

Procurement Policy



Review Date

November 2023

Ratified

January 2024

Next Review Date

November 2026

Responsible Directorate

Operations

Our Trust

*These four critical questions make it clear who we are and what we do.
We ask ourselves these questions to guide our work and our improvement.*

Why do we exist?

To **transform life chances** by achieving the highest possible standards and preparing all our students to lead successful lives.

How do we behave?

- **Hard work**
We are determined to see things through to the end and are resilient when faced with challenges.
- **Integrity**
We do the right thing because it is the right thing to do.
- **Teamwork**
We work together to help everyone succeed.

What do we do?

- We educate, safeguard and champion all our learners.
- We set high standards for ourselves and our learners.
- We build the powerful knowledge and cultural capital which stimulate social mobility and lifelong learning.

How will we succeed?

1. Aligned autonomy
2. Keeping it simple
3. Talent development

Contents

1	Introduction	4
2	Purchasing Processes, Thresholds and Payment Procedures	4
3	UK Procurement Regulations	6
4	Routine Purchasing	7
5	Charge Card Purchasing	8
6	Lease Agreements	9
7	Tendering Procedures	10
	Appendix 1- ATT Best Value Form	11

1 | Introduction

- 1.1 The purpose of this Policy is to ensure that all procurement activities undertaken by the Trust are conducted sustainably, ethically, and compliant with the relevant procurement regulations and legislation. It is essential that these systems operate properly to meet the requirements of our funding agreement with the ESFA.
- 1.2 This policy sets how the Trust conducts its procurement, the internal thresholds and how appropriate regulations and legislation are complied with.
- 1.3 All members involved in purchasing on behalf of the Trust or its academies must comply with this policy.
- 1.4 The Trust Board confirms that failure to observe these conditions is considered a serious matter and might involve disciplinary procedures being taken against the individual(s) concerned.

2 | Purchasing Processes, Thresholds and Payment Procedures

- 2.1 The Trust endeavours to achieve best value for money from all purchases. This means the Trust would look to source goods/services in the correct quality, quantity and time at the best price possible. A large proportion of purchases are paid for with public funds and we therefore need to maintain the integrity of these funds by following the general principles of:
 - **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust.
 - **Accountability**, the Trust is publicly accountable for its expenditure and the conduct of its affairs.
 - **Fairness**, that all those dealt with by the Trust are dealt with on a fair and equitable basis.
- 2.2 All orders for goods and services must be progressed in line with the Scheme of Financial Delegation.
- 2.3 Orders which pertain to the continuation of software support or the renewal of subscriptions or licenses are excluded from the requirement to obtain two/three quotations or a tender process, apart from where procurement legislation requires this.
- 2.4 In the case of exceptional circumstances, certain orders may fall under one of the headings below:

- The product or service is only available from one source.
- A delay would have a serious impact on the efficiency/ continuity of results of the Trust.
- The order is for repairs or improvement to a product or system, given to the original supplier or consultant to maintain performance/ compliance.
- To comply with a statutory requirement.
- To provide continuity of duty of care or safeguarding.
- Examination fees.

2.5 Waiver requests should be documented on the best value form with the rationale as to why a waiver is required in the comments box. The waiver sign off limits hierarchy is as follows:

- Up to £100,000 by the Deputy CEO (Finance & Operations) or Director of Finance
- Between £100,000-£200,000 by the CEO
- £200,000 or more by the Chair of the Trust Board.

2.6 Where such cases arise, finance will log all such transactions with explanations for why and this will be shared with the Trust Board.

2.7 Copy of quotes must be attached to the purchase order requisitions. This is mandatory as quotes need to be retained for audit purposes. In all instances if the product or service is available from an approved purchasing consortium (e.g. CCS, ESPO), and the consortia rules are adhered to, then the need to obtain three competitive quotes or a tender are not required.

2.8 Where a product or service has been purchased and is an annual purchase, which has followed the process outlined above then the contract, may be renewed without going through the quotation and tender process again. The combined number of renewals should not exceed five years. It is the responsibility of the Director of ICT (as the Trust's procurement lead) to maintain a list of approved purchasing consortiums as well as the Trust's approved supplier list.

2.9 The Best Value Form needs to be completed for all purchases over £10,000 relating to capital expenditure, and for revenue expenditure where compliance with the Scheme of Financial Delegation has not been possible (e.g. if only one quote has been obtained when a minimum of two are required). This form must be attached to an order requisition, along with the quote(s) and retained by the Finance team. No orders will be processed unless this form is completed (Appendix A).

2.10 Prior approval from the Deputy CEO (Finance & Operations) or Director of Finance should be obtained for all expenditure above the pre-determined budget for capital projects, irrespective of whether written quotes have been obtained.

2.11 The Deputy CEO (Finance & Operations) or Director of Finance is responsible for formally approving where a quote other than the lowest is selected. The emphasis of the Trust is that value for money is not necessarily the cheapest option but is a trade-off between cost and quality.

2.12 In line with the Trust's Anti-Bribery Policy, Staff should be aware that all dealings with third parties are subject to the provisions of the "Bribery Act 2010". To minimise the risk to both the Trust and individuals all dealings with third parties must be in accordance with the Trust's "Anti-Bribery Policy". An act of bribery is committed where (a) a person accepts a financial or other advantage; (b) a person offers, promises, or gives financial or other advantage to another

person, and (c) the advantage is to induce another person to perform improperly a relevant function or activity, or to reward another person for improper performance of a function or activity. It does not matter whether the person to whom the advantage is offered is the same person who performs the function.

- 2.13 Where the Trust establishes a framework or call-off contract with a single supplier, or several suppliers, obtaining three quotes where work needs to be commissioned through the framework or call-off contract will not be required (best value will be tested at the procurement stage when companies tender to either join the framework or call-off contract). The only exception to this may be where a framework established by the Trust contains two or more suppliers, at which point a mini-competition/tender exercise should be conducted for services/works exceeding £10,000 in order to demonstrate and achieve best value.
- 2.14 Where the Trust conducts a tender process for expenditure over £40,000, all suppliers selected will undergo a robust supplier selection process. Where a public sector framework is used – through an organisation like CCS or ESPO – all vetting of the suppliers is conducted by the procurement consortium prior to utilising the framework. For all procurement under £40,000 conducted by staff across the Trust, the responsibility of supplier selection resides with the requisitioner and the authorising budget holder.
- 2.15 For any new suppliers, a new supplier form will be sent to them to obtain relevant details about them, and basic due diligence will be conducted. If a contractor or consultant is being engaged, then an assessment of their employment status must be made before a contract is agreed.
- 2.16 Any agreement or contract with a supplier for the provision of goods, services or works that requires a signature on behalf of the Trust should only be signed by Trust Principals (if it relates solely to individual Academies), the Director of ICT (who also fulfils the role as the Trust’s procurement lead), the Deputy CEO (Finance & Operations), Director of Finance or CEO. If a signature is required from a Trust Director (trustee), then the signatory should be the Chair of the Trust.
- 2.17 The Trust is committed to procuring goods, services or works that meet the sustainable procurement objectives and promote value for money. This includes supporting environmental/sustainable obligations and to reduce inequality and ensure fair working practices. Suppliers who wish to contract with the Trust must demonstrate performance in the areas identified and any other areas the Trust see of interest.

3 | UK Procurement Regulations

- 3.1 From 1 January 2021, EU procurement regulations ceased to apply to the United Kingdom, and therefore we no longer follow rules outlined for OJEU tenders. Eligible tenders are now published through the government’s Find a Tender Service (FTS). In terms of public procurement, the UK is now a member of the World Trade Organisation’s (WTO) Government Procurement Agreement (GPA). This allows for the UK to have equal rights to bid on public

sector contracts that are proposed by EU members and/or those in agreement with the GPA, and vice versa.

- 3.2 With effect from 1 January 2022 (inclusive of VAT) the UK Procurement thresholds for Community Procurement Exercises are as below:
- Service and Supplies Contracts (central government authorities) = £138,760
 - Service and Supply Contracts (other public sector authorities) = £213,477
 - Works Contracts = £5,336,937
- 3.3 The new thresholds are now expressed inclusive of VAT, not net of VAT, reflecting a change in practice resulting from the UK's independent membership of the WTO Government Procurement Agreement (GPA). This change means that the thresholds have, in effect been reduced compared to the previous thresholds under EU regulations.
- 3.4 Services procured under the new light touch regime have a threshold value of £663,540. The new thresholds apply to procurements conducted under the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016, the utilities Contracts Regulations 2016, and the Defence and Security Public Contracts Regulations 2011.
- 3.5 The stated thresholds apply for the duration of the contract and do not apply for a single financial year.
- 3.6 It is the responsibility of budget holders to identify any purchases likely to exceed the thresholds noted above. This will need to be done well in advance in order to meet the legal requirements. If they are unsure then budget holders should contact the Director of ICT in the first instance.
- 3.7 All procurement should be consistent with government guidance as set out through the UK Government guidance for [Buying Procedures and Procurement Law for Schools](#) and [Buying High Value Things Under the EU Procurement Threshold](#).

4 | Routine Purchasing

- 4.1 Unless advised otherwise by the Trust Board, CEO or Deputy CEO (Finance & Operations) all purchases will be handled through either Finance Administrators or the central finance team on behalf of Academies and the Trust.
- 4.2 Budget holders will be responsible for requesting the purchase of items or services from their own budgets, through authorisation of purchase order requisitions.
- 4.3 On receipt of a requisition, finance staff will input it into the financial accounting system. Where sufficient budgeted funds are identified, an official sequentially numbered Purchase Order (PO) will be raised to send/transmit to the supplier/contractor. Requisitions (and associated documentation) will be retained with the PO Form.
- 4.4 Orders are to be authorised by the relevant person in accordance with the Scheme of Financial Delegation. Records of orders will be kept online.

- 4.5 Any urgent order that is placed verbally should be entered onto the financial accounting system as soon as possible so that a purchase order can be set up to register the financial commitment.
- 4.6 Orders over £10,000 should have a completed and authorised Best Value Form attached along with copies of the quotes. If this is not attached, the order should not be processed.
- 4.7 All invoices should be sent to the Purchase Ledger Team to its shared mailbox (PLT@attrust.org.uk). These will then be checked against the original order for accuracy (and delivery notes where appropriate) and entered promptly on the Academy's financial accounting system.
- 4.8 In the absence of a stated settlement term, the Trust will apply a 30 day payment term from invoice date. Early settlement of invoices is made where this is to the Trust's advantage. Invoices are not paid early as a matter of course.
- 4.9 Invoices will be cleared for payment when confirmation of goods/services being received is issued to the Purchase Ledger Team. Invoices will be paid via BACS- the Trust normally operates a weekly payment run on Wednesdays, but in exceptional circumstances, invoices may be paid via the same day Faster Payment route.
- 4.10 Finance will ensure that all prime records are retained for six financial years plus the current year and are stored in a secure and logical manner including goods received notes and purchase orders.
- 4.11 If discounts from the supplier are available for prompt payment/early settlement, then payments can be made immediately, having considered any loss of interest that might arise. If not, payments will be issued in accordance with the trading terms of the individual contractor or supplier. Due regard must be taken of the 'Late Payment of Commercial Debts Regulations 2002'.
- 4.12 Under no circumstances are payments to be made against supplier statements or goods received note.
- 4.13 Orders and purchases requiring competitive quotes per the Scheme of Financial Delegation require documentary evidence of the various quotations to be obtained and attached to the purchase order and appropriately authorised. Where a quotation other than the lowest is accepted, the reasons (in line with the Trust's Best Value Form) for its acceptance must be documented.
- 4.14 The Trust Financial Controller will be responsible for ensuring VAT recovery processes are applied in a timely and accurate manner.

5 | Charge Card Purchasing

- 5.1 At all times, the same rigour of internal control must be placed on purchasing with Lloyds Bank charge cards as is normally applied to standard procurement with regard to separation of duties, authorisation controls and independent management checking.
- 5.2 Rules and procedures for usage of charge cards are set out in the Charge Card Policy, but as an overriding principle, purchasing with the charge card should only be made when it is not possible or more difficult to make purchases in the conventional manner.

6 | Lease Agreements

- 6.1 The Trust or Academy may only take out operating leases. An operating lease means entering into an agreement to rent equipment whereas a finance lease is equivalent to committing the Academy to a loan, for which permission from the Secretary of State is required.
- 6.2 The Trust will consider the following when taking out / renewing lease agreements:
- Independent procurement advice on leases, i.e. DfE advice in the Academies Procurement Resource – [Buying for Schools](#).
 - Schemes that include ‘cash back’ or ‘free’ or subsidised equipment / goods should be avoided
 - Leasing agreements will only be made where the financial arrangements are such that they benefit the Trust and the Board and/or Finance and Resources Committee meeting has given approval.
 - The full cost of the lease must be approved in line with the Scheme of Financial Delegation.
 - Once approval has been given, lease agreements should be signed by the Deputy CEO (Finance & Operations).
 - Any lease agreements entered into will typically relate to either ICT or estates and, as such, the respective Directors will be responsible for keeping active agreements under regular review.
- 6.3 Any lease entered into must meet the following criteria:
- Ownership of the asset must remain with the leasing company and there must be no option for the Trust or Academy to purchase the asset at any time.
 - Any extension of the lease must be at open market values.
 - The Academy will not benefit from any sale proceeds of the asset.
 - The termination value of the lease is equal to or exceeds 10% of the value of the asset.

7 | Tendering Procedures

- 7.1 Any Academy/central team considering going to tender for works or services must consult with the Director of ICT before starting the tendering process. The Director of ICT will advise on the most appropriate form of tender. The Director of ICT will also ensure that if other Academies within the Trust are considering a related tender, then the most appropriate means of achieving best value will be followed. Full consideration should be given to the objective of the project, overall requirements, technical skills required, after sales service requirements and 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.
- 7.2 The evaluation process should involve at least three people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest, then that person must withdraw from the tendering process.
- 7.3 Those involved in making a decision must fully comply with the Anti-Bribery and Anti-Fraud policies.
- 7.4 Full records should be kept of all criteria used for evaluation, and a report should be prepared for the Trust Board (or relevant committee) if approval of a tender process needs to be made by Trustees in line with the Scheme of Financial Delegation.
- 7.5 Where required by the conditions attached to a specific grant from the DfE/ESFA (or any other funding body), their approval must be obtained before the acceptance of a tender.
- 7.6 A copy of the tender documentation should be held electronically for easy reference as required.
- 7.7 Acceptance of any tender will be confirmed to the contractor in writing and no works or services should commence until this has been done.
- 7.8 Any contracts awarded will include a paragraph to the effect that any contractor will be prohibited from transferring or assigning, directly or indirectly, any portion of the contract to any other person or contractor, without the written permission of the Trust Executive Leadership Team.
- 7.9 Throughout the tender evaluation process, as well as the period between the tender going live and submission of bids, absolutely no form of favouritism should be exercised for any suppliers; they should all receive the same information, access and opportunities (e.g., one bidder should not receive the opportunity to reduce their bid price whilst other bidders are not provided with the same opportunity). Any instances of staff not complying with this will be subject to investigation.

Appendix 1- Academy Transformation Trust Best Value Form



This form is required where orders are over £10,000

Project/Goods/Service	
Contract duration and start date	
Academy/Department	

Quotations Received From:

1		Price	£
2		Price	£
3		Price	£

Final Approved Cost	£
---------------------	---

Best Value Review:

Please clarify below the rationale used when placing this order if the lowest price has not been selected, and/or if a sufficient number of quotes have not been obtained in line with the Scheme of Financial Delegation.

All quotes must be attached when submitting this document. All quotes must be valid and for the same specification. Any quotes that do not contain the specification, or a sufficient description, will be rejected.

	Academy	Finance/CEO/Chair	Procurement
Signed			
Name			
Role			
Date			

Please note that purchase orders will **NOT** be processed unless completed form is attached to the input document.