



Tudor Grange Academies Trust

Procurement Policy

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03.12.2020	2.0	<ul style="list-style-type: none"> • New section 1.5 'Writing a specification for your goods' • Section 2.1 updated to signpost to Scheme of Delegation on website • Section 2.2 updated OJEU thresholds • Section 2.4 expanded
08.01.2024	3.0	<ul style="list-style-type: none"> • New section 2.5 'Trust Charge Card' • New section 2.6 'Petty Cash' • Section 2.9 updated, to remove 'or use an authorised academy charge card' as this has been superseded by the inclusion of section 2.6. • Section 3 updated terminology and reference to Find a Tender Service (FTS) from OJEU. • Section 3.2 updated FTS thresholds

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1 Compliance with the policy

- 1.1 Staff should ensure that you read, understand and comply with this policy.
- 1.2 If you believe or suspect a breach of this policy has occurred or that it may occur you must notify your manager or report it in accordance with our Whistleblowing Policy as soon as possible.
- 1.3 We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that the terms of this policy might have been breached. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should escalate this matter within your academy or, if this is not possible, to the CFO or Executive Director HR.

2 Introduction

Policies and procedures for procurement will define:

Probity in the purchasing decisions

How purchases can be made for the academy and the specific controls around those methods

Delegated authority levels in particular setting out the procedures to be followed for purchases above specified values, to ensure sufficient levels of oversight by the governing body;

2.1 Probity

Probity is essentially defined as honesty and fairness, but in practice is really the avoidance of deciding unfairly between potential suppliers.

The academy will ensure that in its purchasing activity it records and reports fully the declaration of any personal business interests of any officer or trustee of the academy in relation to the purchasing activity of the academy.

The academy will ensure that as far as possible it will record and report any connected party transactions or any officer or trustee of the academy in relation to the purchasing activity of the academy.

The academy policy is not to accept gifts from suppliers under any circumstances.

However, where a supplier provides a free sample of product for testing or trial or as a raffle or other prize provided that the value is not above £100 this will not be deemed as a gift by the supplier.

Where gifts are received by individuals at Christmas for example that are of a trivial nature (for example a box of chocolates or a bottle of wine) these can be accepted but must be recorded. A trivial gift would essentially be of a value of less than £5. Any substantial gifts above this value may not be accepted.

2.2 How Purchases can be made

The academy will appoint a budget holder to procure specific goods and services from time to time, in order to support the academy's work in meeting its core objectives. It is important therefore that purchases made are in line with that aim and that the expenditure made is on goods and services that are appropriate for the purpose for which they are intended.

In achieving this, expenditure can be incurred on behalf of the academy in a variety of ways. These ways are listed as follows:

- Capital expenditure requests
- Purchase Ordering
- Expenses
- Petty Cash

Each of these ways of expending money will have different processes and controls around them and each is defined below.

2.3 Capital expenditure requests

Capital expenditure is expenditure on goods and services which satisfies two tests:

- It is significant in value (i.e. above £1,000)
- It is of benefit to the academy for a period greater than one accounting year

During the construction phase of the project, ALL capital expenditure in the implementation and build phases of the project requires the authorisation in accordance with scheme of delegation (section 10) for capital projects. Adequate authorisation is a requirement of the Department for Education ("DfE") who will not make periodic grant claims without such authorisation.

Any monies expended using grant funds from the DfE will require the procurement rules of the DfE to be followed.

The process by which capital expenditure can be made on behalf of the academy is set out in the **Scheme of Delegation**, detailed below at paragraph 2.1.

2.4 Purchase Ordering

As far as possible all expenditure of the academy, both capital and revenue should be made using a purchase order. There will be times when this will not be appropriate and whilst again the list is not exhaustive the following examples give guidance on when it is NOT appropriate to use a purchase order:

- For items of a trivial nature and value (e.g. postage stamps)
- For personal expenses incurred whilst on academy business (e.g. mileage claims for car journeys)
- All pre agreed contract expenditure (e.g. catering, estates maintenance)
- For items of a statutory nature payable to local or central government departments such as Rates and payments to HMRC.
- For payroll related expenditure

A purchase order will need to show the following detail:

- The name of the supplier
- The name of the contact at the supplier to whom queries can be addressed, if required
- A unique purchase order number

- A description of the goods or services being purchased
- Wherever possible, the agreed price
- The name and registered address of the academy and the place of delivery

This information will help to ensure that the correct goods are being purchased, at the correct price and being delivered to the correct place on behalf of the academy.

All purchase orders will be issued by the finance office and copies held by the budget holder and the finance office.

All purchase orders must be approved and authorised by an appropriate member of the academy in line with the authorisation limits laid down in the Scheme of Delegation. For the current authorisation levels see paragraph 2.1.

A copy of all purchase orders will be held within the web portal of the PSF accounting system.

2.5 Trust Charge Card

Online purchases may be made with the use of the Trust virtual charge card platform. Such transactions will be required to follow the purchase ordering procedures described within section 2.4.

Any purchase orders raised for card purchases exceeding the value of £500 will require prior approval from the CFO, Deputy CFO or Central Finance Lead.

Once approval has been sought and the purchase has been completed, the purchaser must submit confirmation of payment email or equivalent within 3 days to finance, to evidence the use of the card was for the intended purpose.

2.6 Petty Cash

All schools within the Trust have a physical charge card for low value transactions, where it may not be appropriate to use a formal means of procurement. Such expenditure will be incidental in nature and the limit of any transaction is £75.

For any such transactions, a sundry expense form will need to be completed (virtually or manually) to confirm the understanding of the restrictions of the card usage and responsibilities, whilst the card is in the staff member's possession. In addition, confirmation from the staff member will be required to confirm that prior approval has been sought from the relevant budget holder for the proposed expenditure.

Following usage of the card, the staff member will be required to submit a receipt or equivalent, supporting the purchase made, at the same time as returning the card.

2.7 New Supplier

As part of the on boarding of all new suppliers please complete the New Supplier Form which can be accessed via Team. Please ensure you attach a copy of the supplier's Modern Slavery statement to the form. Once completed all forms will be automatically forwarded to Finance Inbox for review.

2.8 Writing a specification for your goods

A specification should allow suppliers to understand exactly what you need to buy, including the quality and delivery date.

Once you have approval to go ahead with the procurement, you should finalise your specification before you begin the procurement process.

The length of your specification will vary depending on what you're buying. For example, requirements for stationery are likely to be very short, while requirements for an ICT system are likely to involve a significant amount of technical detail.

A specification should include:

- a precise description of the goods, works or services you need
- if appropriate, an explanation of what the goods, works or services should do to meet your needs (sometimes known as an 'output specification')
- the quantity
- the quality
- when you want the supplier to deliver it by

As you develop your requirements, it is recommended that you:

- talk to the potential users in your school to find out what they need and how they plan to use it
- include feedback from any stakeholders who will need to approve the specification (if signing off the specification is part of your school's procurement process)
- think carefully about the level of detail you include, so that you don't incur extra cost by:
 - missing something out
 - including things you don't need

When the goods or service are received by the academy the person responsible for requesting the goods or their nominee must check the quality and quantity of what has been delivered by checking the goods to the supplier's Goods Received Note if issued. The recipient must sign the Goods Received Note to accept the purchases accordingly.

If there is any problem with the quality of the goods or services, the item should not be accepted, and the finance office should be notified immediately.

If there is any problem with the quality of the item that has been received then the Purchase Invoice should not be authorised for payment; the discrepancy should be discussed with the supplier without delay. The finance office should be informed immediately.

All signed Goods Received Notes should be sent to the finance office to be matched with the relevant Purchase Order where received. The budget holder must maintain their own copy in case of queries or problems arising.

All suppliers should send their invoices for the attention of the finance office, where the invoice will be registered. Any change of account details issued by a supplier must be checked direct with the supplier to ensure it is valid. No change of account details can be entered without this direct check with the supplier.

All suppliers of goods and services to the academy must clearly record on their invoice the unique purchase order number for the goods or services for which they are charging. This enables to the fast and efficient matching of invoices to properly authorised purchase orders and their onward prompt payment. This matching process is a key financial control over the expenditure made by the academy. Failure to comply will result in the invoice being

returned to the supplier unprocessed and unpaid and may result in a disruption to future supplies from that supplier.

Upon receipt of the invoice it will be scanned, agreed to order, posted to the ledger and agreed subject to evidence of goods received in accordance with the contract.

Providing the goods have been received and the invoice agrees with the purchase order and all other checks are positive the invoice will be emailed to the budget holder for authorisation to pay. This needs to be responded to within 7 days of receipt.

Once authorised, the invoice will be processed for payment by the finance office staff and the purchase ledger and cashbook updated accordingly.

If there is any discrepancy, then the invoice is held awaiting explanation of the differences. Once the difference is identified the budget holder must authorise any changes for the invoice to be paid.

The academy should pay a valid undisputed invoice within 30 days. If there is a dispute, the budget holder should contact the supplier as soon as possible and, in any event, within 30 days of receiving the invoice.

2.9 Expenses

Sometimes it will simply not be possible to raise a purchase order for expenditure that is made 'on the job'. Examples of such expenditure include:

- Mileage expenses for car journeys undertaken in relation to academy business.
- Subsistence whilst away from the academy
- Car parking charges
- Distress purchases such as urgent stationery and cleaning materials requirements
- Public transport fares whilst on academy business
- Overnight accommodation where pre-booking was not possible via a purchase order
- Small equipment purchases

Again, this list is not exhaustive, but indicative, and if in doubt, advice should be sought from the Finance team.

In such circumstances the employee concerned will need to fill out an Expenses Claim Form. The employee must act in accordance with the Trust's expenses policy.

3 Principles of Procurement

3.1 Delegated Authority levels

For each different type of expenditure differing authority levels apply. These are set out in the Scheme of Delegation on our web site.

3.2 Advertising and FTS thresholds

General legal principles require that contracts are advertised in order to ensure that the academy acts in a transparent way in order to ensure probity and non-discrimination.

The budget holder is responsible for ensuring that the expenditure is lawfully made.

The budget holder should consider firstly, if there is an existing contract which is available for the item of expenditure.

Where the specific item of expenditure is of relatively low value but may recur, the academy may procure the item under a lawfully procured framework agreement through a purchasing consortium. This provides for a pre-procured mechanism for procuring routine goods and service in compliance with procurement law.

If there is no current contract or available framework agreement for the applicable goods and services, the budget holder should consider with the finance office the best approach to procure those goods or services. If an existing contract or framework agreement is not available, then the budget holder will need to ensure that the purchase is lawfully procured.

In summary the degree of advertisement may vary in order to be proportionate with the value of the contract and likelihood of cross-border interest.

Contracts which above certain value threshold must be advertised on the Find a Tender Service (FTS), which replaces the Supplement to the Official Journal of the EU, which are mandated under the Public Contracts Regulations 2015 (“**PCR 2015**”).

These financial thresholds above, which tenders should be advertised via the FTS, are fixed every two years.

As at 1 January 2022 these thresholds are:

Contract	Value
Supplies	£138,760 (central Govt); £213,477 (other contracting authorities)
Works	£5,336,937
Services under the “light touch” regime	£663,540
Small lots	£70,778

The above are set out in more detail at:

[Microsoft Word - Procurement Policy Note 10:21 - New Thresholds Values and Inclusion of VAT in Contract Estimates.docx \(publishing.service.gov.uk\)](#)

The FTS Thresholds are **net of VAT** and are for the total value of the contract. The contract may not be subdivided with the effect of preventing it from falling within the scope of PCR 2015. Where, for instance, items of routine expenditure may recur over additional years (such as requirements for additional services) the aggregate value of the contract must be taken into account in calculating the contract value.

The contract should be advertised:

- on the academy’s own website where multiple quotes are required;
- on the Find a Tender Service (FTS) where the contract value exceeds the FTS threshold.

There are very limited exceptions from this obligation to advertise. In case of doubt, the Finance team should seek specific legal advice.

3.3 Routine Purchasing (non-capital expenditure) – Achieving Value for Money

Each department budget holder is notified of their budget available as soon as a budget has been agreed for the coming academic year. Should this not be available prior to the commencement of the academic year then authority to spend rests with the Executive Principal/Principal.

It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent.

Most items of routine purchasing are available through framework agreements operated by various public bodies such as Local Authorities or a purchasing consortium. The Trust advises we always obtain quotes from these bodies in order to help ensure we are seeking to achieve value for money. Examples are:

- Central Buying Consortium (CBC)
- The Crescent Purchasing Consortium (CPC)
- Crown Commercial Service (CCS)
- ESPO
- North East Procurement Organisation (NEPO)
- YPO

3.4 Quotes and tenders

Orders under £5,000 – Non IT

Between 1-3 quotes should be obtained depending upon existing relationships where we have achieved value for money and where the supplier has shown they are reliable and professional.

Orders between £5,000 and £10,000– Non IT

Between 2-3 quotes depending upon existing relationships where we have achieved value for money and where the supplier has shown they are reliable and professional.

Orders between £10,000 and £50,000– Non IT

3 quotes depending upon existing relationships where we have achieved value for money and where the supplier has shown they are reliable and professional.

Orders for IT equipment up to £50,000

The Trust recognises IT procurement to be a specialist area of procurement. The equipment must be reliable, back up must be sufficient and the equipment must operate efficiently within the Trust's IT environment. As a result we rely upon the expertise of our partners CSE to procure efficiently in this specialised area. The Chief Operating Officer and Chief Financial Officer will supervise the process to ensure value for money is achieved. The CFO might for example commission an independent review of pricing to check VFM.

Orders over £50,000

All goods or services ordered with a value greater than £50,000 or for a series of contracts which in total exceed £50,000 the Trust must receive at least 3 quotes and require the approval of the MATB. In matters of extreme urgency where to delay would not be in the best interests of the Academy, the Chair of Governors can take a Chair's action which would be ratified by the next meeting. The Trust considers the time and cost of a full tender process to be uneconomic for orders at this level.

Orders overs £100,000

All goods or services ordered with a value greater than £100,000 or for a series of contracts which in total exceed £100,000 the Trust must engage in a formal tender process as set out below. Again, orders at this level would require the approval of the MATB and in matters of extreme urgency where to delay would not be in the best interests of the Academy, the Chair of Governors can take a chair's action which would be ratified by the next meeting.

The web address below offers detailed guidance on template documents and process for large procurement projects

<https://www.gov.uk/guidance/buying-for-schools/3d-run-your-own-procurement-high-value-and-eu-tenders>

3.5 Forms of Tenders

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

1. Open Tender

This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Finance Manager how best to advertise for suppliers (e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical). Where the estimated contract value is above the FTS Threshold, the opportunity must be advertised using the FTS. It is not permissible to advertise locally prior to the advertisement in the FTS, to avoid discrimination. An invitation to tender must remain open for a minimum of 30 days.

2. Restricted Tender

This is where suppliers are specifically invited to tender, and 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
The nature of the goods is 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.

Under this procedure the academy may request that suppliers are subject to a pre-qualification questionnaire, in order to determine suitable tenderers. The academy must invite at least five tenderers (provided that they meet the selection criteria).

The academy may then invite that selected list of tenderers to tender for the opportunity. The invitation to tender should, in general, remain open for a minimum of 30 days.

3. Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate when:

- The other methods have been unsuccessful
- Only one supplier is available (e.g. for technical reasons or the protection of exclusive rights)
- Extreme urgency exists brought about by unforeseeable events

- Additional deliveries by the existing suppliers are justified for objective reasons where a change in supplier would result in incompatibility or disproportionate technical difficulties (and subject to a maximum three-year period).

3.6 Preparation of Tender

Full consideration should be given to:

- How the goods or services to be procured might improve the economic, social and environmental well-being of the relevant area
- The object of the contract
- The overall requirements
- The technical skills required
- The after-sales service requirements
- The form of contract.

It may be helpful after all of the requirements have been established, to rank them (for example mandatory, desirable, and additional). The academy should detail the applicable scoring criteria and weightings for those criteria to reflect their relative importance.

3.7 Invitation to Tender

If a restricted tender procedure is to be used then the academy must issue an invitation to express interest with a pre-qualification questionnaire (PQQ). The PQQ should request information regarding the identity of the candidate, whether it meets certain mandatory criteria regarding its compliance with legislation, information regarding its financial capacity and technical or professional ability an invitation to tender must be issued to the selected tenderers.

If an open tender is to be used an invitation to tender must be issued.

An invitation to tender should include the following:

- An introduction or background to the project
- The scope and objectives of the project
- Technical requirements
- Implementation of the project
- Terms and conditions of the tender
- Scoring criteria and weighting
- Form of response

The invitation to tender should include the detailed scoring criteria by reference to both quality and whole-life cost (or price).

On receiving the tenders, the budget holder and other staff should assess the tenders strictly in accordance with the scoring and weighting criteria as detailed in the brief. The supplier with the highest point score would be an indication as to the best tender.

3.8 Aspects to Consider

1. *Financial*

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be taken into consideration 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.
- Consideration should also be given to the scope for negotiation on price once the tender response has been received.

2. *Technical/Suitability*

Suitability of tenderer

- Take note of the qualifications of the contractor at the pre-selection stage.
- Take note of the relevant experience of the contractor at the pre-selection stage.
- Identify the description of the technical facilities and service facilities.
- Ensure that any certificates of quality or conformity with standard are accurate and relevant at the pre-selection stage.
- Look at the quality control procedures at the pre-selection stage.
- Take references from previous customers and take details of previous service level agreements (SLAs) made in this area.

Award Criteria

- Consider the quality, including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics.
- Consider the specific relevant experience of the specific staff assigned by the contractor to perform the contract.

3. *Other considerations*

- Look to get a pre-sales demonstration to get a better look at both the supplier and the goods or services being offered.
- Check into the availability and quality of the after sales service.
- Obtain details on the financial status of the supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after-sales service. This can be done through the review and checking audited accounts and or taking up a credit reference from an appropriate agency at the pre-selection stage.
- Seeking assurance from the supplier themselves as to the level of current orders they are working to fulfil would also be helpful.

3.9 Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. The tenders should be clearly marked that they are tenders and time and date stamped on receipt. They should then be stored in a secure location prior to opening. Tenders received after the submission deadline will not be accepted except in exceptional circumstances.

3.10 Tender Opening Procedure

All tenders submitted should be opened at the same time and the tender details should be recorded. For all tenders at least two people should be present for the opening. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening. A copy of the record, highlighting the chosen tender, should be kept with the signed purchase order once raised for the goods and service in question.

3.11 Tender Evaluation

The criteria for evaluation should be agreed upon and published with the invitation to tender.

At least two people should be present to conduct the evaluation, who have no conflict of interests with any supplier involved.

Full records should be kept of all criteria used for evaluation and in all cases a report prepared for the finance committee which recommends a decision.

Where required by the conditions attached to a specific grant from the DfE the department's approval must be obtained prior to the acceptance of the tender.

The accepted tender should be one that is economically most advantageous to the academy.

All parties should then be informed of the decision and permit a minimum standstill period of at least 10 days during which the academy does not. The unsuccessful bidders should be provided with a notice comprising the following information:

- criteria for the award
- reason for decision (including characteristics and relative advantages of the successful tender)
- scores of recipient and successful tender
- name of successful tenderer
- date that standstill period will end

3.12 Contract Award

The successful tenderer must sign a formal contract prior to the delivery of goods/commencement of the service.

Following contract award the academy must publish a contract award notice to the FTS and draw up a written report on the procurement process.

More information is available at the following website:

<https://www.gov.uk/guidance/buying-for-schools>