

# The Mercian Trust

# Procurement Policy

<b>Policy Owner</b>	<b>The Mercian Trust</b>
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## **Policy Statement**

It is the Trust's policy to ensure that all expenditure of public money regardless of value is carried out in an equal, transparent and non-discriminatory way in compliance with the Public Contracts Regulations 2015 ("PCR15)

The Trust Scheme of Delegation outlines who has authority to select contractors and award contracts and/or raise orders. Failure to comply with either this Procurement policy, the Trust Financial regulations or Scheme of Delegation may result in withdrawal of authority and disciplinary action.

As a publicly funded organisation, The Mercian Trust and its Academies are deemed to be 'Contracting Authorities' under the Public Contracts Regulations 2015. All purchase of supplies, works and services for its schools must therefore be in compliance with PCR 15 and all other relevant legislation.

## **Agency**

When procuring on behalf of academies the members of the Central Procurement Function are acting as 'Agents' in creating binding terms and conditions on the Trust. Wherever an Academy undertakes any procurement independently (subject to the Category A or B limitations) then the Principal will be acting as an agent of the Trust provided that the procurement is compliant with the Trust's Scheme of Delegation, Financial Regulations and Procurement Policy, procedures and guides.

## **Compliance with the Modern Slavery Act 2015**

The Mercian Trust is required to comply with the requirements of the Modern Slavery Act 2015. However, all suppliers to the Trust are required to fully comply with the Modern Slavery Act 2015 and will confirm that they do so by accepting the Trust's Terms and Conditions which include specific requirements. The Trust also reserves the right to exclude any bidder who has been convicted of an offence under section 1, 2 or 4 of the Act. The Trust also reserves the right to terminate contracts where bidders are found to have breached the legislation after contract award.

Where the Trust has identified that a procurement exercise is particularly high risk then it may be appropriate to require bidders to provide clarification of supply chains and ensure that suppliers demonstrate their methods of corporate social responsibility during the tendering and selection process, details of which may vary according to the project.

### **1. Purpose of the Procurement Policy**

- 1.1. The purpose of this document is to make the Trust Procurement policy clear and signpost staff undertaking procurement activity to appropriate procedural guidance.
- 1.2. This policy should be read in conjunction with:
  - The rest of the Trust's Financial Regulations and Financial Manual with particular reference to;
  - The Scheme of Delegation
  - Conflicts of interest Policy for staff
  - Appropriate procurement procedure guides
- 1.3. The Trust Procurement Policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or Academy based.

- 1.4. All procurement within the Trust and Academies shall be carried out in such a way to ensure compliance with legal requirements, including, the relevant Procurement legislation, Trust's Financial Handbook, the scheme of delegation and any other requirements of the DfE or ESFA.
- 1.5. This policy is intended to reflect and support the aims of the Trust by working with staff and suppliers to optimise value for money in the procurement of works, goods and services. It aims to balance efficiency against risk factors in achieving value for money whilst promoting compliance and sustainability.
- 1.6. The Central Finance Team will work with Academies and other Central Team functions by providing professional support in obtaining works, goods and/or services which are best suited to any application in a manner which is compliant with current legislation and best practice. Alternatively where Academies are making independent purchases the Central Finance Procurement Function will provide a framework and procurement guides which Academy staff must follow.
- 1.7. The Procurement Policy and any associated procurement procedure guides/templates will be reviewed at least every two years or whenever required by a change in legislation.
- 1.8. The Trust Procurement Policy does not provide detailed process guidance on procurement or purchasing, this is covered in a range of procurement procedure guides supplemental to this policy document.
- 1.9. There is a duty on all staff who may be involved in any stage of the procurement process to apply the key principles of best practice procurement to achieve appropriate governance, Value for Money and suitable quality of goods and services to meet our business needs. To satisfy this requirement the Trust has provided appropriate procedure guides and templates which must be used.

## **2. General Principals**

- 2.1 When purchasing and contracting for goods and services, the Trust and its Academies must demonstrate compliance with procurement legislation and the proper and effective use of public funds at all times. Purchasing procedures should also ensure that the goods, services and works procured are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be adhered to:
  - **Transparency and Non Discrimination**, in all purchasing activity the Trust must ensure that all contractors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and proportionate manner. Procurement procedures must not be undertaken in a manner which artificially narrows competition, favours or disadvantages any contractor, supplier or service provider. All Procurement activities with a value in excess of £25,000 must be advertised on line or other appropriate forum. The Trust Central Finance Procurement Function will advise as to the appropriate level of advertising.
  - **Probity**; it must be demonstrable that all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption involved in any dealings of the Trust. It must be demonstrable that there is no corruption or private gain in contravention of the Bribery Act 2010 involved in the contractual relationships of the Trust. No contracts for the supplies, services or works must be procured from individuals or organisations connected to a member, director or senior leader of the Trust or its Academies ;

- **Accountability**; the Trust is publicly accountable for its expenditure and for the conduct of its affairs;
- **Compliance** with procurement principles so that all suppliers engaging with Trust are dealt with on an equal and non-discriminatory basis.
- **Value for Money**; the achievement of value for money underpins the appropriate use of all public funds, therefore as well as striving to achieve the best price possible for all purchases, consideration should also be given to other factors such as quality, suitability, availability, reliability of the supplier, terms available etc.

### 3. What is Procurement?

- 3.1 Procurement is the process whereby goods, services and works are acquired. The procurement process spans a life cycle from identification of need and resources, through selection of suppliers, purchasing, contract management and disposal. Purchasing is the transactional process of buying the goods/services and is just one part of Procurement.
- 3.2 The Procurement Function is part of the Central Finance Team and is referred to throughout this document; however procurement or purchasing may be undertaken by Academy staff **only** in accordance with the scheme of delegation and thresholds referred to in this Policy.

### 4. The Public Procurement Rules

- 4.1 The Trust and all of its Academies are subject to PCR15.
- 4.2 The PCR15 sets out the legal framework for public procurement. It will apply to any contract for services, supplies or works (above certain thresholds) which results in a payment being made by the Trust or an Academy to a third party.
- 4.3 The basic principle is that procurement should deliver value for money to the Trust.
- 4.4 Due to the importance of having an effective and good quality specification, it is essential to plan for requirements in advance as public procurement procedures can be lengthy and complex. Where a valuation for a requirement (including lifecycle and disposal costs) has exceeded or is within close proximity to the relevant procurement thresholds (supplies and services £189,330 and works £4,733,252), no further action must be undertaken without consulting the Central Finance Procurement Function (as early as possible to avoid any potential delays).
- 4.5 Any potential breach of PCR15 can result in significant action taken against the Trust, which could damages and other financial penalties from the relevant regulatory body, as well as reputational damage. . Anyone responsible for making any purchase on behalf of the Trust should therefore notify the Central Finance Procurement Function of any anticipated high value expenditure at their earliest opportunity.
- 4.6 Even when a tender process is not subject to the PCR15 (for example because the estimated value of a contract falls below the relevant threshold), the procurement treaty principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality will still apply. Some degree of advertising, which is appropriate to the scale of the contract, is necessary to demonstrate transparency. This is in line with the UK objective of achieving value for money in all public procurement

## **5. Value for Money/Aggregation**

- 5.1 Value for money is the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement. This is rarely possible with the lowest price alone. All purchases must be made in accordance with these guides, except in exceptional circumstances where a dispensation may be granted.
- 5.2 Purchases over £25,000 (Category B Academies – under 500 pupils) and £50,000 (Category A Academies – over 500 pupils) must be managed by the Central Finance Procurement Function and in these cases early involvement is recommended to ensure expectations are clear and timelines are achievable.
- 5.3 All Academy purchases in excess of £25,000 (excluding VAT) will require pre-approval from the Central Procurement Function (to confirm the correct process) and the Central Finance Team (to confirm budget) before an order can be raised.
- 5.4 Unless below the threshold for obtaining multiple quotations or tenders all procurement of goods, works, services or consultancy should be acquired by effective competition, including adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Competition promotes efficiency and effectiveness in expenditure. Awarding contracts on the basis of value for money following competition contributes to the competitiveness of supplies.
- 5.5 The Trust has a duty to comply with the requirements of PCR15 legislation and Academy Funding Agreements, in order to do so the Central Team will review all proposed purchases over £25,000 in the context of total Trust expenditure to come to a decision whether the potential requirement to aggregate is complementary or contrary to the requirement to show Value for Money.
- 5.6 In support of 5.5 above, the Central Procurement Function will review Academy procurement plans and where appropriate will consult with Academies on the potential to develop a range of Trust wide contracts in order to comply with the requirements around aggregation and value for money.

## **6. Financial Authority to Commit Expenditure**

- 6.1 Any process which involves committing the Trust or an Academy to expenditure must be approved in accordance with the scheme of delegation. The scheme of delegation confirms who has the authority and to what financial level.
- 6.2 Any member of staff placing a purchase order on behalf of the Trust or an Academy must be sure that they have the correct level of authority to do so in accordance with the scheme of delegation and where required must obtain approval from a more senior member of staff with a higher approval limit if necessary.
- 6.3 The Trust operates a system of devolved financial authority under which Head Teachers / Principals are responsible for the decision making process and planning of purchasing decisions. In accordance with this Procurement policy for lower value purchases the Central Procurement Function may provide technical and professional support if requested, however where the value of purchases exceed £25,000 (Category B Academies – mainly less than 500 pupils on roll) and £50,000 (Category A Academies – over 500 pupils) the Central Procurement Function will manage the process on behalf of an Academy. In these cases an Academy is still responsible for specifying requirements, evaluation criteria and committing funding
- 6.4 No member of staff may approve purchases unless they have been given authority within the scheme of delegation to do so.
- 6.5 No employee is authorised to commit the Trust or an Academy to expenditure without

first ensuring that there is adequate budget provision.

- 6.6 Schemes of work should not be artificially broken down into smaller orders to phase the issue of purchase orders and thereby circumvent either authorisation levels or the requirement to obtain further quotes/tenders.

## **7. Purchasing Thresholds**

- 7.1 There are two types of threshold governing the procurement for the Trust and Academies. Firstly authority to commit expenditure, which is covered in the scheme of delegation and secondly the procurement process which is governed by the anticipated lifecycle cost of the procurement.

- 7.2 The various transactional thresholds and procurement process required is outlined briefly below:

### **7.2.1 Category A Academies:**

- Below £5,000 – a single written quotation from a suitable supplier/contractor
- £5,000 - £10,000– three written quotations from suitable suppliers/contractors
- £10,001 - £50,000 – Minimum of three quotes based on an agreed specification
- Any expenditure over £25,000 to be advertised online and signed off by the Central Procurement Function and Central Finance Team
- Any expenditure over £50,000 to be managed by the Central Procurement Function

### **7.2.2 Category B Academies:**

- Below £5,000 – a single written quotation from a suitable supplier/contractor
- £5,000 - £10,000 – obtain three written quotations from suitable suppliers/contractors
- £10,001 - £25,000 – Minimum of three quotes based on an agreed specification
- Any expenditure over £25,000 to be advertised online and to be managed by the Central Procurement Function

### **7.2.3 Purchasing undertaken by the Central Team:**

- Below £5,000 – a single written quotation from a suitable supplier/contractor
- £5,000 - £49,999– three written quotations from suitable suppliers/contractors
- Any expenditure over £25,000 be advertised on the Trust's e-tendering portal
- £50,000 - £164,000 – advertise on contracts finder website and invite a minimum of three (3) tenders following advertisement unless an appropriate framework may be used
- Over £189,000 – as per public contract thresholds - EU / World Trade Organisation's (WTO) Government Procurement Agreement (GPA) compliant tender procedure or use of compliant framework or equivalent

- 7.3 Where the Central Procurement Function are managing a procurement process on behalf of an Academy or other Central Team Directorate within the Trust, orders will not be raised without approval from the budget holder in accordance with the scheme of delegation.

- 7.4 Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous method (MEAT) then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file. However if this is for any other reason approval must be sought before confirming award or raising an order in

accordance with the scheme of delegation.

## **8. Dispensations**

- 8.1 In limited circumstances a dispensation from the requirement to obtain alternative quotes may be granted. This may include authority to solicit a single quotation, to award a contract or place an order without having obtained the requisite number of tenders or quotations or to directly award a contract.
- 8.2 All dispensations require prior approval from the CFO before progressing and must not result in a breach of procurement legislation or be contrary to the Trust Scheme of Delegation.
- 8.3 Full details of the circumstances and reasons where a dispensation may be granted are included 8.7 below.
- 8.4 All dispensation requests, whether approved or rejected will be reported to the FRC. Staff may be called upon to attend the FRC to explain the reasons for requesting a dispensation.
- 8.5 Dispensations from the requirement for competitive quotations / tenders must not be used to avoid competition, or for administrative convenience, or to award fresh / further work to a supplier originally appointed through a competitive procedure.
- 8.6 All dispensations will be subject to obtaining and documenting appropriate evidence for single quotation / tender action, obtaining authorisation for such action in accordance with the approved Scheme of Delegation and never breaching current Public Contract Regulations or the relevant OJEU thresholds.
- 8.7 Subject to approval, dispensations may be granted for the following reasons:
- 8.7.1 Unforeseen emergency requirement
  - 8.7.2 The goods or services are only available from one source and there is no possibility of the Trust's requirements being met in any other way
  - 8.7.3 An extension is required to a current contract in order to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the re-procurement would not be justification for a single tender)
  - 8.7.4 Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (which along with a VFM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice of the CFO in terms of compliance with the EU and UK legislation and subject to approval by the Chief Executive and subsequently reported to the FRC.
- 8.8 The Central Procurement Function may develop a schedule of dispensations for specific areas which Academy staff may use under certain circumstances; further information will be included in a Procurement Procedure Guide.
- 8.9 A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years.

## **9. Raising Orders**

- 9.1 Following the raising of a requisition which must be approved in accordance with the scheme of delegation, (to enable the Finance Team to raise an order) official orders



must be raised for all goods, works, services and/or consultancy required by the Trust or an Academy using the PS Financials system, unless specifically exempted. The procurement procedure guidance documents the purchasing process and must contain adequate controls to ensure that:

- Official orders are raised in respect of all goods, services and works required by the Trust, its' Academies and subsidiary companies, except for those specifically exempted.
- Only goods, services and works required by the Trust, its' Academies and subsidiary companies are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the Trust's funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

9.2 Specific exemptions to the requirement to raise an official purchase order are limited to:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Petty cash purchases
- Purchasing card transactions
- Purchasing catering supplies (food and drink only)

9.3 Details outlining the number of non-order invoices paid on the PS Financials system will be reported to the FRC and Academies may be required to attend in order to explain any non-compliance.

9.4 In accordance with the Trust avoidance of gain/conflicts of interest policy, before raising any order checks must be carried out to ensure that no one who has declared a conflict of interest in relation to the purchase or the supplier/service provider has been involved in the selection process.

9.5 No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within these Financial Regulations. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation and issued by the Central Procurement Function as appropriate.

## **10. Purchasing Cards**

10.1 The Trust recognises the benefits of purchasing cards as an alternative means of paying for goods and services. The advantages include reduced paperwork, reduced administration time and costs, opportunity to make on line purchases and seek discounts from suppliers on the basis that they receive immediate payment.

10.2 Purchasing cards are particularly suitable for high volume, low value purchases, booking off site visits and for site staff to order building materials etc.

- 10.3. Full details governing the distribution and use of purchasing cards is subject to the Purchasing Card Policy and associated procedures.

## **11. Supplier Management**

- 11.1 Purchase Orders, Contracts and Payments should only be raised/made to suppliers which have passed Trust vetting procedures and have been added to the PS Financials system
- 11.2 New suppliers may only be added to the PS Financials system following completion of a new supplier form and the requisite vetting procedures.
- 11.3 All existing suppliers will be vetted on a three year cycle in accordance with the Trust guidance on vetting suppliers.
- 11.4 All staff who may raise purchase orders for work should satisfy themselves that where required, contractors have appropriate DBS/CRB clearance before raising an order for work. The Trust has issued guidance for the safeguarding of pupils whilst contractors are on site which must be followed.

## **12. Competition**

- 12.1 Subject to the thresholds in section 7, competition should be proportionate to the level of expenditure, complexity and risk. To minimise procurement costs for the Trust and suppliers, avoid doubt and ensure compliance with legislation, best practice and Trust Financial regulations, procedure documents and templates for procurement at all levels have been provided which must be followed.
- 12.2 Care should be taken to specify accurately the goods/services required in a way which is unambiguous, offers equality, removes barriers to participation by SME's, and self-employed people without discriminating against others.
- 12.2 Any minimum standards should be proportionate to the contract and not discriminatory other than where legally required.
- 12.3 All requests for quotation must be made using the appropriate templates and in accordance with the guidance most relevant to the estimated value of expenditure.
- 12.4 When estimating the value of a contract, unless it is a one off cost, the actual cost of the works, goods or services must be for the whole life costs and include any on-going costs. If the whole life is unknown then four years should be the baseline. Once the whole life cost has been estimated the appropriate procurement procedure should be followed.
- 12.5 All procurement over £25,000 for Category B Academies or £50,000 for Category A Academies must be reviewed and/or carried out by the Central Procurement Function in accordance with relevant EU legislation by either undertaking a compliant tender process or by using an established, relevant and accessible compliant framework.

## **13. Contract Agreement/Terms and Conditions**

- 13.1 All procurement should be carried out using the Trust terms and conditions. There may be certain exceptions to this where the use of an established framework or access to specific software requires it. In any case any departure from Trust terms and conditions must be approved by the CFO before agreement is made.
- 13.2 Any agreement, contract or lease with a supplier which requires a signature by a member of Trust or Academy staff (not including general orders for goods and services) should be forwarded to the Central Finance Team for review prior to signature.

- 13.3 A signature on an agreement or contract, or even an email response indicates that the Trust or Academy accepts the suppliers Terms and Conditions which may not be favourable.
- 13.4 Following the identification of the most favourable offer for the Trust or its' Academies, whether by best value, quotation or tender, consistent with the thresholds identified above, contracts may only be awarded by those officers to whom the Trust Board has delegated such authority within the approved Scheme of Delegation. The required authority to accept other than the lowest quotation or tender is also included within the Scheme of Delegation.

#### **14. Payment and Payment Terms**

- 14.1 Unless a Purchasing card has been used to make a payment, all invoices from suppliers should be entered on to the PS Financials system once approved and then paid either by BACS, pre-printed cheque or manual cheque.
- 14.2 The Trusts standard payment terms are 30 days following receipt of a correct invoice, unless alternative arrangements have been agreed at purchase order stage.
- 14.3 Where purchases are made using established frameworks, the payment and other terms and conditions are likely to be those of the framework. Before purchasing from any framework, it should be confirmed that it is permissible for the Trust or an Academy to use the framework and where required an appropriate access agreement has been approved by the CFO.
- 14.4 Payment should only be made on receipt of goods. Where services are being procured then payment for work in progress or agreed interim stages may be appropriate in accordance with the approved guidance and subject to sign off from the CFO.

#### **15. Aggregation**

- 15.1 EU and PCR legislation sets out how and when multiple orders and contract values for the same type of work should be added together for the purposes of deciding what procurement process is applicable.
- 15.2 As Academies manage their own budgets and purchasing decisions independently, seeking advice and support of the Central Procurement Function to procure goods and service on their behalf where necessary and appropriate, Academy expenditure in this instance does not aggregate across the Trust.
- 15.3 Where an Academy or the Trust does need to consider aggregation is when expenditure reaches certain thresholds. To ensure that the Trust or Academies do not fall foul of this, a procurement plan will be required for the Trust and Academies outlining all procurement activities within a twelve (12) month cycle. This will enable the Central Procurement Function to identify where activity such as contracts being rolled over are proposed and take appropriate action to re-procure on behalf of an Academy.
- 15.4 Should an Academy or the Trust identify that specific expenditure is reaching or has exceeded the current EU /PCR threshold then action should be taken to re-procure the goods/services in a compliant manner as a matter of urgency. The Central Procurement Function will review ½ termly reports from the PS financials system to ensure that this is the case.
- 15.5 In appropriate circumstances the Central Procurement Function may identify opportunities to establish corporate contracts on behalf of Academies. Academies will be invited to participate, however in such cases the Central Procurement Function will

work on the basis that this expenditure does aggregate and procure accordingly.

## **16. Annual Procurement Plans**

- 16.1 The Central Procurement Function will complete an annual procurement plan setting out key tender activity and milestones. The plan will include the use of the contract list to plan the requirement for future tenders on going reviews of contracts, strategic areas of development, and any policy and procedural developments that are required.
- 16.2 Academies are required to complete an Annual procurement plan detailing key purchases for the year with a lifecycle cost in excess of £5,000. This is to enable the Central Procurement Function to identify any opportunity to procure similar services or Trust wide, exploit value for money opportunities and identify potential aggregation or breaches to thresholds.
- 16.3 The Trust is committed to the preparation and the continued development of the procurement plan. The Central Procurement Function will continually review the procurement requirements of the Trust and Academies whilst complying with all relevant legislation.
- 16.4 The practice of renewing annual contracts is not permissible unless specific provision has been made within the original Procurement process for contract extensions. Re-procurement should feature on the annual procurement plan and be commenced in a timely manner to ensure completion and transfer to a new contract is managed effectively.
- 16.5 To avoid the inefficiencies of re-procuring services annually, the Central Procurement Function will work with Academies to review procurement plans and develop multi-year contracts.

## **17. Tenders**

- 17.1 Any expenditure over £50,000 must be subject to tendering in accordance with Trust Financial Regulations and UK Public Contracts Regulations 2015 and if the anticipated value is over the current threshold then also in accordance with EU procurement legislation (or equivalent).
- 17.2 All tendering where the anticipated lifecycle costs are in excess of £50,000 must be undertaken by the Central Procurement Function.
- 17.3 The procurement team will select and manage the most appropriate procurement process in accordance with the anticipated value, any potential aggregation and Trust tendering guidelines which are compliant with current procurement legislation. This may include the use of Frameworks, Dynamic Purchasing systems, or bespoke tenders.
- 17.4 Tendering procedures may take up to six (6) months depending on lifecycle cost and compliance with legislation, failure to programme sufficient time for procurement will not be a reason to grant a dispensation.
- 17.5 All current and future tenders are advertised using the Trust website or alternative more appropriate means if necessary or legally required. It is the responsibility of the Central Procurement Function to carry out tenders for Goods, Services and Works on behalf of the Trust and Academies.
- 17.6 Any post tender bid clarification with suppliers will be led by the Central Procurement Function.
- 17.7 Any communication with the suppliers involved in the tender process will be facilitated

by the Central Procurement Function.

## **18. Standards of Business Conduct**

- 18.1 In limited circumstances, with the approval of the Chief Executive, the CFO may directly award certain contracts without the need to conduct a competitive process, provided that all such instances are compliant with relevant procurement legislation and the circumstances are subsequently reported to the FRC or Trust Board (depending on value) with a record of the justification for the direct award being retained for three (3) years.

## **19. Reporting Requirements**

- 19.1 For contracts between £25,000 and £150,000 (excluding VAT) the decision and criteria should be reported to the FRC.
- 19.2 For all contracts in excess of £150,000 (excluding VAT) a report shall be prepared for the FRC, highlighting the relevant issues and recommending a decision.
- 19.3 All contracts whose value is over £250,000 (excluding VAT) must be authorised by the FRC. In cases where, due to the timing of the FRC meetings, this would not be practicable and any undue delay would cause significant operational issues, the Chief Executive acting jointly with the Chair of the Trust Board or FRC may accept a tender in excess of £250,000 but this must be reported to the next meeting of the Trust Board.
- 19.4 The Central Procurement Function is required to complete a tender report for all tenders in accordance with procurement legislation.

## **20. Contracts Register**

- 20.1 The Central Procurement Function will maintain a contracts register detailing all procurement activity undertaken, with a value over £25,000, which records all related documentation, details of the winning bidder, price, duration of contract and the procurement process followed.

## **21. Equal Treatment of Suppliers**

- 21.1 One of the key principals of procurement legislation is that all suppliers are treated equally in any competitive process regardless of value. They should have the same availability of access to specifications, plans, Trust staff time, facilities etc.
- 21.1 Evaluation criteria should be decided in advance and made available in full to suppliers to show they will be treated fairly.
- 21.2 All bidders are entitled to be debriefed at the end of a process and informed of the winning bidder.
- 21.3 Any discussions and or correspondence prior to the conclusion of procurements should be on a “without commitment” basis and this phrase should be clearly stated on any such correspondence. The contract offer or purchase order should be the only point at which commitment is made.

## **22. The Bribery Act 2010**

- 22.1 All staff should also be aware of The Bribery Act 2010, which came into force in April 2011. The Trust, its employees and contractors/bidders are all covered by the Act. To meet our obligations under the Act, the Trust has an Anti-bribery and Corruption Policy and all employees involved in procurement should be familiar with the policy.

## **23. Acceptance of Gifts or Hospitality**

- 23.1 The Trust policy is not to accept any form of gift or hospitality from suppliers; full details are included in the Anti-bribery and Corruption Policy.

## **24. Confidentiality (FOI)**

- 24.1 The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding Academy and Trust purchasing. All such requests should be handled in accordance with the Trust policy and subsequently referred to the CFO.
- 24.3 As part of the process for providing quotations and tenders the Trust requires all bidders to identify confidential information which they would not want the Trust to disclose in response to a freedom of information request.

## **25. Information Security**

- 25.1 All suppliers or third parties that require access to the Trust or Academy information systems as part of the service they provide must comply with the requirements of the Central IT Team
- 25.2 Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier / third party meets the requirements of the Central IT team and will comply with the Trust safeguarding and security policies.
- 25.3 In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked where appropriate to demonstrate their compliance with the policies.

## **26. Leases**

- 26.1 Academies should not enter into any finance lease as this would be contravention of the requirements of the Academies Financial Handbook.
- 26.2 Academies may enter into operating leases; however this is subject to the approval of the CFO.

## **27. Payment in Advance**

- 27.1 With the exception of some software licenses, payment should not be made in advance of receipt of goods, services, works or consultancy. If a supplier requests payment in advance then this should be discussed with and approval sought from the CFO.

## **28. Health and Safety**

- 28.1 When procuring any goods, services or works employees must ensure that checks are made to confirm that suppliers are suitably experienced and qualified to undertake the work required.
- 28.2 Where building or maintenance works is planned, suitable risk assessments and/or method statements must be in place and if required Academy change approval must be sought

- 28.3 All services, supply and works procured by the Trust must comply with the relevant UK health and safety legislation in force at the time the items are procured.
- 28.4 Where required by legislation, products (including used or refurbished products) must comply with the relevant UK Laws on the design, supply and operation of products.

## **29. Separation of Duties**

- 29.1 There are a number of processes in purchasing goods and services etc. There must be adequate separation of duties to ensure that the process of ordering goods, services and works, checking receipt/completion and authorising payment is not the responsibility of one person. In some smaller academies this may be difficult; however in all cases the appropriate guidance must be followed.
- 29.2 Where the Central Procurement Function undertake tendering exercises, either on behalf of an Academy or for the Trust, the receipt and custody of tenders prior to opening must be separated from the specification, selection and evaluation. Contract awards subject to tendering will be subject to approval of the procurement procedure undertaken and in accordance with the scheme of delegation.

## **30. Procedural and Guidance Notes and Templates**

- 30.1 To ensure consistent and compliant processes, the Central Procurement Function will provide advice, a range of procedure documents, guides and templates outlining the process all staff must follow when undertaking procurement and purchasing.
- 30.2 The advice and guidance is reviewed and updated from time to time to ensure compliance with legislation and best practice.
- 30.3 Procedure guidance on the following areas will be available:
- Obtaining quotations – up to £5,000
  - Obtaining quotations – £5,001 - £49,999
  - Obtaining tenders - £50,000 - £164,000
  - Seeking dispensations
  - Raising requisitions and orders
  - Goods receipting
  - Invoice approval
  - Vetting suppliers
  - Setting suppliers up on the PSF system
  - Disposal or sale of Trust or Academy property/goods
  - Verbal or emergency orders
  - Works (including Payments, Variations, Certification, etc)
  - Specification drafting
- 30.4 The following policies are relevant to this Procurement Policy
- Avoidance of Gain Policy
  - Bribery and Corruption Policy
  - Conflicts of Interest Policy
  - Health and Safety Policy
  - Disclosure and Barring Service (DBS) Checks
  - Modern Slavery Statement
  - Ethical Procurement Policy (Pending)
  - Purchasing Card Policy (Pending)

### **31. Retention of Documents**

- 31.1 All documentation and communication (including emails) relating to purchases or tenders with a value over £5,000 should be referenced with a URN which identifies the Academy (using the established three letter identifier) the date with no spaces and a chronological numbering system (for example, NAM23072015(1)). This will enable easy location of all electronic records relating to a purchase for audit purposes.
- 31.2 Tender or quotation documentation should be retained for a minimum of five (5) years from the date of the end of the contract. Documentation may be retained electronically rather than in hard copy, however it must be readily accessible for audit or other purposes if required.
- 31.3 The Central Procurement Function are required to maintain a contracts register for all purchases with a lifecycle cost over £25,000. Where Category B Academies make purchases between £25,000 and £50,000 a monthly report providing details of such purchases and their URN will be required for reporting to the FRC.
- 31.4 Where procurement is undertaken on behalf of an Academy by the Central Procurement Function, all documentation in relation to the procurement process will be retained centrally. Academies need not hold local copies and can rely on notification from the CFO that the Trust Financial Regulations and relevant procurement legislation has been complied with. The records held centrally are available should auditors wish to inspect them.

### **32. Travel and Accommodation**

- 32.1 All travel and accommodation should be purchased in accordance with the Staff Business Travel, Accommodation, Subsistence and Expenses Policy and the cost claimed back through the staff expenses procedure.

### **33. Disposal of Redundant Equipment**

- 33.1 Wherever possible where equipment is no longer required by an Academy or the Trust, alternative internal uses should be sought, however where this is not possible or there is no interest then it is permissible to dispose of by sale to suppliers or the general public.
- 33.2 In all cases where external disposal is proposed this must be carried out with the approval of either the CFO or Finance Director. Disposals must also be in accordance with the Fixed Asset and Inventory Policy.
- 33.3 Any proposed disposal/sale must comply with the current Waste Electrical and Electronic Equipment (WEEE) Regulations.

### **34. Monitoring and Audit**

- 34.1 The Trust and Academies are subject to scrutiny by internal and external auditors as well as the ESFA and other government departments/organisations. It is the responsibility of everyone involved in the purchasing process to ensure that they are compliant with current policies, procedures, guidance and legislation.