



PROCUREMENT POLICY

Approved by the Trust Board	December 2019 26 November 2020
Review Date	October 2020 November 2022

Purchasing

The Trust wants to achieve the best value for money from all our purchases. This means it wants to get what it needs in the correct quality, quantity and time at the best price possible ensuring:

- probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust; to this end, goods or services (other than those provided under contract of employment) must not be procured from individuals or organisations connected to a member, director or senior leader of the Trust or its academies (the definition of “connected” can be found in the Academies Financial Handbook, Section 3.2.2)
- 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.

Delegated Limits

Budget Holder	Budget Held	Authorisation Level
Budget Holders: Assigned Budget Holders	Departmental Budget	£1000.00
Senior Management Team: Office Manager		£1,000.00
Bursar/Business Manager	All	£1,500.00
Headteacher/Principal	All	£5,000.00
Trustee Board: COO/CFO	All	£50,000.00
CEO	All	£50,000.00
MAT Resources Committee	All	£250,000.00
MAT Board of Trustees	All	No Limit

Leases and Rentals

Any lease agreement should be subject to consultation with the COO/CFO and external auditors.

There are two types of leases; operating and financing.

Finance leases: These are not permitted by the DfE as schools are not allowed to borrow. Schools are only permitted to enter into operating leases.

Operational Leases: At the end of an operating lease period, the goods are not owned by the school. The danger with operating leases is such that the terms and conditions can be quite onerous. It is therefore a requirement that schools advise the COO/CFO who will then arrange for the terms and conditions to be reviewed by the external auditors.

As with any leasing arrangement, schools should note the following general points:-

- (i) there must be funds available to meet the payments throughout the term of the agreement;
- (ii) the agreement may well require the school to carry additional insurance to cover the full replacement cost of the asset;
- (iii) the agreement may require the asset to be serviced by the supplier or a third party to a level higher (and thus higher cost) than that the school would choose for itself;
- (iv) the full cost of the payments over the term of the agreement may be considerable, even allowing for initial savings in cash-flow.

Lloyds Corporate Credit Card

Lloyds Corporate Credit Card facilitates the purchase of goods or services with payments being made immediately. When using a credit card there is no need for an official purchase order to arrange payment. Payment will be taken automatically by direct debit from the MAT's bank account. It is the responsibility of each Academy to input the transactions into the Accounting System. The above delegated limits apply.

Ordering

Official orders are to be raised for all work, goods and services other than:-

- (i) utility services (i.e. rent and rates, water, sewerage charges, electricity, telephone calls etc);
- (ii) TV licences, vehicle licences, other licences and subscriptions to professional associations etc. It is suggested, however, that an official order be issued for subscriptions to periodicals, including newspapers, on an annual or termly basis. This approach enables the spending commitment to be recorded and the copy order provides a means of checking the monthly, weekly or termly receipt of the publication and assists in checking the invoice (by recording the invoice details

on the copy order) so as to avoid over or duplicate payments. Similar considerations apply to regularly recurring food orders and services e.g. milk and window cleaning. It is suggested that a termly order is issued for these items; and

- (iii) purchases made by means of the Lloyds Corporate Credit Card

The COO/CFO may, from time to time, specify other items for which no order is required. Academies are asked to contact the COO/CFO if they wish to request an extension of this discretion.

No order should be raised which will take expenditure over the budget currently approved by the MAT Board of Trustees, allowing for both sums already paid and commitments entered into but not yet paid.

All orders must be prepared in the MAT's Accounting System. There are detailed guidance notes on how to enter a Purchase Order.

All orders issued from an Academy should be authorised as per the delegated authority below:

It is suggested that the authority to sign orders should be restricted to a very limited number of senior staff. A list of those members of staff authorised to sign orders should be retained by the COO/CFO for audit purposes.

All orders should be despatched via the school office who must:- (i) ensure that each order is completed correctly (i.e. all mandatory items are completed); (ii) retain a copy of each order for subsequent checking purposes (iii) enter the commitment in the school's financial system.

Order Limits

Purchase Orders may only be used for goods and services provided for the Trust. Private individuals and other organisations may not use official orders to obtain work, goods, materials and services net of VAT.

- **orders under £1,000** - can be ordered by budget holders, who will be responsible for ensuring that reasonable steps have been taken to achieve Best Value.
- **orders over £1,000 and under £1,500** – can be authorised by the Office Manager or Business Manager (as noted in the Delegated Limits above)
- **orders over £1,500 but less than £5,000** - can be authorised by the Headteacher.
- **orders over £5,000 but less than £50,000** - all goods/services must be subject to three written quotations and must be approved by the CEO/ COO/CFO if the following criteria apply:

- single order with a value over £5,000
- a series of contracts which in total exceed £15,000
- contracts which extend for more than 1 year which in total exceed £15,000,

Written details of quotations obtained should be prepared and retained with the purchase order for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made. If the budget holder decides to opt for a quote other than the lowest, the reasons for such a decision should be clearly documented and reported to the Finance Risk and Audit Committee.

There may be occasions where 3 quotes are not available due to the nature of the goods/service or may not be cost effective or efficient to procure from another supplier. In these instances the delegated authorisation limits will apply:

- Orders between £5,000 and £15,000 CEO and COO approval
- Orders between £15,000 and £50,000 Finance Risk and Audit Committee / Board Approved

In exceptional circumstances, the requirement for Board Approval on orders over £15,000 but below £50,000 may be waived; all such instances would need the approval of the Chair of Trustees, the Chair of the Finance Audit and Risk Committee, the CEO, and the COO/CFO. Such instances are expected to be very rare and may be due to extenuating operational reasons, ie. need to have a very prompt turn around in the supply of goods/services.

- **orders over £50,000** – will be subject to a tendering policy and approved by the MAT Finance Risk and Audit Committee and/ or the Board of Trustees.

It should be noted that all purchases for goods/services will be liable to EU procurement rules (currently £173,934 for goods and services). They require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is given in Annex 3d to the Academies Financial Handbook.

Preparation for Tender

Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- Timescale
- Impact upon the provision and standard of education
- After sales service requirements
- Quality
- Form of contract

It may be useful after all requirements have been established to rank requirements (eg. 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.

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. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders.

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.

Tendering Procedures

The evaluation process should involve at least two 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.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £50,000 a report should be prepared for the MAT Resources Committee highlighting the relevant issues and recommending a decision.



**Appendix 1 – Competitive Quotes Form
Schedule of Quotations**

Academy Name: _____

Goods or Services Purchasing: _____

What will the Goods or Services be used for:

Budget Provision _____

Supplier	Quote	Comments

Reasons for Accepting Quotation

Order No. _____ Authorised by _____