



PROCUREMENT POLICY

Document Detail

<u>Document Type:</u>	Finance Policy
<u>Document Name:</u>	Procurement Policy
<u>Version Number</u>	1.0
<u>Effective from:</u>	01 September 2021
<u>Owner:</u>	Chief Finance Officer / Chief Operations Officer
<u>Approved by</u>	Board of Trustees
<u>Next Review Date:</u>	01 September 2022
<u>Consultation:</u>	Accord MAT Board of Trustees

Approvals

Name	Position	Signature	Date
Alan Warboys	CEO	<i>A Warboys</i>	13 September 2021
John Leam	Chair of Trustees	<i>J Leam</i>	13 September 2021

Document History

Version	Date	Author	Note of Revisions
1	1 September 2021	CFO / COO	N/A
2			
3			

1. INTRODUCTION

Accord Multi Academy Trust (the Trust) is responsible for ensuring value for money is achieved across all our academies and within the Trust for the procurement of goods, services and works.

The Trust is responsible for ensuring public money is spent in a fair, equitable, transparent, and non-discriminatory way and in compliance with the Procurement Regulations, the Bribery Act, the Modern Slavery Act and The Academy Trust Handbook.

The Trust must always give consideration whether the purchase is a good use of public money.

The Trust will pay due consideration when entering into any agreements to ensure any terms entered into are not disadvantageous to the Trust.

All procurement activity carried out in the Trust will be compliant with legal requirements, including, the 2015 Public Contract Regulations, EU Procurement Legislation, the Trust Scheme of Delegation, The Academy Trust Handbook, the Trust Code of Conduct (including references to conflicts of interest) and any other requirements of the Department for Education (DfE) and Education & Skills Funding Agency (ESFA).

2. POLICY AIMS

This policy provides a framework whereby the Trust can achieve value for money from all its purchases and is held accountable for its expenditure and conduct. Budget holders will understand their responsibilities when authorising purchases and competitive procurement of goods and services will be sought where appropriate.

3. ROLES AND RESPONSIBILITIES

Board of Trustees

The Board of Trustees is responsible for determining and approving the content of this policy. The Board of Trustees are also responsible for approving the awarding of tenders following recommendations from the Trust central team.

Chief Executive Officer (CEO)

The CEO has the delegated responsibility for the operation of the Trust including the performance of the Trust's academies. The CEO is the Accounting Officer so has overall responsibility for the operation of the Trust's financial responsibilities. The CEO must ensure that the organisation is run with financial effectiveness, stability and probity; avoiding waste and securing value for money in line with the Academy Trust Handbook and the Funding Agreement.

Chief Finance Officer (CFO)

The CFO will provide specialist financial advice and support under the framework of this policy to the CEO, COO, academy leaders and the Board of Trustees.

Chief Operating Officer (COO)

The COO will provide support and guidance to central team colleagues, academy leaders and staff under the framework of this policy. The COO will support with the production of tender documentation and liaise with the CFO on the tendering and approval process.

Academy Leaders/Budget Holders

All academy leaders and budget holders are responsible for ensuring that they have read and understood this policy and work at all times within the principles and guidelines contained within it.

4. VALUE FOR MONEY

Value for money is not about achieving the lowest price, rather the optimum combination of whole life cost and quality.

To ensure value for money is achieved, staff must follow the procurement guidance within this policy and any other supporting procurement documentation, unless there is a stipulated exception (see section 16).

Unless the value is under the required threshold for obtaining multiple quotations, all procurement of goods, services and works must be undertaken in a competitive manner.

5. VALUING A CONTRACT

The Trust must ensure that contracts are valued properly and that the spend is not deliberately segregated to appear below procurement thresholds. The total value of the contract can be obtained by:

- calculating the annual spend;
- multiplying by the number of years of the contract;
- multiplying by the number of entities within the Trust that the contract will be awarded to.

If a contract is for a number of years with the option to extend at the end of that time, then the number of years of the contract is the maximum time it could run.

An example is a contract for 3 years with an option to extend for a further 2; the total number of years that needs to be considered in determining the value is 5 years. Contract extensions and variations will be carried out in line with Public Contracts Regulations unless an exception is assessed for risk and accepted.

Consideration will be given to centralising contracts which have common items, such as stationery, having reviewed each academy spend on these items. If the total contract value is above £25,000 the CFO will advise if a Trust wide or multi academy procurement process should be undertaken.

Where the contract value is £50,000 or more, the opportunity will be advertised on Contracts Finder and Find a Tender – see Section 10 below.

6. LEASES AND RENTALS

Any lease agreement must be subject to consultation with the CFO and/or COO and the Trust's external auditors.

There are two types of leases; operating and financing.

Finance leases: These are not permitted by the DfE as academies are not allowed to borrow. Academies 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 academy. The danger with operating leases is such that the terms and conditions can be quite onerous. It is therefore a requirement that academies advise the CFO and/or COO who will then arrange for the terms and conditions to be reviewed by the Trust’s external auditors.

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

- there must be funds available to meet the payments throughout the term of the agreement;
- the agreement may well require the academy to carry additional insurance to cover the full replacement cost of the asset;
- 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 academy would choose for itself;
- the full cost of the payments over the term of the agreement may be considerable, even allowing for initial savings in cash-flow.

7. LLOYDS CORPORATE CARDS

Lloyds Corporate Cards facilitate the purchase of goods or services with payments being made immediately. When using a card there is no need for an official purchase order to arrange payment. Payment will be taken automatically from the Trust’s bank account. Only authorised employees can use the corporate cards. The financial authorities limits below apply in all purchasing circumstances.

8. FINANCIAL AUTHORITIES

Delegation	Value	Delegated Authority
Ordering Goods and Services (raising requisitions) in line with Trust Purchasing Statement	Up to £5,000	2 signatories required: Budget Holder and either Trust Finance Manager or Academy Finance Lead (secondary academies only)
	£5,001 to £10,000	As above plus Principal As above plus Chief Finance Officer (central Trust orders only) - Minimum of Three written quotes/Preferred Supplier Status/Approved Framework Agreement
	£10,001 to £50,000	As above plus Chief Finance Officer
	£50,001 to £100,000	As above plus Chief Finance Officer - Formal Tendering Process required
	Over £100,000	As above plus Finance and Resources Committee. Formal Tendering Process including advertising in OJEU if over threshold
Operating Leases/Contracts	Any Value	Chief Finance Officer

Purchase or sale of freehold property	Any	ESFA approval required (notify the Chief Finance Officer in first instance)
Granting or take up of any leasehold or tenancy agreement (refer to operating leases over 1 year)	Any	ESFA approval required (notify the Trust Chief Finance Officer in first instance)

9. ORDERING

9.1 Orders / Contracts up to and including £5,000

At least one quotation is required for all purchases. These can be received by post, or electronically (including screenshots from websites). The purchaser must be confident that they have secured both quality and value for money and be able to demonstrate this to be the case if requested. The quotation (s) should be recorded and retained within the Finance Department and attached to a copy of the authorised Purchase Order. Contracts up to and including £5,000 will be awarded by means of a Purchase Order which includes the Trust's Terms and Conditions and which must be sent to the successful supplier.

9.2 Orders / Contracts £5,001 up to £50,000

A minimum of three quotations must be obtained for purchases of £5,001 up to and including £50,000. These can be received by post, or electronically (including screenshots from websites where appropriate). A purchasing form must be completed in all cases to explain the rationale for the selected quotation. The quotations and the purchasing form should be recorded and retained for audit purposes within the Finance Department and documentation must be attached to a copy of the authorised Purchase Order. Retention of unsuccessful quotes should be kept for 3 years and successful quotes for 6 years after the end of the contract or 12 years if signed by a deed.

The overall value of a contract must not be broken up into stages in order to avoid the procurement regulations or this policy applying.

9.3 Orders / Contracts greater than £50,000

A formal tender process is required for purchases greater than £50,000. The procurement process will be managed by the COO / CFO with a lead contact from the central team relative to the nature of the tender. Prior to the commencement of the procurement process, approval to go out to tender for services / goods will be sought from the Principal/Headteacher/CEO and if appropriate the Board of Trustees will be consulted.

The COO / CFO will require a written specification which will be provided to potential suppliers including the evaluation criteria to be applied. Where a tender process is completed this must be advertised on Contracts Finder, Find a Tender and a link to the Accord Procurement site where tender documentation is held should be made available. The received quotations or tenders will be evaluated against the agreed criteria. Following evaluation of all tenders a recommendation will be presented to the Finance & Resources Committee for approval, prior to an award being made. The subsequent award will be made by either an official purchase order, offer letter or formal form of contract, dependent on the required terms and conditions for the goods or services purchased.

9.4 Formal Tender Process

Tenders, or mini-competition / direct awards under a Framework, must be undertaken for all contracts above £50,000.

The key stages are summarised below:

- Pre-Tender planning;
- Developing a specification;
- Agreeing the evaluation criteria;
- Invitations to tender/quotations;
- Clarification period;
- Shortlisting (for above EU Thresholds only);
- Submission, receipt and opening of tenders;
- Evaluation and recommendation to Trustees for approval to award tender;
- Award of contract.

9.5 Contracts greater than £100,000

In accordance with the Scheme of Delegation, orders and contracts of £100,000 or more require Trust Board approval. In these cases, a business case must be submitted to the Trustees to be approved at key stages including financial commitment and procurement route. Decisions may be taken at a Trust Board meeting or via e-mail with approval from a quorate number of members, as appropriate to the circumstances.

9.6 OJEU Process

EU Procurement thresholds are updated every 2 years. The thresholds currently apply:

Supply & Service Contracts	£189,330
Works Contracts	£4,733,252
Light touch regime for health/social services £	£663,540

Any contracts valued above these thresholds must be managed by the COO / CFO who will work in collaboration with the relevant project manager. Goods, services or works can be purchased through a Framework that has already been to EU tender, or an EU tender can be run by the COO / CFO where the Official Journal of the European Union (OJEU) rules must be complied with. The Trust will comply with the 2015 Procurement Regulations and any OJEU rules as exist and which may vary from time to time.

10. Contracts Finder and Find a Tender

Although not a statutory requirement, all contracts above £50,000 will normally be published on Contracts Finder and Find a Tender. Published means new opportunities above £50,000 are placed on Contracts Finder and Find a Tender and further details added once a contract has been awarded. In accordance with the guidance on the new transparency requirements for publishing on Contracts Finder, the Trust has adopted a standing order that advertising on Contracts Finder is not required for contracts with a total value of less than £50,000 where there is no legal requirement to advertise.

11. Frameworks Public Sector

Buying Organisations (PSBO) such as ESPO, Crown Commercial Services (CCS), Yorkshire Purchasing Organisation (YPO) and Crescent Purchasing Consortium (CPC) have set up framework contracts where a number of suppliers have been pre-procured in accordance with the public sector rules to make it possible to purchase directly from these frameworks with no further competition being necessary.

Alternatively, framework contracts may also allow an opportunity to run a mini competition through the framework which can be quicker than a full tender process. This is where a number of pre-approved suppliers have been successful in gaining access to the framework who can then fulfil the contract with the contract being awarded to the tender that gives best value for money.

12. Fair Treatment of Suppliers

The Trust will comply with the key principles of the Procurement Legislation one of which being that all suppliers are treated fairly and equally in any competitive process, regardless of value. Suppliers will be provided with the same documentation and have access to specifications, plans, staff time and facilities upon request. Any clarification questions relating to tender documents raised by the supplier will be responded to and the answers will be provided to all prospective suppliers. Any request for price reduction or a best and final offer will be asked of all bidders. The evaluation criteria will be decided in advance and published with procurement competition documents to be available in full to suppliers to show they will be treated fairly when scoring the tender bids. During the evaluation stage, staff will ensure they note appropriate feedback which can be shared with the suppliers who request feedback at the end of the process when confirmation of the winning bid is sent.

13. Modern Slavery Act

The Trust is committed to ensuring that workers employed or engaged in its supply chains throughout the world are treated fairly, humanely and equitably and to this end we shall comply, and shall ensure as far as is reasonably possible that its sub-contractors comply, in relation to all workers employed or engaged by it directly or indirectly in connection with the supply of goods and the performance of the Services, with the Modern Slavery Act 2015.

In this respect, the Trust will ensure that as far as is reasonably possible, procurement is undertaken with suppliers who either are pre-approved by a purchasing consortium / framework or are appointed by means of a tender process.

Where procurement takes place within sectors where modern slavery offences could occur such as within our catering, cleaning, school uniform supply chains and building contractors we will work with these suppliers to ensure they are comply with the Modern Slavery Act. Where this cannot be verified by the supplier the Trust will seek alternative suppliers.

When one of our academies is selecting a new supplier, such as a school uniform supplier we will consider the supplier's ethical trading policies and review their code of conduct for suppliers as part of the tender and selection process.

Where new suppliers are required, the Trust undertakes due diligence and will include compliance with the Modern Slavery Act as a condition or criterion in tender documents.

14. Fixed Term Contracts

The CFO / COO will ensure that fixed term contracts of any value are registered on the central contracts and licences register, this will include open / call off contracts and rolling contracts. Any updates to fixed term contracts, regardless of value, should be sent to the CFO / COO to enable the contracts and licences register to be kept up to date. The contracts and licences register will be used to manage and monitor fixed term contracts and assist with sending reminders to ensure contracts do not auto renew without prior consideration and/or approval.

15. Supplier Management

Typically, suppliers will be managed at the level at which the goods or service were procured, i.e. Trust or academy based. Where the purchase reflects a Trust procured but academy-based service, for example cleaning and catering, control arrangements will be established at academy, Trust, and supplier level to ensure that adequate and effective management controls are in place.

16. Exceptions

On very rare occasions it may be necessary to procure without following this policy in full.

Potential reasons for an exceptional procurement are:

- in an emergency to resolve an issue that has a Health & Safety risk attached whereby a proper procurement process would heighten the risk;
- in an emergency to resolve a safeguarding issue whereby a proper procurement process would heighten the risk or where publishing the Contract Notice would result in a safeguarding issue;
- where it can be demonstrated that only a single supplier of the goods or services can be found;
- where no suitable suppliers have come forward through the tender process, it may be acceptable to negotiate a contract with a suitable alternative supplier;
- exceptions are not a substitute for times where procurement planning has not been undertaken and staff find themselves with insufficient time to complete a competitive process.

The following limits apply within this section:

- expenditure below £50,000 must have written consent (an email is sufficient) from the CFO attached to the Purchase Order;
- expenditure above £50,000 must have CFO approval having considered advice from the Trust's external auditors. The CFO will assess the risk and advise the Accounting Officer (CEO) for them to either authorise or reject the request.
- Expenditure exceeding £50,000 must also be signed off by the Board of Trustees.

Exceptions are not exempt from advertising the Contract Award on Contract's Finder and therefore careful consideration should be given to the necessity of this route especially as the Cabinet Office monitor this through the use of a mystery shopper.

Exceptions cannot normally be used if the EU Procurement Directive applies, except if acting upon legal advice.

17.Exclusions

This Procurement Policy does not apply to the following:

- contracts for the employment of individual employees;
- contracts relating solely to the disposal or acquisition of an interest in land;
- contracts relating to examination boards.

18.Non-Compliance

All instances of non-compliance with the Procurement Policy will be logged and submitted to the Finance & Resources Committee in an annual report. The CFO will conduct regular audits of Purchase Orders to ensure compliance is being upheld. The Trust will include procurement arrangements within the internal scrutiny programme. The CFO will identify trends such as retrospective Purchase Orders being raised regularly and will flag with the individual / academy offering support and solutions to improve matters. Retrospective Purchase Orders should only be raised when there is a requirement to commit to the expenditure outside of normal working hours during an emergency situation. A supplier or contractor must be asked not to submit an invoice for the works until a valid Purchase Order has been completed. Purchase Orders should not be raised upon receipt of an invoice.

19. Connected Parties

All members, Trustees, Governors and key staff must declare any pecuniary interests. Any changes to a declaration should be reported to the Trust's CFO / COO or HR Department without delay.

As required by the Academy trust Handbook, Trusts **must** obtain ESFA's prior approval, using the ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the Trust by a related party agreed on or after 1 April 2019 where any of the following limits arise:

- a contract or other agreement exceeds £20,000;
- a contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

20.Review

The Procurement Policy will be reviewed annually or updated at other intervals if a change to legislation is made.

21. Contact Information

Name	Email / Website:	Tel:
Accord & Primary Staff	finance@accordmat.org	01924 668935
Ossett Academy Staff	finance@ossett.accordmat.org	

Horbury Academy Staff	finance@horbury.accordmat.org	
Trust Central Team	enquiries@accordmat.org procurement@accordmat.org	01924 668936