



## **PROCUREMENT POLICY**

**JANUARY 2022**

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## Statement of Intent

The Aspire Schools Trust (AST) aims to achieve value for money on all its tendering and procurement. With that in mind, this policy has been created to establish procedures to ensure all members of staff across the trust, who are involved in tenders and procurement, are aware of the standards that they are expected to follow. Preferred suppliers will be used, wherever possible, if the AST has had previous positive interactions with these suppliers. During the tendering and procurement processes, the following four key objectives will always be kept in mind:

- **Achieving value for money:** Including the cost of goods and services, the quality of goods or services and administrative costs
- **Ensuring fairness:** Ensuring that all parties are treated in a fair and equitable manner
- **Establishing accountability:** The AST Board is ultimately responsible for its expenditure and the conduct of its staff
- **Allowing probity:** There is no private gain from the AST's financial affairs

Signed by:

_____	CEO	Date: _____
_____	Chair of trustees	Date: _____

## **1. Introduction**

1.1 This document sets out the core guidelines by which Aspire Schools Trust (AST or the Trust) spends money, and explains the Trust's approach to the purchase of goods, works and services for its schools.

1.2 It is important to note that the Trust is the sole legal entity which can enter into contracts for itself and any of its schools. The schools themselves are not separate legal entities and any contracts awarded by individual schools will not be binding on the Trust. All spend is recorded by the Trust to comply with DfE audit requirements as set out in this document.

1.3 It is essential that the correct level of authority is sought and obtained before entering in to any contract, as set out in this document. These guidelines apply to all Trust personnel involved in procurement and should be applied in accordance with the current Scheme of Delegation. Non-compliance with this document may lead to disciplinary procedures.

## **2. Scope & Responsibilities**

2.1 This document applies to any contract for services, supplies or works which results in a payment being made by the Trust or one of its schools. It is, therefore, important that all Trust personnel involved in procurement are aware of and abide by this policy, in accordance with the Trust's Scheme of Delegation.

2.2 Some types of arrangements fall outside of these procurement rules, such as employment contracts and some types of Special Education Needs provision. These should be checked with the Chief Financial Officer or Accounting Officer in each case.

2.3 The following responsibilities apply in relation to this policy:

- Board of Trustees – responsible for ensuring value for money and that the Trust is, and remains financially viable;
- Chief Executive Officer / Accounting Officer – responsible for ensuring value for money and policy compliance Trust-wide;
- Chief Financial Officer / Central Business Team – responsible for supporting policy compliance within the Trust schools;
- Headteachers – responsibility for ensuring policy compliance within their schools;
- All staff – responsible for ensuring compliance within areas of individual scope and delegated decision-making authority.

## **3. Legislation & Regulations**

3.1 The following legislation and regulations apply to this policy:

- The Department for Education Academies Financial Handbook
- The Department for Education's Buying for School's Guidance
- The Public Contracts Regulations 2015, hereafter referred to as "The regulations"
- Aspire Schools Trusts' Master Funding Agreement with the Department for Education

## **4. Basic Principles of Procurement**

4.1 The basic principle is that procurement should deliver value for money for the Trust, at all times.

4.2. This procurement process should be considered before any purchase is made. There are specific rules in the Academies Financial Handbook in relation to some types of leasing arrangements and

novel/contentious transactions which require Secretary of State consent. Leases of Land are outside of the scope of this document and you should seek guidance from the Chief Financial Officer (CFO) or Accounting Officer (AO) regarding this.

4.3 All bidders in a competition ("Bidders") should be treated in a way which ensures equality of treatment, non-discrimination and transparency, for example:

- all Bidders must be given the same information at the same time, and no Bidder should be treated more favourably than another; and
- there must be clear and transparent timescales, requirements, specifications and deadlines to comply with any competition.

## **5. Budget Expenditure & Tender Approval**

5.1 Although budgets are delegated to individual Trust schools, not all employees of the Trust can buy for the Trust or approve tenders. The details of the individuals, and the maximum value of the contracts they are authorised to enter into on behalf of the Trust, are set out in the AST Financial Regulations Policy. This list is updated as necessary by the Accounting Officer & Chief Financial Officer.

5.2 For contracts with a duration of more than one year, and for all High Value and Upper Threshold Contracts (as set out below), prior approval must be sought from the Chief Financial Officer or Accounting Officer and, where required, from the AST Finance & Audit Committee.

## **6. Exemptions from this Policy**

6.1 This Policy must be followed in all but exceptional circumstances.

6.2. A Single Source Justification Request (SSJR) can be submitted if an exemption is required, eg for a niche product/service or where the purchase is time critical. This needs to be approved in line with the AST Scheme of Delegation.

6.3. Any exemptions should only be relied upon with express written consent from the appropriate delegated authority. Individuals should check with the Chief Financial Officer or Accounting Officer if they are unsure about any procurement, before placing any orders or signing any contracts.

6.4. Purchase Orders are generally required in all instances. A list of approved exemptions is included in the AST Finance Manual. If individuals are unsure or believe it's not practical to raise a Purchase Order, they should discuss this with the Finance Administrator. Failure to request a Purchase Order will be deemed a breach of process and may be treated as a disciplinary matter or deemed as a personal liability.

6.5. AST has negotiated a partnership with ESPO & YPO therefore any purchases from these are deemed as compliant with no need for three quotes, unless purchase is over £40k.

## **7. Actions before purchase**

7.1 Individuals should consider how the purchase is going to be sourced and whether the Trust can use an existing framework agreement (see section 8 below), or can meet the requirement from within the Trust, via another school.

7.2 As set out below, wherever possible and if suitable, existing framework agreements (particularly for Upper Threshold Contracts) should be used, in preference to a new procurement exercise.

7.3 As a minimum requirement, individuals must clearly set out what they want to buy. This means knowing in advance which goods are required, what works or services are involved, together with the quantity, maximum cost and delivery / completion requirements.

7.4 Whenever practical for spend over £1,000, individuals are required to check with the Central Business Team whether any other schools or departments in the Trust need to make the same purchase, in order to drive economies in purchasing and ensure the cumulative goods/service value is treated in accordance with the relevant applicable Thresholds in this guidance.

## 8. Using existing framework arrangements

8.1 Wherever possible and in accordance with the Academies Financial Handbook and DfE policy, the Trust should avoid running its own procurement processes, and instead use an existing framework arrangement.

8.2 The Trust may also set up its own framework agreements which can be used by all schools. Details of such frameworks will be shared with the Trust schools, as necessary.

8.3 Once a specification has been developed, individuals can check with the following organisations to see if there is an existing contract / framework agreement for the goods or service required:

- Crown Commercial Service (CCS)
- The Crescent Purchasing Consortium (CPC)
- ESPO & YPO (Catalogue items have been through a full OJEU tender and are compliant)
- Local authority frameworks
- DfE-approved frameworks, found at: <https://www.gov.uk/guidance/find-a-dfe-approved-framework-for-your-school>

There may be a requirement to register with some of these organisations, but this should be a relatively simple process – the Central Business team can support with this if necessary.

8.4 Once a framework has been selected, the framework’s process guidelines should be carefully read. This is important, in order to ensure:

- (a) the specification and the contract terms are suitable for the Trust/school’s particular needs. (NB -The terms and conditions from frameworks are generally set in advance and cannot be changed beyond the mechanism set out in the framework); and
- (b) that the Trust is able to follow the framework’s guidance, particularly regarding how orders should be placed. This will either generally permit direct awards of contracts to a supplier and/or facilitate mini competitions between all suppliers with capacity to deliver the requirements of the framework.

## 9. Extending or varying existing contracts

9.1 Where a Trust school is considering extending an existing contract or using an existing Trust contract for its procurement, it must contact the Accounting Officer or Chief Financial Officer to agree to any such extension or variation.

## 10. Making a purchase (executing the procurement)

10.1 Different rules apply depending on the value of the purchase. The Trust’s current spend thresholds are set out below:

Value of spend	Which rules apply	Process Required
Less than £2,500	Low Value (see section 14.1)	Best Value for Money
£2,500 to £20,000 (goods, services & works)	Low Value (see section 14.1)	Three written quotes

£20,001 to £50,000 (goods, services & works)	Medium Value (see section 14.2)	Business Case Three written quotes
Over £50,000 (goods, services & works) & up to FTS threshold	High Value (see section 14.3)	Business Case Formal tender process UK
Over FTS threshold	Upper Threshold (see section 14.4)	FTS tender process

10.2 If the contract is of a value which exceeds the Upper Threshold, the Regulations will apply and Trust personnel must follow the procedure set out in section 14.4 of this document

10.3 Final sign off of any spend must be in line with AST Procurement Thresholds/Scheme of Delegation.

## 11. Valuing a contract

11.1 It is important that contracts are properly assessed for value. In particular, Trust personnel must not deliberately divide one contract into smaller contracts with the effect of avoiding the procurement rules.

11.2 The contract value is based on the total or cumulative value of the expenditure, against the aforementioned procurement value thresholds (see section 10.1). All school needs across the Trust should be combined into one procurement contract/purchase order if they are the same or similar.

11.3 If the exact spend over the life of the contract is not known, Trust personnel must take an average annual spend and multiply this by the estimated duration of the contract, eg. if a service contract is for four years or more, the value is estimated by multiplying the amount the Trust expects to pay each month by 48. Trust personnel must check with the Central Business Team if they are unsure about how to calculate a contract's value.

11.4 The estimated duration of the contract must include any extensions or options to renew.

## 12. Procurement cards

12.1 Trust procurement cards should only be used by authorised personnel for low value, one off purchases where other payment methods are not possible.

12.2 The nominal maximum spend for any one item on a Trust procurement card without prior approval is £1,000 and full receipts must be submitted in respect of any procurement card purchase. Any exceptions require approval by the Accounting Officer or Chief Financial Officer and justification must be provided, eg. where the supplier involved only accepts procurement cards for payment. Please refer to the Procurement Card Policy for further information.

## 13. Sustainability

13.1 The Trust is committed to considering sustainability in its procurement and wherever possible, includes relevant sustainability criteria in its contracts.

## 14. Procurement Thresholds

### 14.1 Low Value transactions less than £2,500

14.1.1 For all transactions of a similar type with a total value of less than £2,500 exclusive of VAT, competitive quotes are not needed. Schools should follow this procurement policy, whilst also complying with their own budget delegations and ensuring segregation of duties.

14.1.2 Spends below £1,000 should use the best value for money approach. In particular, evidence to demonstrate value for money (eg. in the form of receipts) must be obtained from the suppliers. Where a purchase order is required, approval should be sought before making the purchase.

**14.1.3 Low Value transactions (£2,501 to £20,000 for goods, services and works)**

14.1.4 For transactions between £2,501 and £20,000 for goods, services and Works, Trust personnel should obtain at least three written quotes.

**14.2 Medium Value transactions (£2,501 to £20,000 for goods, services and works)**

14.2.1 For Medium Value Transactions, Trust personnel must produce a short business case prior to procurement. This should include: requirements/specification/scope of works; benefits to school; and 3 written quotes – including recommendation regarding preferred supplier.

14.2.2 This business case will be considered by the Accounting Officer and/or Chief Financial Officer.

**14.3 High Value transactions (for goods, services and works over £50,000 up to UK FTS threshold)**

*All High Value Transaction Tenders will be managed with assistance from the Central Business Team and the following process is for reference only.*

14.3.1 Prior to undertaking any High Value transaction, Trust personnel must produce a business case for the spend. The business case will be considered by the Accounting Officer and/or Chief Financial Officer in the first instance and must include as minimum:

- A clearly identified need for the spend;
- How the Trust can achieve best value for money relating to the spend;
- Benefits to the school/Trust (both financial and non-financial);
- A full outline or specification of the requirement;
- Market Testing; and
- Procurement Strategy - please seek advice or consult with Central Business Team.

14.3.2 An advertisement must be placed, seeking expressions of interest from interested Bidders. The decision about where to advertise must be taken on a case-by-case basis and should be proportionate and reasonable. Such advertising could include, for example, the Trust's or school's website or any E-tendering platform being used by the Trust. Relevant trade journals and newspapers may also be considered.

14.3.3 Bidders must be allowed suitable time to respond to the advertisement. Response timescales should be clearly set out, together with any submission requirements.

14.3.4 Bidders requesting more information must be sent a tender pack. This should contain the information about the school or Trust's requirement and needs, together with the information required from bidders. This will need to be bespoke to each tender project but could generally include:

- details of pricing;
- details of method statements;
- details of product characteristics;
- the evaluation criteria which will be used to evaluate the tenders received, including disclosure of the criteria, sub criteria and weightings that will be applied to select the best Bidder(s). This is a complex area and Trust personnel must check with Central Business Team for assistance with this; and
- a draft set of terms and conditions.

14.3.5 The Chief Financial Officer will prepare a Tender Evaluation Report for the Trust's Finance, Audit & Risk Committee to review; and will relay information / implement the Committee's instructions regarding this.



#### **14.4 Upper Threshold transactions (for goods, services and works over the UK Find a Tender Service (FTS) Threshold)**

*When a public sector body within the United Kingdom wants to buy any goods, works or services over a certain value (the “threshold”), it must advertise this in the on the UK Find a Tender Service (FTS) portal: <https://www.gov.uk/find-tender>*

*All Upper Thresholds Tenders will be managed by the AST Central Business Team and the following process is for reference only.*

14.4.1 Prior to undertaking any Upper Threshold transaction, individuals must produce a business case for the expenditure, including the information outlined in 14.3.1. The Accounting Officer and/or Chief Financial Officer will discuss this with the Finance, Audit & Risk Committee who will review the business case and make a recommendation to the Trust Board regarding this.

14.4.2 This document does not set out the detailed process in the Regulations which **must be followed whenever the total value of the contract exceeds the Upper Threshold.**

#### **15. Capital Works**

15.1. Capital works are not exempt from any of the above procurement thresholds prescribed in 14.0 above.

15.2. All capital projects will have an assigned project manager from the outset who will work collaboratively with the Premises Administrator and Chief Financial Officer.

#### **16. Rules on opening tenders**

16.1 Every quotation for a Low Value, Medium Value, High Value or Upper Threshold procurement may be: provided in hard copy, on a USB stick or via email; and

16.2 in the case of hard copies and USB sticks, these must bear no external markings to identify the tenderer.

16.3 The Trust or school must keep tenders secure until the time specified for all tenders to be opened. Email tenders must be stored in a secure folder.

#### **17. Audit Trail**

17.1 This section applies to all contracts, regardless of value or duration.

17.2 A clear audit trail must be kept for all purchases. The level of detail required will increase with the value of the procurement. The written record must include:

- who was responsible for making the decision to procure, and details of their decision making process;
- who was responsible for evaluation of tenders, and details of the evaluation, if applicable;
- details of the purchase itself, for example, what was purchased, from whom and for what price (eg. copy of Purchase Order)

17.3 In each case, the written record must include copies of all original documentation used during the procurement such as tender packs, quotes, contracts and invoices. This information should be stored securely with the Central Business Team, for audit purposes.

#### **18. Dealing with Conflicts of Interest**

18.1 This section applies to all contracts, regardless of value or duration.

18.2 The Academies Financial Handbook puts strict obligations on the Trust to ensure that conflicts of interest in procurement are managed.

18.3 Any interest which may affect the outcome of a procurement process must be declared immediately to the Chief Financial Officer or Accounting Officer.

18.4 All Trust personnel involved in procurement must complete the register of business interests and keep this updated at least once per year.

18.5 There are rules in the Academies Financial Handbook in relation to payments to individuals/organisations which are "connected" to a member or trustee. These are known as 'Related Party Transactions' and these must be reported to the Chief Financial Officer or Accounting Officer prior to any engagement with such suppliers.

18.6 A record of all such declared conflicts of interest / Related Party Transactions must be sent to the Chief Financial Officer and Accounting Officer, who will determine what if any action can be taken to seek to remedy any such conflict of interest.

18.7 No gifts or hospitality should be accepted by any service provider as an inducement to award a contract to that supplier. This may be an offence under the provisions of the Bribery Act 2010. This includes free IT equipment. Trust personnel should immediately inform the Chief Financial Officer or Accounting Officer if they become aware of any such gifts or hospitality.

## **19. Further information**

19.1 The Chief Financial Officer or Central Business Team will be able to provide further support and advice on this policy. Trust personnel are advised to seek clarification as needed.

## **20. Monitoring & Compliance**

20.1. The Chief Financial Officer and Accounting Officer must be notified of all high value transaction procurements planned - prior to commitment.

20.2. The Finance Audit & Risk Committee will receive an annual report on high value transaction procurements and contract awards across the Trust for full oversight.

20.3. Non-compliance with this document may lead to disciplinary procedures, this will depend on the nature of the breach; but may include verbal or written warnings. HR guidance supersedes this policy in respect of dealing with breaches of this policy.

## **21. Policy Review**

21.1. This policy will be reviewed by the Finance Audit & Risk Committee every year.