



PURCHASING AND PROCUREMENT POLICY

Responsibility for this policy: Board of Directors (Trustees)

Responsibility for monitoring/evaluation: CEO/EHT and Headteachers

Approved by MAT Executive Board: September 2019

Date of next review: September 2021

Chair of Executive Board: Martin Collard

Introduction

We want to achieve the best value for money from all purchases and at all times. This means that

purchases need to be the correct quality, quantity, completed within the appropriate timeframe and at the best possible price. Purchases should follow the general principles of:

- Probity - it must be clear that there is no private gain in the academy's contractual relationships.
- Accountability - the academy is accountable for its expenditure and the conduct of its affairs.
- Fairness - that all those dealt with by the academy are dealt with on a fair and equitable basis.
- Value for money - covering cost of goods or services, quality of good or services and administrative cost (including time) of procurement. Value for money is not always about the lowest price – it's about getting the right balance between quality and cost.

Routine Purchasing

Budget holders will be informed of their budgets at the latest at the beginning of the academic year. It is their responsibility to manage the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure (including commitments) against budget will be supplied to each budget holder by the Finance team on a regular basis

All purchases from established Buying Consortia (e.g. Crown Commercial Services, Crescent Purchasing Consortium) are deemed to comply with this Procurement Policy. It is the purchaser's responsibility to ensure that any identified pre-existing Framework Agreement/Contract is fully EU compliant, and the appropriate method to procure within the Framework Agreement/Contract is adhered to.

A quote or price must always be obtained before any order is placed. School may create approved supplier lists for some types of purchases. If a relevant approved supplier list exists, budget holders must obtain the agreement to purchases from alternative suppliers.

Credit Card usage should follow the above process and additionally wherever practicable, pre-approval should be obtained.

Planning

When budgets are tight, it is vital that schools plan before making a purchase with the following recommendations:

- Make sure you know precisely what you want to buy and that it meets the needs of the school over time.
- Consider whether School could loan equipment or share resources with other MAT schools, which would remove the need for a purchase. School may also consider collaborating with other schools to increase the buying power.
- Estimate the total value of what you are buying.

Purchase level	Procedure
Less than £1,000	A price must always be obtained prior to any order being placed. This price should be attached to the purchase order and filed.
Low Value ~ between £1,000 and £2,500	At least two oral quotations should be obtained prior to any order being placed. These should be attached to the purchase order and filed alongside the rationale for selecting the chosen supplier.

Medium Value ~ between £2,500 and £10,000	At least three written quotations should be obtained prior to any order being placed. These should be attached to the purchase order and filed alongside the rationale for selecting the chosen supplier.
High Value ~ between £10,000 and £50,000	At least three formal quotations should be obtained in writing by a specified date and time and based on a written specification and evaluation criteria. These should be attached to the purchase order and filed alongside the rationale for selecting the chosen supplier. [The Headteacher can incur expenditure on single orders between £10,000 and £25,000 with the prior approval of the Finance Committee. The Headteacher can incur expenditure on single orders in excess of £25,000 with the prior approval of the Governing Body.] *Subject to Scheme of Delegation.
Above £50,000 and up to OJEU threshold	Subject to a formal tendering process to include four tenders. The MAT Board may choose to waive the £50,000 limit, subject to an approved business case. Refer to MAT Board for template.
Above the OJEU threshold (currently £181,302)	Subject to a formal OJEU tendering process to include five tenders. If school wishes to enter into multiple contracts to fulfil the same requirement, then the value of those contracts will be aggregated together to decide whether it crosses the threshold. The rules are very specific about this: when offering public sector tenders contractors must not enter into separate contracts below the thresholds in order to avoid having to apply the regulations.

Please note that a series of purchases from a single supplier in a single academic year contribute towards that purchase level. Therefore, if an academy places multiple orders with a single supplier and the total purchase level exceeds £1,000 then evidence will need to be provided to demonstrate the rationale for selecting the chosen supplier.

Tendering for purchases of £50,000 and above

Forms of Tender

There are three forms of tender procedure: **open**, **restricted** and **negotiated** and the circumstances in which each procedure should be used are described below:

Open Tender: This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Director how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

Restricted Tender: This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs.
- a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Academy's requirements.
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender: The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders
- only one or very few suppliers are available
- extreme urgency exists
- continuation with the existing supplier is justified

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- implementation of the project
- terms and conditions of tender
- form of response

Aspects to consider when evaluating the tender

Financial:

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation? If so, the academy should always aim to achieve best value for money.

- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Technical /Suitability:

- Qualifications of the contractor
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other considerations:

- Pre-sales demonstrations
- After sales service
- Bidders could be asked to suggest how they would address a problem as opposed to being restricted to one solution.
- All invitations to tender (ITT) must include the background of the project, the project scope and objectives, technical requirements, project implementation, terms and conditions, the form of response, the tender assessment criteria and a reference number. They should also state the date and time by which the tender should be received.
- All interested tenderers must be provided with the same information and the same opportunity to visit the site if a site visit is considered necessary.
- Does the project require DfE approval?

Tender Evaluation Procedures

- The evaluation process should involve at least two people with no conflicts of interest in the tender.
- Those involved in making a decision must not accept gifts or hospitality from potential suppliers that could compromise or appear to compromise their independence.
- Full records should be kept of each tender evaluation and a report should be prepared for the governing body highlighting the relevant issues and recommending a decision.
- Where required by the conditions attached to a specific grant, the grantor's approval must be obtained before acceptance of a tender.

Tender Acceptance and Opening Procedures

- Tenders should be submitted in plain envelopes clearly marked "TENDER" alongside the ITT reference number. Tenders will be time and date stamped on receipt and stored in a secure place prior to opening. Tenders received after the deadline will not normally be accepted.
- All tenders submitted will be opened at the same time in the presence of two/three people, one of whom should be a senior person from the Finance Team and the tender details will be recorded. These details will include the names of the companies submitting tenders, the amount tendered and will be signed by the people present at the tender opening. The accepted tender should be the one that is economically most advantageous to the School.

- All tenderers should be informed of the decision.
- The reasons for accepting a particular tender must be documented by the Clerk to the Governors, especially if it is decided to accept other than the lowest tender.

Tendering for major contracts via the Official Journal of the European Union - (OJEU)

In rare circumstances the Trust may tender for supplies where the value exceeds the EU procurement threshold, currently £181k. For tenders above this threshold, the School would be required to either tender for the work via an EU compliant purchasing consortium, or by inviting tenders on the OJEU website. In both cases the principals above remain, but when advertising directly with OJEU, there are certain additional procedures which need to be followed.

School must first register as a buyer on the OJEU website www.mytenders.org.

A tender specification can then be uploaded, giving a minimum time of 52 days in which to respond. Once all tenders have been received and evaluated, and a decision made at the School Finance Committee, a “decision notice” or “standstill letter” must be issued to all candidates giving the following information:

- the award criteria used
- reasons for the decision including the characteristics and relative advantages of the successful tender
- the scores obtained by the recipient of the letter and the successful contractor
- the successful contractor’s name
- a statement of when the standstill period is to end. If the letter is sent by electronic means, this period will be 10 days.

Once the standstill period has ended, the contract can be awarded officially. A contract award notice must be issued in the OJEU within 48 days of the award of the contract.

Contracts

- Any non-routine tenders or purchases, such as leases, are subject to a contract between the School and the supplier which is to be signed before the contracted work begins or the delivery of goods.
- The contract(s) should clearly set out (as applicable):
 - ✓ The scope of work with detailed and accurate specifications;
 - ✓ The timeline and completion date of the work(s);
 - ✓ Dates for completion of works;
 - ✓ Quality controls on work(s);
 - ✓ The agreed fees/charges and payment date(s);
 - ✓ Specification of the goods to be delivered (as applicable).
- Copies of all contract documentation must be filed in a Contracts Register.
- The signing of a contract and/or lease should be treated like the placing of an order and the signing of a cheque.