

# Procurement Policy

<b>Policy Code</b>	F12
<b>Oversight</b>	Finance, Audit & Estates Committee
<b>Policy start date</b>	March



## **1. Policy Statement**





£15,000.

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 that can be proven through a full Cost Benefit Analysis (CBA). Competition promotes efficiency and effectiveness in expenditure. Awarding contracts on the basis of value for money following competition contributes to the competitiveness of supplies.

The Trust has a duty to comply with the requirements of all procurement legislation and Academy Funding Agreements; in order to do so the Procurement Team will review all

## **6. Purchasing Thresholds**

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.

The various transactional thresholds and procurement process required are covered in detail in the Finance Policy which must be followed; however, they are outlined briefly below:

- Below £1,000 (excluding VAT) a single written quotation from a suitable supplier confirming price and the ability to fulfill the desired order in the required time frame meeting the quality requirements of the Academy and or Trust.
- £1,000 to £3,500 (excluding VAT) a minimum of two written quotations from suitable suppliers confirming price and the ability to fulfill the desired order in

all the quotations have been evaluated using the most economically advantageous method 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 and the dispensations as given in section 7.

## 7. Dispensations

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.

All dispensations require prior approval from the Director of Operations and Governance for contracts below £10,000, from at least two members of the Executive Leadership Team for all contracts over £10,000 but below £25,000, from a two thirds majority of the Executive Leadership Team for contracts above £25,000 but below £50,000 and from the Trust Board for all contracts over £50,000 before progressing and must not result in a breach of procurement legislation or be contrary to the Trust Scheme of Delegation.

Subject to approval as outlined in the Trust Scheme of Delegation, dispensations may be granted for the following reasons:

- Unforeseen emergency requirement.
- The goods or services are only available from one source and there is no
- 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).
- 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 cost benefit 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 Director of Governance and Operations, in terms of compliance with the EU and UK legislation and subject to approval by the Chief Executive and subsequently reported to the Finance, Audit and Estates Committee (FAEC).
- Where it can be proven that a Local Authority or public sector framework already exists that covers the required area of spend and provides value for money of a level that is the same or better than can be achieved by the Trust.

All dispensation requests, whether approved or rejected will be reported to the FAEC. Staff may be called upon to attend the FAEC to explain the reasons for requesting a dispensation.

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.

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



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Regulations or the relevant FTS thresholds.

A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years

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and issued by the Academy Finance Team/Central Procurement Team as appropriate.

## **9. Charge Cards**

The Trust recognises the benefits of charge 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 suppl

followed.

All procurement over £25,000 must be reviewed and/or carried out by the Procurement Team in accordance with relevant UK legislation by either undertaking a compliant tender process or by using an established, relevant and accessible compliant framework.

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

All procurement should be carried out using the standard Community Inclusive Trust Terms and Conditions of Purchase. 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 in all cases by the Director of Operations and Governance before any agreement is made.

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 Procurement Team for review prior to signature.

A signature on an agreement or contract, or even an email response indicates that the Trust or Academy accepts the supplier's terms and conditions which may not be favourable. Therefore, if you do not have authority through the Scheme of Delegation, you must not sign the document or renew any terms via an email response.

Following the identification of the most favourable offer for the Trust, its Academies or subsidiary companies, 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.

## **13. Payment and Payment Terms**

Unless a charge card has been used to make a payment, all invoices from suppliers should be entered on to the IRIS Financials system once approved and then paid by BACS.

The Trust's standard payment terms are month end plus 30 days following receipt of a valid VAT invoice, unless alternative arrangements have been agreed at purchase order stage.

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 Director of Operations and Governance.

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 Director of Governance and Operations.



To avoid the inefficiencies of re-procuring services annually, the Director of Governance and Operations will work with Academies to review procurement plans and develop multi-year contracts regionally.

## **16. Tenders and Trust Board Approved High Value Quotes**

Any expenditure over £50,000 must be completed 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 updated UK legislation post-Brexit.

All tendering where the anticipated lifecycle costs are in excess of £50,000 must be undertaken by the procurement team.

The Director of Governance and Operations 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.

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.

All current and future tenders can be advertised using the Trust website or alternative more appropriate means if necessary or legally required. It is the responsibility of the Procurement Team as guided by the Director of Operations and Governance to carry out tenders for Goods, Services and Works on behalf of the Trust and Academies.

Any post-tender bid clarification with suppliers will be led by the Director of Governance and Operations.

Any communication with the suppliers involved in the tender process will be facilitated

be practicable and any undue delay would cause significant operational issues, the Chief Executive Officer and Chief Financial Officer acting jointly with the Chair or Vice Chair of the Trust Board may accept a tender in excess of £189,330 but this must be reported to the next meeting of the Trust Board.

The Director of Governance and Operations is required to complete a tender report for all tenders in accordance with all procurement legislation. The tender report should be completed with the assistance of the procurement team designated for the tender and

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 Director of Governance and Operations.

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.

### **23. Information Security**

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.

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.

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.

### **24. Leases**

Academies should not enter into any finance lease as this would be contravention of the requirements of the Academies Financial Handbook and the Finance Policy.

Academies may enter into operating leases; however, this is subject to the approval of the Chief Financial Officer.

### **25. Payments in Advance**

With the exception of some software licenses, payment should not be made in advance

comply with the relevant UK Laws on the design, supply and operation of products.

## **27. Separation of Duties**

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



## **29. Retention of Documentation**

All documentation and communication (including emails) relating to purchases or tenders with a value over £3,000 should be referenced with the three letter Trust or Academy identifier, the academic year (four numbers with no spaces), the project title and a chronological numbering system (for example, CIT-2021-Procurement Title-001). This will enable easy location of all electronic records relating to a purchase for audit purposes.

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.

The Director of Governance and Operations or a suitable designated member of staff are required to maintain a contracts register for all purchases with a lifecycle cost over £25,000. A monthly report providing details of such purchases will be required for reporting to the FAEC.

Where procurement is undertaken on behalf of an Academy by the Procurement Team, 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 Director of Governance and Operations that the Trust Financial Regulations and relevant procurement legislation has been complied with. The records held centrally are available should auditors or individual Academies wish to inspect them.

## **30. Travel and Accommodation**

All travel and accommodation should be purchased in accordance with the Staff Handbook and Finance Policy and any costs

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compliant with current policies, procedures, guidance and legislation. Ignorance of any of the current policies, procedures, guidance and legislation is not a suitable reason for non-compliance.

Where any point in the above policy is in direct contravention with any point in the Academies Financial Handbook, the Academies Financial Handbook will take precedence.