



Built on botheredness . . .   
the **enquire**  
learning trust

## **Procurement Policy**



## Contents

Section	Title	Page
1	Aims and scope	4
2	Legislation and guidance	4
3	Roles and responsibilities	5
4	Purchase thresholds	6
5	Approval authority	7
6	Framework agreements	8
7	Valuing contracts	8
8	Evaluating tenders	8
9	Conflicts of interest	9
10	Tendering procedure: low and medium-value purchases	9
11	Tendering procedure: high-value purchases	10
12	Record keeping	11
13	Monitoring arrangements	11
14	Links with other policies	11

## Version History

<b>Approved by:</b>	Trustees
<b>Last reviewed:</b>	NEW POLICY September 2023
<b>Next review due by:</b>	September 2026

Date	Author	Version	Comment
September 2023	L Thompson	1	NEW POLICY

## 1. Aims and scope

This policy aims to ensure that:

- The Trust's funds are used only in accordance with the law, its Articles of Association, its Funding Agreement and the Academies Trust Handbook;
- The Trust's funds are used in a way that commands broad public support;
- Value for money (economy, efficiency and effectiveness) is achieved;
- Trustees fulfil their duties and responsibilities as charitable Trustees and company directors;
- Conflicts of interest are managed adequately and appropriately;
- The Trust has open and transparent procurement procedures.

This policy includes procedures for open tenders. This approach allows anyone to submit a tender to supply goods or services required, and offers an equal opportunity to any organisation to submit a tender.

## 2. Legislation and guidance

The [Academies Trust Handbook](#) states that Academy Trusts are required to have a procurement policy, and ensure that the Public Contracts Regulations (PCR) procurement thresholds are observed.

This policy is based on:

- Academies Trust Handbook
- [Department for Education \(DfE\) guidance on buying procedures and procurement law](#)
- [The Public Contracts Regulations 2015](#)

This policy also complies with our Funding Agreement and Articles of Association.

### 3. Roles and responsibilities

#### 3.1 Board of Trustees

Trustees will ensure that:

- Spending decisions represent value for money;
- The trust's funds are used in a way that commands broad public support;
- Relevant legal or professional advice (such as an external auditor) is used, where appropriate;
- Goods or services provided by individuals or organisations connected to the Trust are provided at no more than cost;
- Nobody connected to the Trust, directly or indirectly, uses their position or connection to the Trust for personal gain;
- Where any Trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) to show that they had no influence on the decision.

#### 3.2 Finance and Human Resource Committee

Trustees delegate procurement responsibilities to the Finance and Human Resource Committee.

The committee is responsible for reviewing the Trust's tendering processes, and for reporting to trustees on tenders.

#### 3.3 Director of Finance

The Director of Finance (DoF) is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place;
- Preparing and monitoring budgets;
- Providing information to the Finance and Human Resource Committee and Trustees, as appropriate;
- Overseeing and supporting the procurement process.

## **4. Purchase thresholds**

### **4.1 Purchase Orders**

Purchase orders must be raised for all services or goods.

### **4.2 Low to high-value purchase thresholds**

Purchase levels are divided into the following:

- Low-value purchase: up to £9,999
- Medium-value purchase: £10,000 - £50,000
- High-value purchase: over £50,000, but below the PCR procurement threshold

### **4.3 PCR procurement threshold**

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the Trust will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £213,477.

A 'light touch regime', with a higher threshold of £663,540 applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the Trust qualifies.

## 5. Approval authority

<b>Approving adverse variances compared to the most recent budget or forecast</b>	Unlimited	Chief Financial Officer	Reports to Finance and Human Resource Committee
<b>Ordering good and services (including advertising of Tenders and award of contracts)</b>	Up to £2,499	Principal	All expenditure to be in line with the principles of best value. If possible 3 quotes should be obtained in order to benchmark costs.
	Up to £9,999	Principal	Expenditure between to £2500 to £49,999 require 3 written quotations
	£10,000 - £19,999	DoF	Any contracts over £10,000 must be uploaded onto Contracts Finder
	£20,000- £49,999	DoF or Director of Business and Development	Expenditure over £20,000 to be approved by DoF to be presented to Trustees.
	£50,000 - £213,477	Director of Business and Development	Expenditure over £50,000 to be put out to tender. Procurement can be considered below this figure and presented to Trustees.
	£213,477 and above	Director of Business and Development	If spending is above the PCR threshold for procurement spending the trust will seek legal advice.  £213,477 Indicative value exc 20% VAT £177,897 for supply, service and design contracts.  5,336,937 Indicative value exc 20% VAT £4,447,447 for works contracts.
<b>Capital Projects</b>	All projects	Director of Business and Development	Annual capital programme to be approved by Trustees
<b>To determine services to be included in Operational Services Framework</b>	All services	Trustees	All academies to operate under the Operational Services Framework. Academies must use services provided centrally.
<b>ICT procurement</b>	All services	Director of ICT	In line with the Finance Policy and Scheme of Delegation

## 6. Framework agreements

Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a procurement process and they have favorable terms and conditions. In addition, the framework provider may offer advice and support.

Depending on the framework we choose, we will either pick the best value supplier from a list, or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded.

Trustees will determine whether a framework agreement is required, and which framework will be used if applicable.

## 7. Valuing contracts

The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.

We will not divide a single contract into smaller contracts to bypass the purchase thresholds (see section 4).

## 8. Evaluating tenders

Tenders will be evaluated against the criteria and weighting outlined in the tender document. This criteria will include:

- Cost
- Quality
- Delivery
- Performance
- Risk

We may specify additional criteria based on the type of tender, as outlined in the tender document.

## 9. Conflicts of interest

We will report all contracts and other agreements with related parties to the Education and Skills Funding Agency (ESFA) in advance of the contract or agreement commencing.

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). This description is not comprehensive. See section 33 of [Financial Reporting Standard 102](#).

The Trust will obtain the ESFA's prior approval for contracts and other agreements for the supply of goods or services to the trust by a related party where any of the following limits arise:

- A contract or other agreement over £40,000
- A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August.

## 10. Tendering procedure: low and medium-value purchases

When making low or medium-value purchases without a framework agreement, the Trust will use the process outlined below.

**a. Compare suppliers** – a comparison of different suppliers, including their reputation, will help the trust develop a shortlist of at least 3 suppliers we want to approach for a written quote

**b. Assess quotes** –

Criteria may include:

- The whole-life cost of the contract, which may include:
  - The sale price of the goods, works or services
  - VAT
  - Delivery charges
  - Maintenance costs
  - Running costs
  - The cost of removing and disposing of an item or service once we no longer need it
- Whether there will be price increases or decreases over the life of the contract
- Value for money

The lead individual will evaluate quotes with support from the DoF and DPO.

When we contact suppliers, we will send them:

- The specification
- Deadlines for quotes and when decisions will be made
- Instructions for how to ask clarification questions about the specification



- c. **Place an order** – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:
- Goods, works or services we are purchasing
  - Price
  - Delivery address
  - Delivery deadline and any other important dates
  - Payment schedule

Please see appendix 1 for template documents.

## 11. Tendering procedure: high-value purchases

The Trust will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

- a. **Create a specification** (see Appendix 1)
- b. **Assess the market** – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers
- c. **Check the school's position in relation to the PCR procurement thresholds** (see section 4)
- d. **Develop a contract** – a contract will include terms and conditions, service levels expected, a contract management plan and an exit strategy
- e. **Reduce the number of bids** – to reduce the number of bids the trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire
- f. **Establish how we will assess quotes** – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality
- g. **Create a timeline for the tender process** – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract
- h. **Prepare an invitation to tender** – this will include:
  - A covering letter with a timeline for the process
  - Instructions on how suppliers can ask clarification questions and submit their tender
  - The specification
  - A pricing schedule
  - The contract's terms and conditions
  - Contract management requirements (see 'develop a contract' above)
  - Award criteria, including the scoring system and any weightings
  - If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services
- i. **Advertise the contract** – the contract will be advertised where suppliers are likely to look, such as:

- The Find a Tender service – this is a requirement if the contract is over the PCR procurement threshold
  - The government's Contracts Finder service
  - Local or national newspapers
  - Education publications or websites
  - Trade magazines
- j. Run the tender process and provide clarifications**
- k. Evaluate tender responses** – at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept
- l. Notify suppliers and award the contract**
- m. Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the Find a Tender service)
- n. Abandoning the tender process** – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible

Please see appendix 1 for template documents.

## 12. Record keeping

Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices and Retention Policy.

## 13. Monitoring arrangements

The Director of Governance is responsible for the implementation of this policy. This policy will be reviewed and approved by the board of Trustees every 3 years and when PCR procurement thresholds change.

## 14. Links with other policies

This Procurement policy is linked to the following policies:

- The Finance Policy
- Scheme of Delegation
- Information Governance Policy