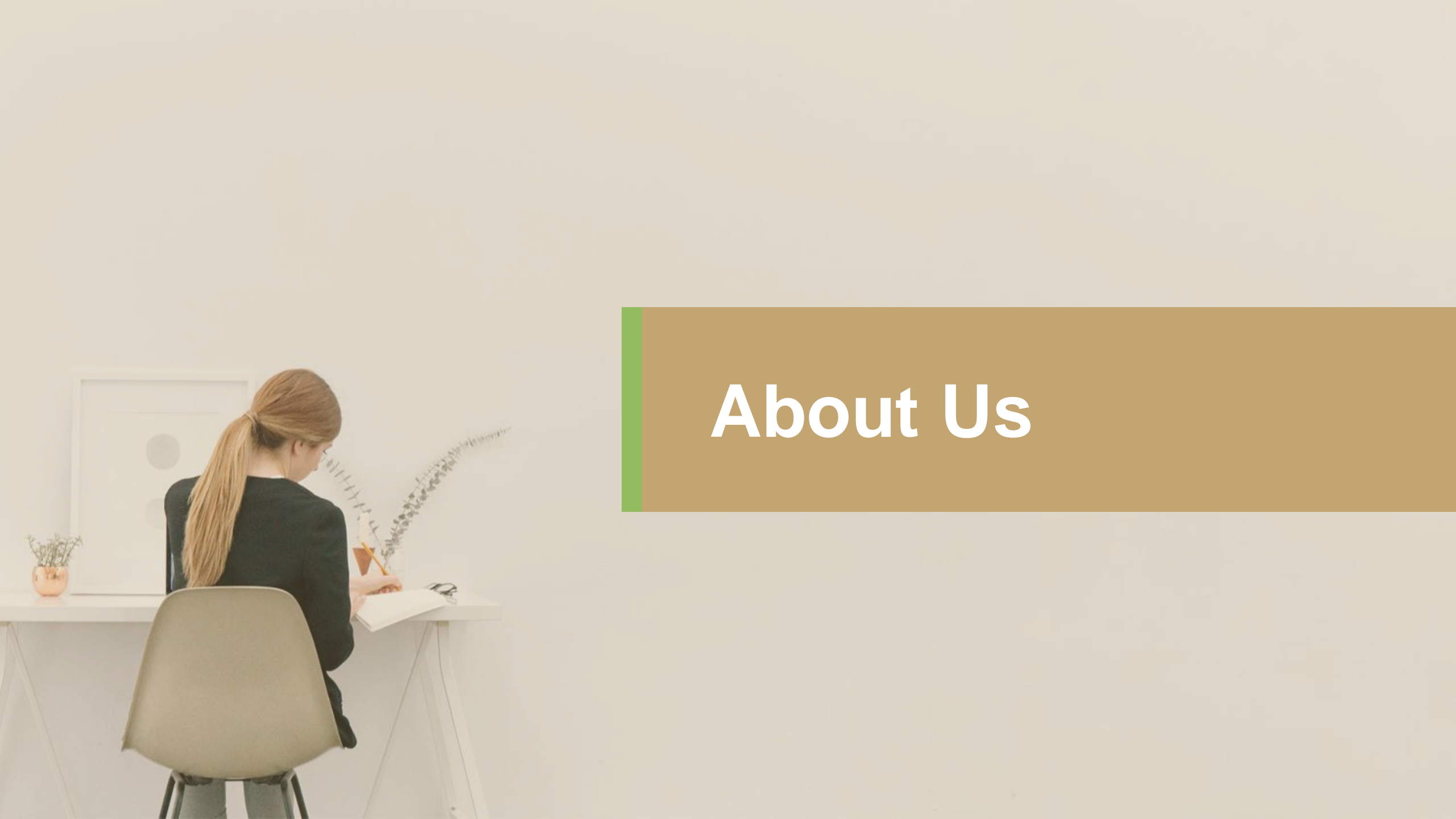
Navigating procurement challenges, reducing risk, making informed decisions

03 Getting Ahead of the Game

The new Procurement Act 2023

04 Q&A

Have your procurement questions answered



About Us

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- We are the **UK's most successful procurement consultancy focused exclusively on the school sector**;
- Minerva has **helped schools tender £100 million worth of contracts** and **generated more than £2.5 million of revenue, refunds and ongoing annual savings** for its clients over the past three years;
- **Full compliance with all procurement regulations**;
- **Opportunity to identify and realise tangible cost savings** – we know what good value looks like and can assist you in accessing it; essential for you to make the most of ever shrinking budgets;
- Delivery of tender documentation with **unrivalled attention to detail**;
- **Exceptional customer service** – our current NPS score is 99. NPS is an index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. A score of 99 is deemed as “world class”;
- **Total end-to-end service procurement service** including provision of a legal agreement and contract monitoring.



“We guarantee that you’ll be completely satisfied with our work or our services won’t cost you a penny.”



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Before we start.....

- From 1 January 2024 the thresholds changed to:
 - Supply, Services and Design Contracts - £214,904*
 - Works - £5,372,609*
 - Social and other specific services 'Light Touch Regime' - £663,540*
(school catering)
- * INCLUDING VAT
- The reason for the strange number is that the thresholds used to be quoted in EUR – sadly, they couldn't take the opportunity when we left the EU to round the figures to a number we can all remember as we're still part of the WTO!





Optimising Procurement Processes

Just for fun – let's get interactive!



Compliance – contract values

You have been asked to run a procurement process on behalf of your school for a new 5-year ICT Managed Service contract with an annual value of £150,000 excluding VAT. The current PCR2015 threshold is £214,904 including VAT so you plan to run a Request for Proposal (non-PCR2015) tender.

Is this compliant or non-compliant?



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Is this compliant or non-compliant?

NON- COMPLIANT

The Contract value is above the current threshold of **£214,904** for public sector procurements (Public Contracts Regulations 2015) as contracts are valued for the 'whole of life' not the annual value. As a result, the contract value in this case is £750,000 i.e. £150,000 x 5 years.



Key Message – Contract Values

Consider your contract value right from the outset to make sure you're running a compliant tender

Key Reasons

Avoid a challenge by an unsuccessful bidder plus there are limited to options to put it right

Key Action

Make sure you're 100% sure of the 'whole life value' of the contract and the procurement process you should be running. If in doubt seek advice



Specifications

GENERAL GUIDANCE

- Garbage in, garbage out
- Allow lots of time to pull the spec together
- Who else needs to be involved in the writing – Incumbent? Colleagues? Pupils?
- Future proof
- KPI's



Whatever you do, don't just roll out the last specification you had, it'll invariably not be fit for purpose.

Key Message - Specifications

The contract specification is one of the most important documents in detailing to bidders exactly what you require for your school or Trust

Key Reason

Bidders will invariably look to charge more if they feel the specification didn't explicitly include something they had not anticipated

Key Action

Always spend plenty of time drafting the specification with involvement from all stakeholders. Never just roll out the last one you used and never assume!

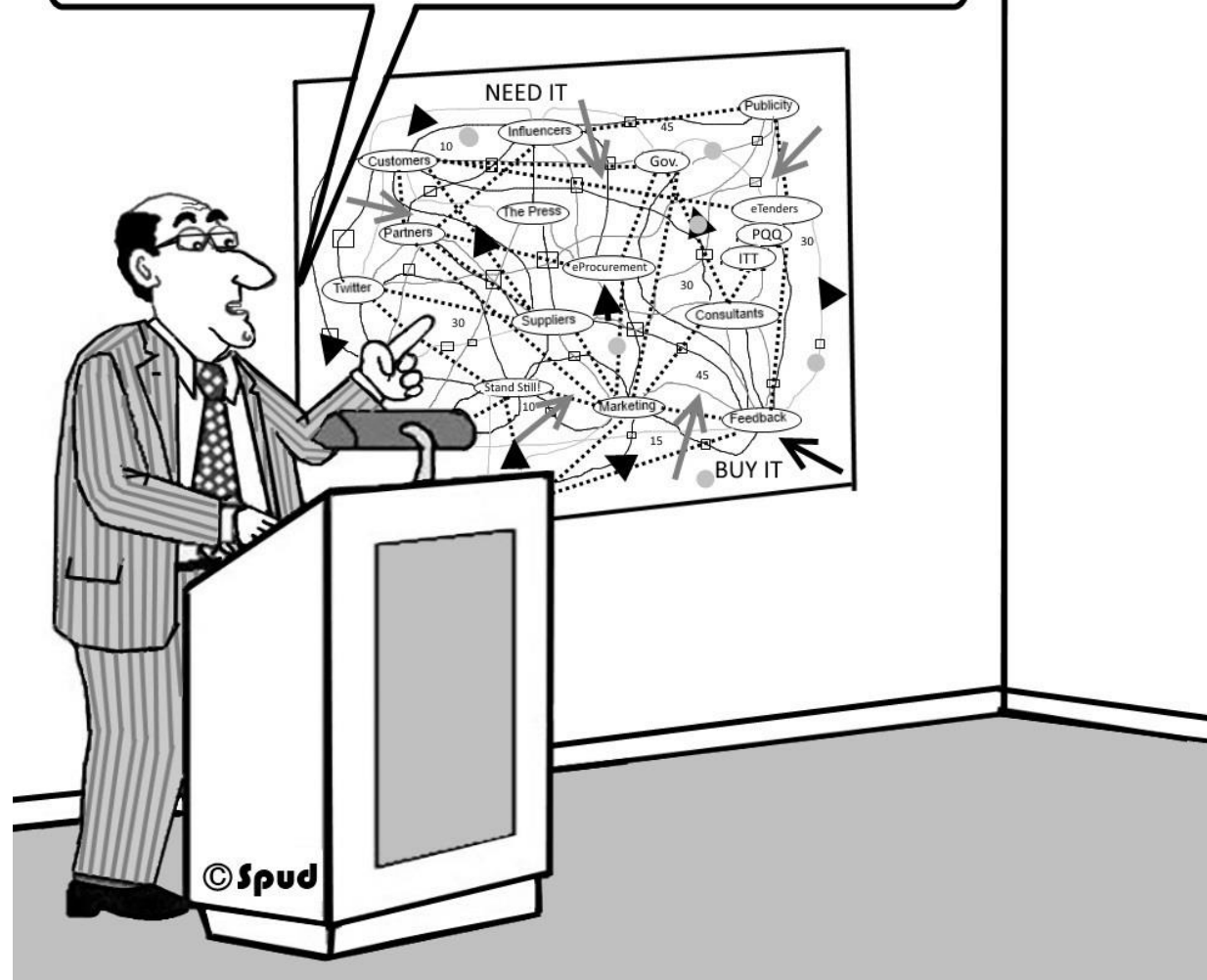




Risk Mitigation

Timings

... and here we have simplified the PCR2015 process. Some of you may see it tells us we should have started things 62 days ago.



Key Message - Timings

Leaving too little time to complete your tender process gives rise to the risk of limited options for bids

Key Reason

You want to maximise competition, achieve competitive pricing and ensure you have ample time to write a great specification and set of tender documents

Key Action

Use your contracts register (and if you don't have one get cracking on one!) to properly plan ahead for complex procurements. Start 12 months ahead for 'above threshold' and 6 months ahead for 'below threshold'



Key Performance Indicators



You are running a PCR2015 compliant procurement for your cleaning services. As part of the pack of tender documents you issue a set of Key Performance Indicators (KPI's) which the winning bidder will have to adopt if they are successful.

Is this compliant or non-compliant?



Key Performance Indicators

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NON-COMPLIANT

If you have simply detailed them as part of the tender pack, they are not legally binding.

If they are detailed are part of the legal agreement, then they are.

If you're unsure what KPI's you require then you can ask suppliers to 'bid back' and negotiate the final requirements.



Key Message - KPI's

Robust setting and monitoring of KPI's is essential to ensure you get great service and value from your contract on an ongoing basis

Key Reason

If it is going wrong, often the only way for you to terminate a contract early is a material breach by the contractor

Key Action

Ensure that a set of KPI's is included in your tender and that you set regular meetings to monitor them.



Legal agreements



You are running a PCR2015 compliant procurement for your catering services. As part of the pack of tender documents you issue a legal contract which the winning bidder will have to adopt if they are successful.

Is this compliant or non-compliant?



Legal agreements

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Is this compliant or non-compliant?

COMPLIANT

You must issue a contract at the start of the procurement process. This is to ensure that the process is 'fair and transparent' and the contract you end up signing will be the same regardless of which bidder is successful.

There may be a small number of elements which can't be completed until the contract award, and this is acceptable.



Legal agreements - best practice



Legal agreements – contract term



Key Message - Legal Agreements

Wherever possible always issue your own legal agreement with your tender
– for an ‘above threshold’ tender this is mandatory anyway

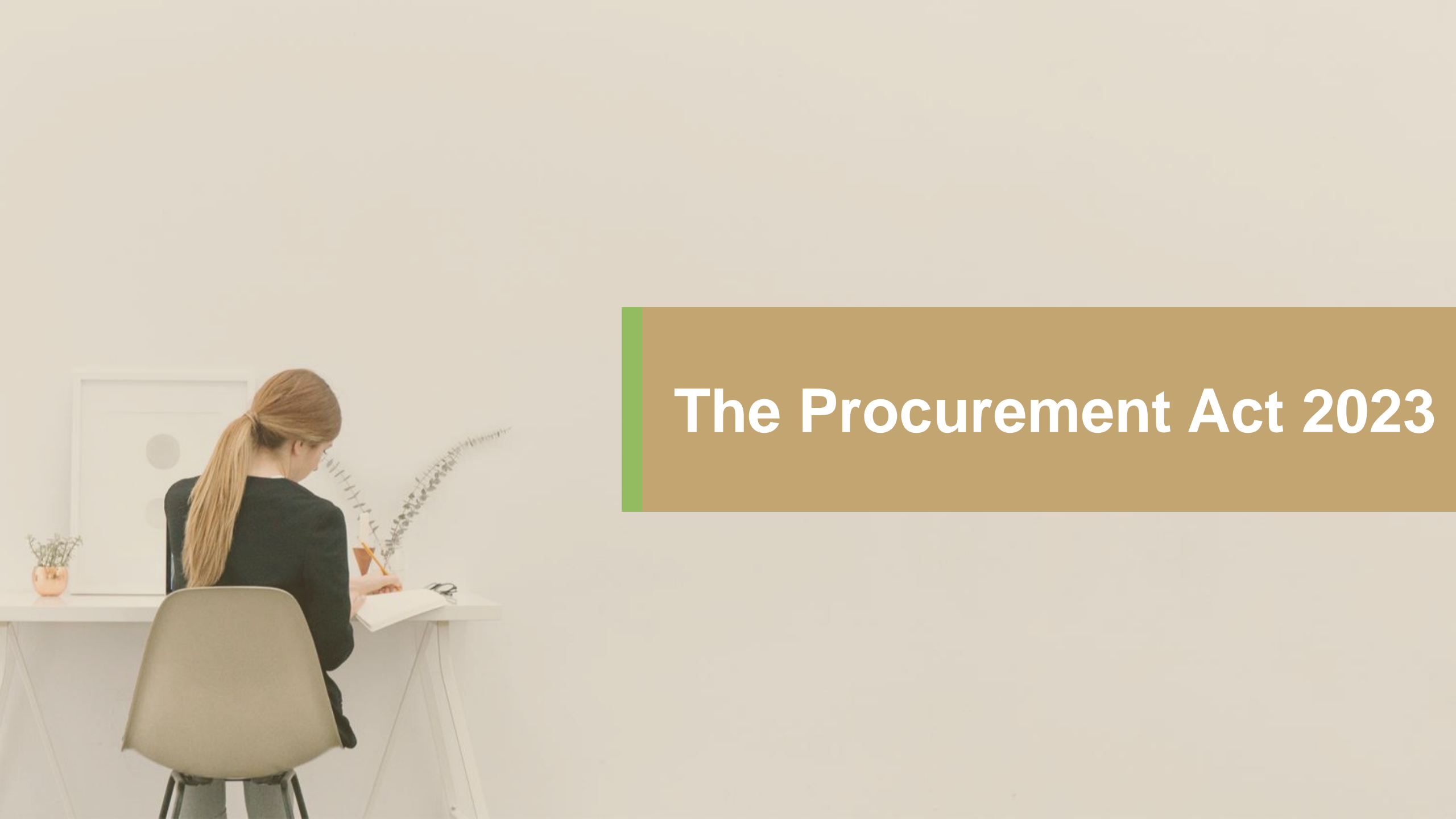
Key Reason

Not only does it mitigate risk it will almost certainly save you money

Key Action

Always ensure the legal agreement is on your terms. If you have to accept the supplier’s legal agreement, check that there are adequate protections in there for you. And don’t be bullied no matter how big the company.





The Procurement Act 2023

The Procurement Act 2023 – A Brief Summary



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The Procurement Act 2023 – Key Actions

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- 3) Think about how your tenders will “have regard for the SME sector”.



The Procurement Act 2023 – Key Actions

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- 4) Research KPI’s for different types of contracts



The Procurement Act 2023 – Key Actions

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- 3) Think about how your tenders will “have regard for the SME sector”
- 4) Research KPI’s for different types of contracts
- 5) Ensure all systems, processes and internal documentation is updated to reflect the changes – is this an opportunity to ‘automate’



Transforming Public Procurement – stay informed

Check here for regular newsletters, updates and webinars – sign up!

<https://www.gov.uk/government/collections/transforming-public-procurement>

Mills & Reeve

5 in 25 Series of Webinar, Client Briefing, Procurement Portal website

<https://www.procurementportal.com/>

Minerva Procurement Consultancy Services

84 Points for a Perfect Procurement Process

<https://minervapcs.com/84-points-guide/>



What have we covered today?

- 1) Budget Optimisation including tips on valuing your contracts and writing great specifications
- 2) Risk mitigation including timings, Key Performance Indicators and legal agreements
- 3) The Procurement Act 2023 – what's coming and when
- 4) Key Messages, Key Reasons and Key Actions
- 5) Resources – where to go for more help





Q&A

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How can I help you?

What else would people like to know?

What advice would you like to increase your confidence with procurement?

What is holding you back or worrying you about tenders?



Contact Us

Should you have any further questions please feel free to email or call me:

lorraine@minervapcs.com

Tel: 01256 467107 or 07881 922057



A young girl with braided hair, wearing a white shirt and a dark blue vest, is sitting at a wooden desk. She is holding a yellow pencil and writing on a piece of white paper. The paper has the letters 'A B C D E F G H I J K L' written on it. The background is a wooden floor.

Thank You