

# School Buyers Network (SBN) Procurement Savings – Case studies about SBN Members



[www.milton-keynes.gov.uk/school-buyers-network](http://www.milton-keynes.gov.uk/school-buyers-network)

## Procurement Savings - case studies from our members

School Buyers' Network (SBN) membership allows schools to make significant savings in procurement. Examples of actual savings achieved are given below.

### Telephone call charges

A national, public sector arrangement with a large telecoms company, accessible via a framework contract awarded by a local authority buying consortia, provides very competitive call and line rental charges. SBN surveyed Milton Keynes schools about their telecoms costs, obtained copies of their bills and arranged for 10 MK schools of different sizes to be analysed against the framework contract.

**SAVING:** The call cost savings possible for ALL 10 schools, ranged from 29-90%. In a specific example, a secondary school that pays £693.82 per quarter on call costs (3 lines), could pay £270.13: **resulting in a saving of £423.69 per quarter i.e. 61%.**



Contact School Buyers' Network for guidance on how to access the above, pre-tendered procurement route.

### Fire and safety compliance and review

Two case studies from Milton Keynes schools are given below. The studies related to a company that was introduced to schools by School Buyers' Network. This supplier was new to schools but was known to SBN because of the work it had already done for MKC.

#### Primary School

A local primary school contacted the supplier to request a quote for their Emergency Lights & Fire Alarm Maintenance. The school was alerted to the need to review these areas by using the supplier's fire safety compliance management tool.

**SAVING:** When compared with their incumbent supplier, the new company was able to provide a saving of **33%** to the school across both of these services.

#### Secondary School

A large secondary school used the new supplier's fire safety compliance management tool and was able to identify quickly the need to service their existing fire extinguishers.

**SAVING:** The cost of service from their current extinguisher maintenance supplier was £947. The new supplier was able to provide the same service for £627, **representing a saving of £320 / 34%.**

Based on the above saving, the school contacted the new supplier when their Fire Alarm Service became due. The school had been quoted £3360 for this by another company. The new supplier was able to provide a like-for-like service for £1027.56; **representing a saving of £2332 / 69.5%.**



Contact School Buyers' Network for information about the above supplier.

## Lease purchase arrangement

School Buyers' Network sought formal access, on behalf of Milton Keynes schools, to a pre-tendered, OJEU contract for fully compliant leases. (The contract was awarded by another local authority.) This lease arrangement is specifically designed for use by schools and includes specialist advisory support.

Below is an example of a recent lease offer from a supplier to a school. The school asked the specialist advisor to assess the lease deal it had received.

### Original Deal offered to School

Price of the Equipment Listed £44,594 + Vat

**plus**

Amount needed to settle current agreement £38,000 + Vat

Total Costs used to calculate the rentals **(A)** £82,594 + Vat

Equipment Rental using a Rate of **(B)** £106.00 per £1,000

The Rental for the above Equipment is then calculated as follows:

**(A)** £82,594.00 x **(B)** £106.00 / £1,000 = **(C)** £8,755 + Vat

Total no. of Rentals to be paid during the Initial Period **(D)** TWELVE

Total cost of Rentals paid during the Initial Period **(CxD)** £105,060 + Vat

***The total cost of the above worked out to over 20% APR interest!***

### **SAVING: Comparison of the Same Equipment being Leased via School Buyers' Network**

The leasing scheme entered into for Milton Keynes schools does not allow the rolling up of contracts. To fund the same new equipment – via the MKC Scheme - would cost:

12 x £3,577.78 plus VAT

[compared to the original deal's rates which would have cost 12 x £4,726.96 plus VAT.]

This produces a **cash saving of £13,760** over the three years of the lease.

The MKC scheme equates to an **APR of -2.7%**, if the school return the equipment after 3 years to the lessor. If the school did not, it could extend or buy the equipment and the APR would equate to 7.75%.

Access to the pre-tendered lease contract available via the School Buyers' Network offers substantially better value for money as demonstrated by the above comparison.

Contact School Buyers' Network for information.

## Safety mattresses for sports activities

As part of SBN's work, regular information profiles about new suppliers or existing suppliers with new products are issued to members. We met with a manufacturer / supplier of safety mattresses for sports activities in schools as part of this process. The supplier's products can be **purchased direct at reduced prices**; rather than via the usual route of sourcing from well known, national sports equipment catalogues. The price differentials / savings are shown below:

- 2.44m x 1.37m x 200mm SAFETY MATTRESS direct from manufacturer = £129.11. This same item from a well known Sports catalogue = £199.50.
- 3.05m x 1.52m x 300mm SAFETY MATTRESS direct from manufacturer = £194.78. This same item from a well known Sports catalogue = £348.50.
- 1.83m x 1.2m x 50mm AGILITY MAT direct from manufacturer = £46.31. This item from a well known Sports catalogue = £77.90.



**SAVING: If a school purchased the 3 items above direct from the manufacturer, it would save £155.70.**

Contact School Buyers' Network for information about the above manufacturer / supplier.

### Join the School Buyers Network today – price of the service in 2012/13

**The prices for School Buyers' Network membership have been held at current (11/12) levels.** There are 3 membership bands for the School Buyers' Network (subject to fair use) for maintained, voluntary aided, foundation and academy schools:

Small Schools / PECs (with under 105 pupils)	£498 p.a.
Medium Schools (primary & special sector with more than 105 pupils)	£995 p.a.
Large Schools (secondary sector)	£1990 p.a.

In 12/13 we can provide the School Buyers' Network service to a CLUSTER of PRIMARY schools. We are able to offer a quotation for this membership option.

Please contact us for more information by e-mail to: [SBN@milton-keynes.gov.uk](mailto:SBN@milton-keynes.gov.uk).

[www.milton-keynes.gov.uk/school-buyers-network](http://www.milton-keynes.gov.uk/school-buyers-network)



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