Procurement Problems In Education: Common Challenges, Solutions, and Best Practices



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Procurement in education is a vital process that involves acquiring goods, services, and works from external sources.

This process is integral to smoothly running educational institutions because it provides the necessary resources to enhance learning and teaching experiences in a timely manner.

What Is The Procurement Process In Education?

The procurement process in education begins with the identification of needs across various departments within the institution.

After these needs are identified, the procurement team conducts assessments to determine the most cost-effective and efficient ways to meet these needs.

The next stages involve sourcing suppliers, negotiating contracts, and managing the delivery and payment of these goods and services.

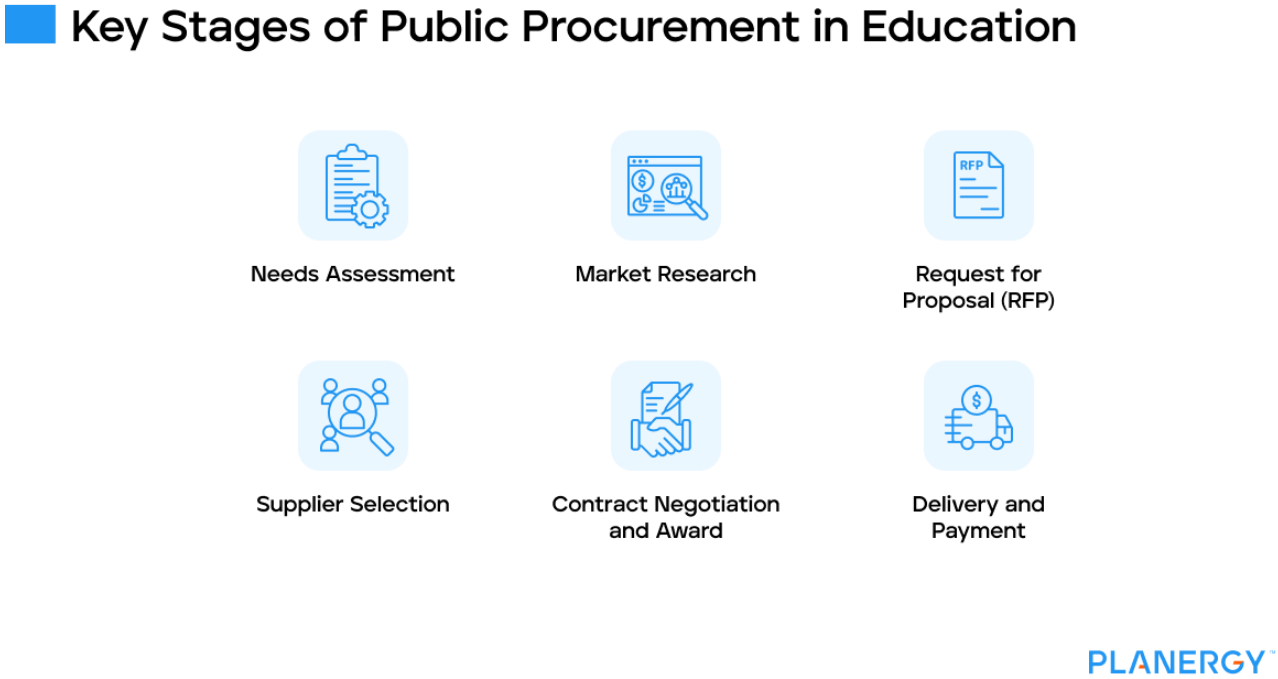
For the education sector, optimizing every stage in this process must be a priority.

In 2024, one in seven Local Authority maintained schools in England were in a deficit. In the same year, McKinsey reports that 77% of US school districts anticipated that their funding won’t keep pace with inflation.

Exploring the procurement process in more detail will allow us to understand how strategic purchasing decisions can help address financial pressures that are a growing concern in public education.

Key Stages of Public Procurement in Education

Public procurement in education typically follows a structured process:



- ## Needs Assessment

In the needs assessment stage, educational institutions identify the required goods or services.

This could include anything from textbooks and teaching materials to IT equipment and catering services.

The needs assessment should be thorough and consider both immediate requirements and future needs based on projected growth or strategic plans.

- ## Market Research

Once the needs have been identified, market research is conducted to understand the current market conditions, pricing, and potential suppliers.

This step is crucial for ensuring that the institution is aware of all available options and can decide which suppliers to approach.

Request for Proposal (RFP)

After conducting thorough market research, the educational institution will issue a Request for Proposal (RFP).

This document outlines the specific requirements for the goods or services needed and invites potential suppliers to submit bids.

The RFP should be clear and concise and provide enough detail to allow suppliers to assess accurately whether they can meet the requirements.

Supplier Selection

The next step in the procurement process is supplier selection.

This involves evaluating the bids received in response to the RFP and selecting the most suitable supplier based on predefined criteria.

These criteria might include price, quality of goods or services, delivery timescales, and the supplier's reputation or past performance.

Contract Negotiation and Award

Once a supplier has been selected, the final terms and conditions of the contract are negotiated and agreed upon.

This includes finalizing the price, delivery schedule, payment terms, and any other details relevant to the procurement.

Once both parties are satisfied with the terms, the contract is awarded.

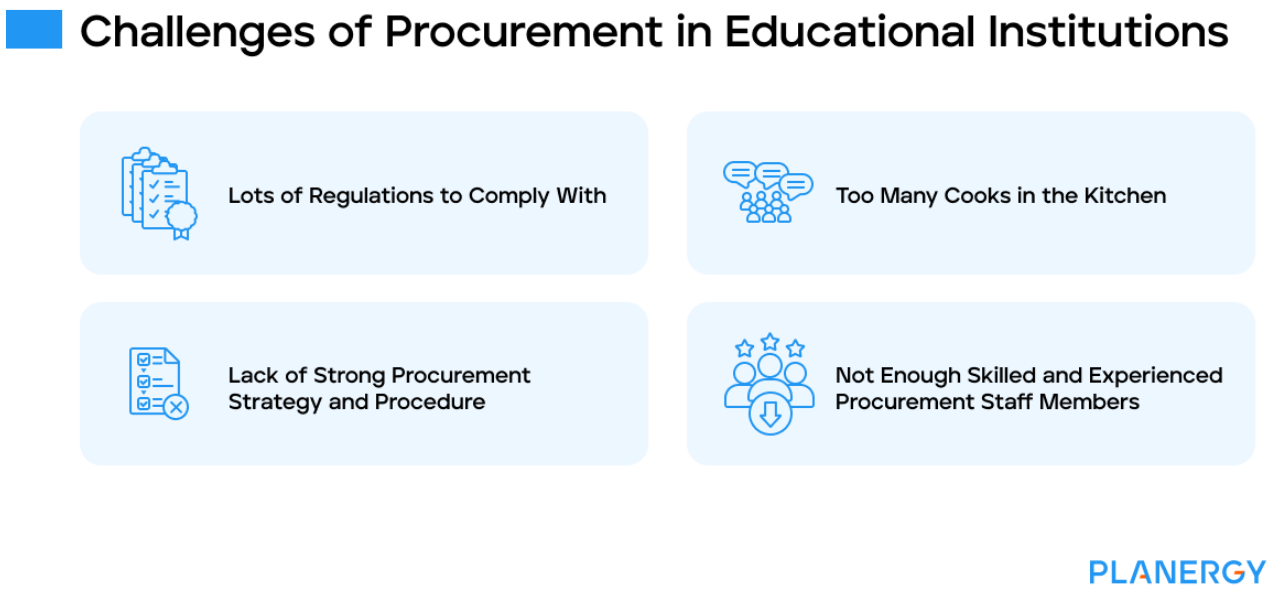
Delivery and Payment

The final step in the procurement process is managing the delivery of the goods or services and ensuring that payments are made as per the contract.

Schools must also ensure that contract management responsibilities are clearly defined, so performance can be tracked effectively.

This involves closely monitoring the supplier's performance to ensure they meet their contractual obligations and address any issues that arise promptly.

Challenges of Procurement in Educational Institutions



- ## Lots of Regulations to Comply With

  Procurement in education is governed by a web of regulations which differ by country and region.

  The UK's 2023 Procurement Act, which came into force in February 2025, replaces older EU-derived rules.

  It sets out the framework for transparency, best value for money, and fair competition across all public sector purchasing.

  Within the UK the Department for Education plays a key role in setting guidance that schools and trusts must follow. At a more local level, there will be additional layers.

In Northern Ireland, for example, schools also follow the Northern Ireland Public Procurement Policy, which adds extra rules on procurement regulations and contracting that do not apply elsewhere in the UK. that do not apply elsewhere in the UK.

In the United States, schools must navigate both federal and state-level guidelines. These differ by state but generally set thresholds and processes that must be followed to remain compliant. For K–12 schools with limited budgets, these rules can be particularly restrictive.

In the European Union, member countries must comply with procurement directives and regulations alongside their own rules.

These examples demonstrate how educational institutions often face multiple levels of regulation with which they must comply. Many of these rules come from central government or local contracting authorities that oversee public sector spend.

Regulations are designed to ensure accountability, competition, and sensible spending policies. However, they often slow down purchasing and add administrative burden.

Schools must strike a balance between compliance and efficiency to make sure staff and students still get the resources they need when they need them.

Too Many Cooks in the Kitchen

Procurement in education is often fragmented, with schools, districts, and agencies each running their own processes.

This duplication slows down approvals, reduces efficiency, and weakens overall buying power.In the UK, some schools purchase independently, while others rely on local authorities, shared framework agreements, or multi-academy trusts (MATs).

Coordination is made difficult by the variety of rules and guidelines laid down by different governing organizations.

The UK’s National Audit Office (NAO), for example, has identified more than 8,000 procurement frameworks across the public sector, leading to duplication and inefficiency.

In the United States, fragmentation is also common. Districts, schools, and state agencies often manage procurement separately, adding layers of approval and slowing down decision-making.

The fewer bodies involved, the smoother procurement becomes. Centralization brings stronger supplier relationships, better prices, and faster purchasing.

Lack of Strong Procurement Strategy and Procedure

Without a strong strategy, school procurement often becomes reactive instead of planned. Purchases are made in isolation, with little coordination across departments or locations.

This lack of structure leads to inconsistent quality, missed opportunities for bulk savings, and lengthy approval processes.

In many cases, budget constraints mean schools focus only on securing the lowest bid, which can result in poor value over time.

A well-defined procurement strategy sets clear rules and responsibilities. It ensures that every stage is handled in a consistent and transparent way.

When schools adopt structured procedures, they gain faster turnaround times, stronger supplier relationships, and greater control over budgets.

In short, strategy turns procurement from a compliance exercise into a driver of efficiency and savings.

Not Enough Procurement Staff Experience

The education sector often lacks qualified and dedicated procurement professionals. Salaries in schools and public service roles are typically

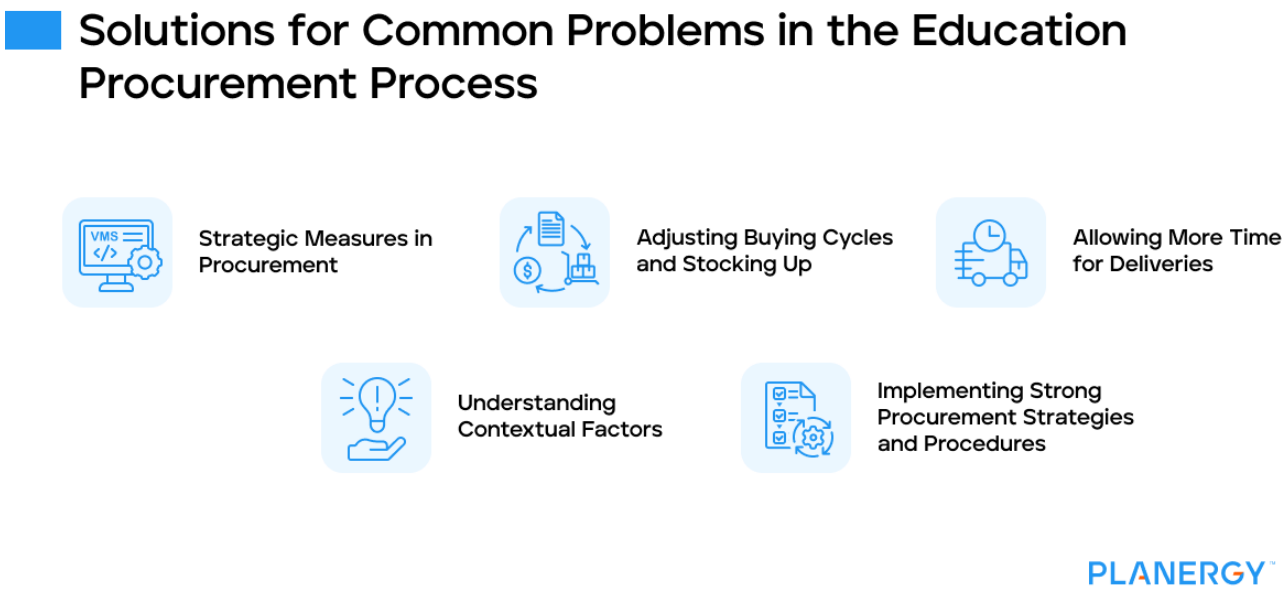
lower than in the private sector, making it harder to attract and retain experienced staff.

Equally, on a day-to-day basis, procurement is often undertaken by staff members who are not experienced or formally trained in best practice.

This shortage creates delays, weakens supplier negotiations, and limits the ability to design effective long-term strategies.

Procurement ends up as an administrative task to be done quickly, and when time allows, rather than being a value-adding function.

Solutions for Common Problems in the Education Procurement Process



Take Strategic Measures to Strengthen Procurement

Proactive planning makes procurement more effective. This includes setting clear policies, managing vendors carefully, and ensuring transparent communication with staff and stakeholders.

But a strategy is only as strong as the tools behind it. Without the right systems, even the best policies are hard to enforce.

Research shows that over 60% of organizations still rely on improvised tools like spreadsheets for supplier management.

That’s why procure-to-pay software is such a strategic investment. It speeds up admin and changes the way schools manage money.

Giving teachers an automated solution for their buying needs gives them back precious time to what matters most, teaching and supporting their students.

Digital tools automate manual tasks, reduce errors, and provide real-time tracking of orders and budgets. They also embed compliance into workflows, so schools meet regulations without slowing down.

By using a procurement platform suited to education, institutions can replace spreadsheets and paper processes with consistent, scalable systems.

Trust in Learning Academies (TiLA) is a Multi-Academy Trust managing multiple schools in England. Their adoption of PLANERGY’s Spend Management platform shows the impact.

By digitizing approvals across all schools, TiLA moved to a 100% digital approval process, removing paper entirely and ensuring every purchase was pre-approved against budgets.

Adjusting Buying Cycles and Stocking Up

Procurement isn’t just about what schools buy; it’s also about when they buy.

Poor timing leads to higher prices, supply shortages, and wasted budgets. Strategic purchasing means aligning orders with market conditions, consolidating demand, and planning ahead for recurring needs.

A common scenario is bulk purchasing text books or paper during off-peak periods, with an agreement for the supplier to deliver to schools

throughout the year. This way, the trust secures bulk-buying discounts without incurring extra storage or distribution costs.

Procurement software makes this easier by linking purchase orders to budgets and providing visibility across departments.

Schools can spot patterns, adjust buying cycles, and stock up on high-use items before prices rise or supplies run short.

TiLA put this into practice with centralized purchase order management. Every order was tied to budgets and tracked in real time, giving leaders full visibility into spend.

Allow More Time for Deliveries

With potential disruptions in the supply chain, schools may need to factor in more delivery time when making purchases.

By planning ahead and allowing for possible delays, schools can ensure they receive the necessary goods and services on time.

Understand the Contextual Factors in Education

Understanding the problems teachers are trying to solve and the contextual factors that influence these problems leads to more effective procurement.

The needs of a science lab differ from those of a music department, and IT spending looks nothing like catering.

Without understanding these differences, those making procurement decisions risk buying low-quality substitutes that don’t meet real classroom needs.

Procurement software makes this possible, capturing requirements from different departments while still enforcing centralized oversight.

Decentralizing controls in this way offers flexibility, but it’s most powerful

when combined with full spend visibility at MAT level.

Central oversight ensures data from every school is captured, making it possible to spot duplication, identify when one school is paying more than another, and consolidate spend with single suppliers to unlock additional savings.

TiLA showed how this works in practice. Teachers and non-finance staff were able to order directly through PunchOut integrations with suppliers like Amazon, KCS, and ESPO. TiLA gave each department flexibility to get exactly what it needed, while retaining oversight of all spend.

Implement Strong Procurement Strategies and Procedures

Procurement works best when schools follow clear, consistent procedures. Without them, purchasing becomes reactive and fragmented, leading to overspending and delays.

Strong strategies create order: they define how needs are identified, how suppliers are chosen, and how contracts and payments are managed. They also ensure a structured tendering process is followed, increasing transparency and accountability.

Procurement software reinforces these strategies by standardizing workflows. From supplier onboarding to digital approvals and invoice matching, every step follows the same rules.

This consistency reduces errors, speeds up purchasing, and makes compliance automatic.

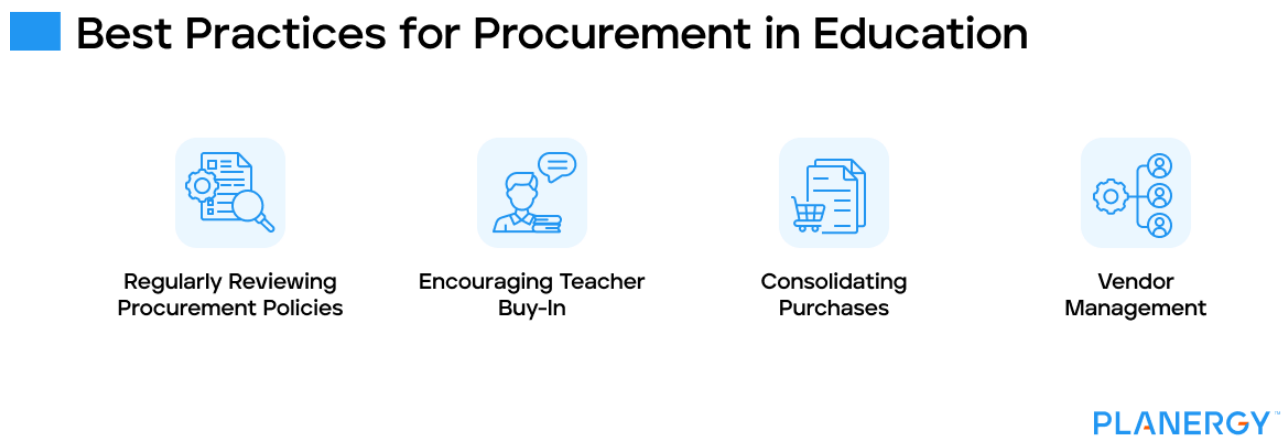
For multi-academy trusts, strong procurement also means looking beyond individual schools and leveraging economies of scale. Centralizing purchasing decisions at the trust level with GAG pooling allows resources to be allocated more effectively across schools.

This approach supports smarter budgeting in MATs and academies, ensuring funds align with strategic priorities rather than being fragmented across separate budgets.

TiLA's experience is proof of the impact. By embedding a structured processes with PLANERGY, the trust doubled the number of schools managed without increasing finance staff.

As their CFO, Drw Cannon explained, "with PLANERGY, we can grow without worrying about capacity. The system scales effortlessly."

Best Practices for Procurement in Education



Regularly Review Procurement Policy

Regular reviews of procurement policies and procedures help schools identify areas for improvement and ensure that they remain effective.

This practice also ensures compliance with any changes in regulations or industry standards, and gives senior decision-makers confidence that procurement is delivering value.

Future Academies, another MAT, did this when replacing fragmented legacy systems with PLANERGY.

By standardizing procurement across ten schools, the trust gained consistent oversight, while also eliminating more than £200,000 of excess spend.

Encourage Teacher Buy-In

For procurement initiatives, particularly those involving educational technology, to be successful, teacher buy-in is essential.

Open communication about the benefits of these initiatives, adequate training to use new technologies, and including teachers in the decision-making process can foster a sense of ownership and increase their willingness to embrace new technologies.

We have already mentioned the impact of PunchOut integrations for TiLA, and the impact this had on teacher buy-in and adoption.

At Future Academies, this feature proved equally valuable. As CFO Alberta Edland noted, “that alone won them over”.

Consolidate Purchases

By buying in bulk or combining orders across different departments, schools can negotiate better prices and reduce overall expenditure.

TiLA provides a strong example. By linking purchase orders to budgets across all schools, the trust created a single, centralized view of spend.

This approach contributed TiLA to the trust’s fast growth, all without the need for more finance staff.

Vendor Management

Effective vendor management is another best practice in procurement for education.

This includes evaluating vendor performance, ensuring contractual obligations are met, and maintaining strong relationships with reliable suppliers.

Future Academies strengthened vendor management by centralizing supplier onboarding and embedding approval workflows through PLANERGY.

> Random and duplicate suppliers were eliminated, spend was consolidated, and leaders gained real-time dashboards to monitor procurement activity across all schools.

Impact of Procurement Policies on Cost Savings

Effective procurement policies can significantly impact school district cost savings.

By consolidating purchases and improving efficiency, schools can unlock meaningful savings and free up resources for teaching.

A major driver of these efficiencies is improvements in accounts payable in education. With better procurement data, the AP process can be streamlined through automation.

PLANERGY's AP Automation uses OCR and AI to scan invoices and automatically match them against purchase orders and receiving records.

This eliminates most manual data entry, speeds up invoice approvals, and reduces invoice processing time by up to 80%.

This means fewer errors, faster payments, and more capacity for finance teams without increasing headcount.

Enabled by PLANERGY, TiLA achieved exactly that: a 75% time saving in invoice processing, dropping from two weeks to just three days.

These improvements avoided late fees, strengthened supplier relationships, and contributed to hundreds of thousands of pounds savings.

As CFO Drw Cannon explained, "With PLANERGY, our team now processes more invoices faster without hiring additional staff."

Future Academies realized similar gains, halving finance staffing requirements and saving over £80,000 in the first year alone.

These results demonstrate how strong procurement policies, supported by the

right technology, directly translate into measurable financial impact.

Conclusion

Whether it’s regulation, fragmentation, or limited staff capacity, procurement in education will always face challenges.

But the right strategy combined with digital tools like PLANERGY can transform procurement from a burden into a driver of efficiency and savings.

As our examples demonstrate, schools that modernize their processes achieve measurable results: faster invoice processing, fully digital approvals, centralized oversight, and hundreds of thousands saved.

What’s your goal today?

1. Explore the full **Trust in Learning Academy case study**

See how a growing multi-academy trust scaled its operations without adding finance staff and discover how PLANERGY can help your institution do the same.

2. Use PLANERGY to manage purchasing and accounts payable

We’ve helped save billions of dollars for our clients through better spend management, process automation in purchasing and finance, and reducing financial risks. To discover how we can help grow your business:

- Read our case studies, client success stories, and testimonials.
- Visit our Procurement Solutions page to see how PLANERGY can digitize and automate your procurement processes saving you time and money.
- Learn about us, and our long history of helping companies just like yours.

Book a Live Demo

2. Download our guide “Preparing Your AP Department For

The Future”

Download a free copy of our guide to future proofing your accounts payable department. You’ll also be subscribed to our email newsletter and notified about new articles or if have something interesting to share.

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3. Learn best practices for purchasing, finance, and more

Browse hundreds of articles, containing an amazing number of useful tools, techniques, and best practices. Many readers tell us they would have paid consultants for the advice in these articles.

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