

# Drivers, Pitfalls, and Paths to Success in School Procurement

Date: Monday, November 4, 2024

## Abstract

Efficient procurement in schools is critical for optimizing resources, ensuring compliance with regulations, and enhancing educational outcomes. This article delves into the key drivers of successful school procurement, identifies common pitfalls, and outlines strategies for achieving excellence in procurement practices. Special emphasis is placed on Australian legislation regarding modern slavery, indigenous engagement, and the integration of Environmental, Social, and Governance (ESG) considerations. The importance of aligning procurement practices with the educational syllabus through ESG initiatives is also explored. The discussion is supported by references from academic literature and authoritative web resources.

---

## Introduction

Procurement in educational institutions is a strategic function that significantly influences the quality of education delivered. Effective procurement ensures that schools obtain necessary goods and services at the right time, quality, and cost while adhering to legal and ethical standards. In Australia, additional layers of complexity arise from legislation such as the **Modern Slavery Act 2018** and policies promoting indigenous engagement and ESG considerations. These factors necessitate a comprehensive approach to procurement that aligns with both legal obligations and educational objectives.

---

## Drivers for a Good School Procurement Exercise

### 1. Legal and Regulatory Compliance

Compliance with procurement laws and regulations is foundational to any procurement exercise. In Australia, the **Modern Slavery Act 2018 (Cth)** requires entities, including schools with revenues above a certain threshold, to report on the risks of modern slavery in their operations and supply chains and actions taken to address those risks (Australian Government, 2018). Schools must ensure their procurement practices do not contribute to modern slavery and that suppliers adhere to ethical labor standards.

Furthermore, Australian schools are encouraged to support **indigenous engagement** through procurement. The **Indigenous Procurement Policy (IPP)** mandates that government procurement contracts meet certain indigenous participation targets, promoting economic opportunities for Indigenous Australians (Australian Government, 2015).

#### References:

- Australian Government. (2018). *Modern Slavery Act 2018*. Federal Register of Legislation.
- Australian Government. (2015). *Indigenous Procurement Policy*. Department of the Prime Minister and Cabinet.

### 2. Cost Efficiency and Value for Money

Achieving value for money is not solely about the lowest price but involves a holistic assessment of quality, efficiency, and long-term benefits. Schools must consider the **total cost of ownership (TCO)**, which includes acquisition, operation, and disposal costs (Institute of Public Procurement, 2019). Implementing

**strategic sourcing** techniques can help schools leverage economies of scale and negotiate better terms.

Reference:

- Institute of Public Procurement. (2019). *Total Cost of Ownership*. NIGP.

### 3. Quality and Suitability of Goods/Services

Procuring high-quality goods and services that align with the educational syllabus is paramount. The integration of **ESG considerations** ensures that products and services not only meet educational needs but also contribute to broader social and environmental goals (Eccles & Klimenko, 2019). For instance, selecting suppliers who provide sustainable materials or technology that supports innovative teaching methods can enhance learning outcomes.

Reference:

- Eccles, R. G., & Klimenko, S. (2019). The investor revolution. *Harvard Business Review*, 97(3), 106-116.

### 4. Transparency and Accountability

Transparent procurement processes build trust among stakeholders, including students, parents, staff, and the wider community. Utilizing **e-procurement platforms** can enhance transparency by providing clear audit trails and reducing opportunities for corruption (Vaidya et al., 2006). In Australia, adherence to the **Public Governance, Performance and Accountability Act 2013 (PGPA Act)** ensures accountability in the use of public resources.

References:

- Vaidya, K., Sajeev, A. S. M., & Callender, G. (2006). Critical factors that influence e-procurement implementation success in the public sector. *Journal of Public Procurement*, 6(1/2), 70-99.
- Australian Government. (2013). *Public Governance, Performance and Accountability Act 2013*. Federal Register of Legislation.

### 5. Sustainability and Ethical Considerations

Incorporating sustainability into procurement supports environmental stewardship and social responsibility. The **Australian Government's Sustainable Procurement Guide** provides frameworks for considering environmental and social impacts in procurement decisions (Australian Government, 2018). Schools play a crucial role in modeling sustainable practices, reinforcing lessons from the syllabus on environmental conservation and ethical citizenship.

Reference:

- Australian Government. (2018). *Sustainable Procurement Guide*. Department of Agriculture, Water and the Environment.

---

## Pitfalls in School Procurement

### 1. Lack of Clear Requirements

Ambiguity in procurement specifications can lead to mismatches between the school's needs and the goods or services procured. This issue often results in delays, increased costs, and dissatisfaction among stakeholders (Erridge & Nondi, 1994). Clear, detailed specifications aligned with the educational syllabus and ESG goals are essential.

Reference:

- Erridge, A., & Nondi, R. (1994). Public procurement, competition and partnership. *European Journal of Purchasing & Supply Management*, 1(3), 169-179.

## 2. Insufficient Market Research

Without thorough market analysis, schools may miss opportunities to engage with suppliers who offer innovative or more sustainable solutions. This oversight can limit competition and hinder the school's ability to achieve value for money (Thai, 2009). Market research should include assessments of suppliers' ESG performance and indigenous engagement practices.

*Reference:*

- Thai, K. V. (2009). International public procurement: concepts and practices. *Journal of Public Procurement*, 9(3/4), 323-333.

## 3. Non-Compliance with Procurement Policies

Deviating from established procurement policies can lead to legal repercussions and undermine the integrity of the procurement process. Non-compliance may include neglecting obligations under the Modern Slavery Act or failing to meet indigenous procurement targets (Ambe & Badenhorst-Weiss, 2012).

*Reference:*

- Ambe, I. M., & Badenhorst-Weiss, J. A. (2012). Procurement challenges in the South African public sector. *Journal of Transport and Supply Chain Management*, 6(1), 242-261.

## 4. Poor Supplier Management

Inadequate evaluation and monitoring of suppliers can result in subpar performance, supply chain disruptions, and ethical breaches. Effective supplier relationship management involves regular assessments of suppliers' compliance with ESG standards and their ability to contribute to the school's educational objectives (Lonsdale & Watson, 2005).

*Reference:*

- Lonsdale, C., & Watson, G. (2005). The internal client relationship, demand management and value for money: A conceptual model. *Journal of Purchasing and Supply Management*, 11(4), 159-171.

## 5. Corruption and Fraud Risks

Procurement processes are vulnerable to corruption, which can inflate costs and diminish the quality of goods and services received. Implementing robust anti-corruption measures, such as those outlined by **Transparency International Australia**, can mitigate these risks (Transparency International Australia, 2017).

*Reference:*

- Transparency International Australia. (2017). *Corruption Risks in Mining Approvals: Australian Snapshot*. Transparency International Australia.

---

## Paths to Success

### 1. Establishing Clear Procurement Policies

Developing comprehensive procurement policies provides a structured framework for decision-making. Policies should explicitly address compliance with the Modern Slavery Act, promote indigenous engagement, and integrate ESG considerations (Bolton, 2006). Schools can refer to the **New South Wales**

**Government Procurement Policy Framework** as a guideline for best practices (NSW Procurement Board, 2019).

References:

- Bolton, P. (2006). Government procurement as a policy tool in South Africa. *Journal of Public Procurement*, 6(3), 193-217.
- NSW Procurement Board. (2019). *NSW Government Procurement Policy Framework*. NSW Government.

## 2. Comprehensive Planning and Market Analysis

Effective procurement begins with strategic planning and thorough market analysis. This process involves identifying potential suppliers who not only meet cost and quality requirements but also align with the school's ESG goals and indigenous engagement strategies (McCue & Johnson, 2010). Utilizing tools like the **Australian Indigenous Minority Supplier Office (Supply Nation)** can help schools connect with indigenous-owned businesses.

References:

- McCue, C. P., & Johnson, B. R. (2010). Strategic procurement planning in the public sector. *Journal of Public Procurement*, 10(3), 364-391.
- Supply Nation. (2021). *About Us*. Supply Nation.

## 3. Stakeholder Engagement

Involving a broad range of stakeholders—including teachers, administrators, students, and community members—in the procurement process ensures that the goods and services procured meet actual needs and reflect the values taught in the syllabus (van Weele, 2010). This collaborative approach can enhance the relevance of educational materials and promote a sense of ownership among stakeholders.

Reference:

- van Weele, A. J. (2010). *Purchasing and Supply Chain Management*. Cengage Learning.

## 4. Effective Supplier Relationship Management

Building and maintaining strong relationships with suppliers is crucial for achieving long-term procurement success. Schools should engage in **supplier development programs**, encourage innovation, and collaborate on sustainability initiatives (Kraljic, 1983). Regular performance evaluations and open communication channels can foster mutual growth and alignment with ESG objectives.

Reference:

- Kraljic, P. (1983). Purchasing must become supply management. *Harvard Business Review*, 61(5), 109-117.

## 5. Monitoring and Evaluation

Continuous monitoring and evaluation of procurement activities enable schools to identify areas for improvement and ensure accountability. Implementing **Key Performance Indicators (KPIs)** related to cost savings, supplier performance, ESG compliance, and indigenous engagement can provide measurable insights (Schapper et al., 2006). Regular audits and reporting, as required by the Modern Slavery Act, contribute to transparency and continuous improvement.

Reference:

- Schapper, P. R., Malta, J. N. V., & Gilbert, D. L. (2006). An analytical framework for the



# The Importance of ESG and Aligning Procurement with the Syllabus

Integrating **Environmental, Social, and Governance (ESG)** considerations into procurement is increasingly recognized as essential for sustainable and responsible operations. For schools, ESG integration goes beyond operational efficiency; it serves as a practical demonstration of the principles taught within the educational syllabus.

## 1. Environmental Considerations

Schools can reduce their environmental footprint by procuring energy-efficient equipment, sustainable materials, and services that minimize waste. This practice reinforces lessons on environmental stewardship and sustainability, providing students with tangible examples of these concepts in action (United Nations, 2015).

*Reference:*

- United Nations. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development.* United Nations.

## 2. Social Considerations

By engaging with indigenous suppliers and promoting fair labor practices, schools contribute to social equity and community development. Such actions align with curriculum elements focused on social justice, diversity, and inclusion (ACARA, 2020).

*Reference:*

- Australian Curriculum, Assessment and Reporting Authority (ACARA). (2020). *The Australian Curriculum.* ACARA.

## 3. Governance Considerations

Upholding high standards of governance in procurement processes models ethical behavior and transparency for students. Compliance with legislation such as the Modern Slavery Act and adherence to anti-corruption policies demonstrate a commitment to integrity and responsibility.

---

Successful school procurement requires a strategic and comprehensive approach that integrates legal compliance, cost efficiency, quality assurance, transparency, and sustainability. In the Australian context, this includes adhering to legislation such as the Modern Slavery Act, promoting indigenous engagement, and embedding ESG considerations into procurement practices. By addressing common pitfalls and implementing the outlined paths to success, schools can enhance their procurement processes, align actions with educational objectives, and contribute positively to society and the environment. Ultimately, effective procurement practices not only optimize resource use but also enrich the educational experience by embodying the values taught within the curriculum.

## References

- ACARA. (2020). *The Australian Curriculum*. Australian Curriculum, Assessment and Reporting Authority.
- Ambe, I. M., & Badenhorst-Weiss, J. A. (2012). Procurement challenges in the South African public sector. *Journal of Transport and Supply Chain Management*, 6(1), 242-261.
- Australian Government. (2013). *Public Governance, Performance and Accountability Act 2013*. Federal Register of Legislation.
- Australian Government. (2015). *Indigenous Procurement Policy*. Department of the Prime Minister and Cabinet.
- Australian Government. (2018). *Modern Slavery Act 2018*. Federal Register of Legislation.
- Australian Government. (2018). *Sustainable Procurement Guide*. Department of Agriculture, Water and the Environment.
- Bolton, P. (2006). Government procurement as a policy tool in South Africa. *Journal of Public Procurement*, 6(3), 193-217.
- Eccles, R. G., & Klimenko, S. (2019). The investor revolution. *Harvard Business Review*, 97(3), 106-116.
- Erridge, A., & Nondi, R. (1994). Public procurement, competition and partnership. *European Journal of Purchasing & Supply Management*, 1(3), 169-179.
- Institute of Public Procurement. (2019). *Total Cost of Ownership*. NIGP.
- Knight, L., Harland, C., Telgen, J., Thai, K. V., Callender, G., & McKen, K. (2012). *Public Procurement: International Cases and Commentary*. Routledge.
- Kraljic, P. (1983). Purchasing must become supply management. *Harvard Business Review*, 61(5), 109-117.
- Lonsdale, C., & Watson, G. (2005). The internal client relationship, demand management and value for money: A conceptual model. *Journal of Purchasing and Supply Management*, 11(4), 159-171.
- McCue, C. P., & Johnson, B. R. (2010). Strategic procurement planning in the public sector. *Journal of Public Procurement*, 10(3), 364-391.
- NSW Procurement Board. (2019). *NSW Government Procurement Policy Framework*. NSW Government.
- Schapper, P. R., Malta, J. N. V., & Gilbert, D. L. (2006). An analytical framework for the management and reform of public procurement. *Journal of Public Procurement*, 6(1/3), 1-26.
- Supply Nation. (2021). *About Us*. Supply Nation.
- Thai, K. V. (2009). International public procurement: concepts and practices. *Journal of Public Procurement*, 9(3/4), 323-333.
- Transparency International Australia. (2017). *Corruption Risks in Mining Approvals: Australian Snapshot*. Transparency International Australia.
- United Nations. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development*. United Nations.
- van Weele, A. J. (2010). *Purchasing and Supply Chain Management*. Cengage Learning.
- Vaidya, K., Sajeev, A. S. M., & Callender, G. (2006). Critical factors that influence e-procurement implementation success in the public sector. *Journal of Public Procurement*, 6(1/2), 70-99.