

EQUITAS ACADEMIES TRUST



EQUITAS
— ACADEMIES TRUST —

PROCUREMENT POLICY

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Policy Lead: Chief Financial Officer

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PROCUREMENT POLICY

1. AIMS

1.1 This policy aims to ensure that:

- The academy trust's funds are used only in accordance with DfE & ESFA Guidance, its articles of association, its funding agreement and the Academies Trust Handbook
- The trust's funds are used in a way that commands broad public support
- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

2. LEGISLATION AND GUIDANCE

2.1 The [Academies Trust Handbook](#) states that academy trusts are required to have a Procurement policy, and ensure that DfE & ESFA Guidance is observed.

2.2 This policy is based on the Academies Trust Handbook, [Department for Education \(DfE\) guidance on procurement](#) and Public Contract Regulation 2015 (PCR).

2.3 This policy also complies with our funding agreement and articles of association.

3. PURPOSE OF THE PROCUREMENT POLICY

3.1 The purpose of this document is to make the Trust Procurement policy clear and signpost staff undertaking procurement activity to appropriate procedural guidance.

3.2 This policy should be read in conjunction with the Trust's finance policies, with particular reference to:

- The Scheme of Delegation
- Gift and Hospitality policy
- Competitive tendering policy

3.3 The Trust procurement policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or school based.

3.4 All procurement within the Trust and Schools shall be carried out in such a way as to ensure compliance with legal requirements, including 2015 Public Contracts Regulations, Trust financial regulations and Scheme of Delegations and any other requirement of the Department of Education (DfE) or Education and Skills Funding Agency (ESFA).

3.5 This policy is intended to reflect and support the aims of the Trust by working with staff and suppliers to optimize value for money in the procurement of works, goods and services. It aims to balance efficiency against risk factors in achieving value for money whilst promoting compliance and sustainability.

3.6 The CFO will work with Schools by providing professional support in obtaining works, goods and/or services which are best suited to any application in a manner which is compliant with current legislation and best practice. Alternatively, where schools are making independent

purchases, the CFO will provide a framework and procurement guides which school staff must follow.

- 3.7 There is a duty on all staff who may be involved in any stage of the procurement process to apply the key principles of best practice procurement to achieve appropriate governance, value for money and suitable quality of goods and services to meet the Trust's business needs.

4. ROLES AND RESPONSIBILITIES

4.1 Academy trustees

Academy trustees will ensure that:

- Spending decisions represent value for money
- The trust's funds are used in a way that commands broad public support
- Relevant professional advice (such as an external auditor) is used, where appropriate
- Goods or services provided by individuals or organisations connected to the trust are provided at no more than cost
- Nobody connected to the trust, directly or indirectly, uses their connection to the trust for personal gain
- Where any trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) show that they had no influence on the decision

4.2 Finance & General Purposes committee

Academy trustees delegate procurement responsibilities to the Finance and General Purposes committee.

The committee is responsible for reviewing the trust's tendering processes, and for reporting to trustees on tenders.

4.3 Chief financial officer

CFO is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place
- Preparing and monitoring budgets
- Providing information to the finance committee and academy trustees, as appropriate
- Overseeing and supporting competitive tendering

5. PRINCIPLES

- 5.1 More attention to the procurement process will be needed for higher value or contentious contracts. Contentious contracts are those that might give rise to criticism of the trust, e.g., connected parties.

- 5.2 Achieving the best value for money does not always mean choosing the cheapest price. Other factors such as quality, longevity, timing and whether the contract is fit for purpose should be considered. The trust considers the full cost of purchase, including administration time and effort.
- 5.3 It is allowable to purchase from connected parties, but the individual in the trust with the connection should not form part of the decision-making process. The use of framework contracts is recommended.
- 5.4 The trust is always aware that the money being spent is public money and consideration is always given as to whether the purchase is a good use of public money and is seen to be a good use of public money.
- 5.5 Businesses may be fragile and so we make sure we understand our obligations under the contracts that we are entering into and avoid significant payment in advance wherever possible. Care is taken to ensure contract terms are not disadvantageous to the trust. The end of the contract is considered fully before entering into it. Rolling over a single year contract repeatedly is unlikely to provide best value. These contracts should first be recorded and then re-procured for value.
- 5.6 In a tender process all suppliers are treated fairly, given the same information and time limits and no favoritism is shown.

6. WHAT IS PROCUREMENT

- 6.1 Procurement is the process whereby goods, services and works are acquired. The procurement process spans a life cycle from identification of need and resources, through selection of suppliers, purchasing, contract management and disposal. Purchasing is the transactional process of buying the goods/services and is just one part of procurement.

7. VALUING THE CONTRACT

- 7.1 It is important that contracts are properly assessed for value. The total value of the contract is obtained by making reasonable assumptions on:
- the annual spend*; multiplied by
- the number of years of the contract*; multiplied by
- the number of schools in the trust that the contract is being awarded for*
- 7.2 It is not permissible to split the value of the contract in order to appear to be below procurement thresholds. 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. A typical example would be for a contract that is 3 years with an option to extend for a

further 2; the total number of years that needs to be considered in determining value is then 5 years.

- 7.3 Care must be taken concerning the number of schools entering into a contract. If the trust enters into a contract for all the schools in the trust, then the number should be considered to be the total number of schools in the trust together with any schools reasonably expected to join the trust if they would be included in the contract when they join. Even if each school individually signs their own contract, the procurement should be considered to be for all the schools involved in the process.
- 7.4 Similarly, if a group of schools in the trust enter into a contract together (e.g.: all primary schools) then the number of schools should be the number of primary schools in the trust or reasonably expected to join the trust.
- 7.5 When the trust enters into a framework contract available to all schools in the trust for purchases, then it should take into account a reasonable estimate of the number of schools in the trust together with those likely to join over the length of the contract in order to calculate the cost of the contract. Recoverable VAT is excluded from the assessed value of the contract.

8. CONNECTED PARTIES

- 8.1 The trust has a process in place where all members, trustees, governors and staff must declare their pecuniary interests. This is done annually and individuals must update them through the year should interests change.
- 8.2 The pecuniary interests of members, trustees, and governors are published on the trust website and are kept up to date with all notified changes after every Board meeting. The pecuniary interests of staff are kept locally in each school and in the Central Team. When carrying out a procurement exercise, it is important to check both the trust register of interests and the local register to identify any potential conflicts. Any person with a pecuniary interest in a supplier or potential supplier must not take part in the procurement process.
- 8.3 Under the Academies Trust Handbook the trust must pay no more than “cost” for goods and services provided to it by a member, trustee or a connected party of a member or trustee. The rules on this are very specific so if a procurement potentially involves a person or organisation declared by a member or trustee as being a pecuniary interest then advice should be sought from the CFO before any procurement decision is made.

9. FINANCIAL AUTHORITY TO COMMIT EXPENDITURE

- 9.1 Any process which involves committing the Trust or school to expenditure must be approved in accordance with the procurement thresholds outlined below.

- 9.2 Any member of staff placing a purchase order on behalf of the Trust or a school must be sure that they have the correct level of authority to do so in accordance with the Scheme of Delegation and where required must obtain approval from a more senior member of staff with a higher approval limit if necessary.
- 9.3 No number of staff may approve purchases unless they have been authorised to do so.
- 9.4 No employee is authorised to commit the Trust or School to expenditure without first ensuring that there is adequate budget provision.

10. PURCHASE THRESHOLDS

10.1 De minimis level

Purchase orders do not need to be raised for services or goods with a value up to £1,000. These invoices can be signed off by **Budget holders**.

10.2 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £1,000 - £9,999
- Medium-value purchase: £10,000 - £49,999
- High-value purchase: over £50,000, but below the EU threshold

10.3 DfE The Public Contracts Regulation 2015

10.3.1 If it is estimated the cost of a contract is above the off regulated threshold for procurement spending the Trust will seek legal advice.

10.3.2 If procurement with a value inclusive of VAT are estimated to be equal or greater than the following:

- Public service contracts awarded central government, £138,760
- Public service contracts awarded sub-central contracting authorities, £213,477
- Public service contracts awarded for social and other specific services, £663,540

11. FRAMEWORK AGREEMENTS

11.1 Framework contracts are those where a number of suppliers have been pre-procured with all the public sector rules complied with. It is therefore possible to purchase directly from frameworks with no further procurement process being necessary, irrespective of the value being procured. This can be very efficient as it saves a significant amount on administration costs as well as ensuring tendered low prices.

11.2 There is also often the opportunity to run a mini competition through a framework which can be much quicker than a full procurement tender. This is where a number of suppliers have been pre-approved by the framework and then compete to fulfil the contract with the contract being awarded to the offer that gives best value for money.

- 11.3 Examples of frameworks that the trust can use include Crown Commercial Services, ESPO, YPO, Crown Commercial Services, EverythingICT, frameworks developed by Local Authorities and others. The trust can also create frameworks for trust schools to purchase from.
- 11.4 Despite frameworks being a very attractive way to procure, it is sensible to make some open market comparisons between what is on offer to ensure value for money, particularly for purchases where the price may fluctuate over time. It is also important to make sure that the framework is set up to allow us to purchase (i.e. it applies to academies), the specification and contract terms are suitable for our needs and that we understand the framework mechanism of purchase (how to order, etc.) so that we are compliant.
- 11.5 Where possible and appropriate, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive tender process, and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.
- 11.6 Depending on the framework we choose, we will either pick the best value supplier from a list or run a mini competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice.
- 11.7 Please refer to the Competitive Tendering Policy.

12. PURCHASING COLLABORATIVELY

- 12.1 We wish to encourage collaborative purchasing on a trust basis, which may lead to economies of scale. The trust may also procure collaboratively with other trusts. When purchasing collaboratively it is necessary to ensure that:
- There is commitment from the schools involved at the start of the process to a collaborative procurement
 - The lead person driving the procurement is identified
 - Contract valuation is carried out correctly
 - The specification is agreed on behalf of all parties
 - Decisions on awarding the contract are clear and made according to the scheme of delegation
 - Consideration is given on what to do if the best value contract is not the best value for each individual participant in the procurement

13. TENDERING PROCEDURE: LOW AND MEDIUM-VALUE PURCHASES

13.1 Please refer to the Competitive Tendering Policy.

14. TENDERING PROCEDURE: HIGH-VALUE PURCHASES

14.1 Please refer to the Competitive Tendering Policy.

15. AGGREGATION

15.1 UK legislation sets out how and when multiple orders and contract values for the same type of work should be added together for the purposes of deciding what procurement process is applicable.

15.2 The Trust must consider aggregation when expenditure across goods and services of a similar nature aggregated across the Trust reaches procurement thresholds specified in UK Public Contract Regulations. To ensure that the Trust is compliant with the requirements, a procurement plan will be required for the Trust and schools outlining all procurement activities within a 12 month cycle. This will enable the CFO to identify where activity such as contracts being rolled over a proposed and take appropriate action to re-procure on behalf of the Trust.

15.3 Should a school or the Trust identify that specific expenditure is reaching or has exceeded the current UK procurement threshold action will be taken to re-procure the goods/services in a complaint manner as a matter of urgency.

16. RECORD KEEPING

16.1 For all purchases, a clear audit trail should be kept. The level of detail required will increase with the value of the procurement. The written record must include:

- details of the purchase itself, for example, what was purchased, from whom and the assessed value of the contract
- information on the framework used for purchasing and why it was suitable for this contract; or copies of the quotations or tenders submitted
- how the supplier complies with data protection (GDPR) requirements and agreements on any data sharing
- who was responsible for evaluation of tenders, and details of the evaluation scoring, if applicable
- tender and response from successful supplier
- who was responsible for making the decision to procure, and details of their decision-making process
- where the lowest cost is not adopted the reason for this must be documented
- full minutes of any Board meeting at which the procurement was discussed and/or approved
- where the contract is for more than one year, the appropriate approval and a copy of the contract signed by the Executive Director
- a record of the order, of receipt and checking the goods or services and of authorising payment

16.2 The trust holds a central contracts register in order to monitor all contracts for compliance and to determine where there is an opportunity to merge contracts to achieve better value for money across the trust. All contracts over 1 year and single year contracts that are renewable (including Service Level Agreements (SLAs)) should be entered onto this register. Information required:

- A description of the contract and what it is for
- The name of the supplier
- The date the contract was entered into and the date the contract expires
- The value of the contract
- A scanned copy of the contract

17. EXCEPTIONS TO THIS POLICY

17.1 Occasionally it is necessary to procure without following this policy. This may be done with the authorisation of the Accounting Officer and F&GP for procurements up to £50,000. Authorisation will only be given on very rare occasions and such authorisations will be reported to the next meeting of the Board of Directors. Potential reasons for an exceptional procurement are:

- In an emergency to resolve an issue that has a Health & Safety or other consequence where a proper procurement process would take too long.
- Where there is only a single supplier of the goods or services and this can be demonstrated.
- Where no suitable suppliers have come forward through the tender process it may be acceptable to negotiate a contract with a suitable alternative supplier.

18. MANAGEMENT OF CONTRACTS

18.1 For ongoing contracts (particularly services contracts), it is important to hold regular contract management meetings to:

- make sure both parties involved in the contract understand their responsibilities and fulfil them as effectively as possible
- check progress against contract requirements and deal with any issues preventing those requirements from happening

18.2 It should be agreed as soon as possible after awarding the contract who should attend these meetings and what the agenda items are likely to be. In the meetings following may be discussed:

- progress against the contract's requirements
- the service-level agreement (the standards of service agreed with the supplier)
- any key performance indicators (how the performance of that service is measured)
- identifying areas of concern as early as possible and what the supplier will do about them
- discussing necessary changes

- how to manage planned maintenance
- possible upgrades or improvements to the product or service
- unforeseen problems and what to do about them
- exit from the contract if not fulfilling requirements

18.3 Any actions and timescales agreed with the supplier should be noted and circulated promptly after the meeting. If the supplier is not doing enough to address poor performance, the matter may need to be escalated according to the contract terms and conditions.

19. CONTRACT VARIATIONS OR EXTENSION

19.1 Any changes to a contract should be made using a variation agreement. Such variations must be agreed with the supplier. The most common variation is to extend the contract. The contracts register details the date when each contract comes to an end. Preparation to let a new contract should be made in good time as the procurement process can be lengthy. Contracts may be extended if necessary. If the original contract is under the PCR threshold the contract can be extended by up to 50% of its original length. If over the PCR threshold then ideally a new procurement process must be entered into. The contract can be extended for a short period of time to enable the new procurement to be completed.

20. THE BRIBERY ACT 2010

20.1 All staff should be aware of The Bribery Act 2010, which came into force in April 2011. The Trust, its employees and contractors/bidders are all covered by the Act. To meet our obligations under the Act, the Trust has an Expenses, Gifts and Hospitality Policy and all employees involved in procurement should be familiar with the policy.

21. ACCEPTANCE OF GIFTS OR HOSPITALITY

21.1 The Trust's policy is not to accept any form of gift or hospitality from suppliers; full details are included in the Expenses, Gifts and Hospitality Policy.

22. CONFIDENTIALITY (FOI)

22.1 The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding School and Trust policy purchasing. All such requests should be handled in accordance with Trust policy.

22.2 As part of the process for providing quotations and tenders, the Trust requires all bidders to identify confidential information which they would not want the Trust to disclose in response to a freedom of information request.

23. INFORMATION SECURITY

23.1 All suppliers or third parties that require access to the Trust or School information systems as part of the service they provide must comply with data protection legislation and safeguarding policies.

23.2 Staff responsible for agreeing maintenance and support contracts where access is

required must ensure that prior to the contracts being signed that suppliers/third parties meet the data protection legislation and safeguarding policies.

- 23.3 In the event of the contract being transferred or terminated, appropriate provision must be in place to ensure the continued security of information and systems. Suppliers/third parties will be asked, where appropriate to demonstrate their compliance with the policies.

24. LEASES

- 24.1 The Trust will not enter into any finance lease as this would be contravention of the requirements of the Academies Trust Handbook.
- 24.2 The Trust may enter into operating leases; however, this is subject to the approval of the CFO. Approval will be obtained from the ESFA for any leases for a period of 7 years or more.

25. PAYMENT IN ADVANCE

- 25.1 With the exception of some software licenses, payment should not be made in advance of receipt of goods, services, works or consultancy. If a supplier requests payment in advance this should be discussed with an approval sought from the CFO.

26. RETENTION OF DOCUMENTS

- 26.1 All documentation and communication (including emails) should be retained for a minimum of five (5) years after the end of the contract and be referenced with a Unique Reference Number. This will enable easy location of all electronic records relating to a purchase for audit purposes.
- 26.2 Where the procurement is undertaken on behalf of the school by the CFO, all documentation in relation to the procurement process will be retained centrally.

27. MONITORING ARRANGEMENTS

- 27.1 The Finance & General Purposes committee is responsible for the implementation of this policy.
- 27.2 This policy will be reviewed and approved by the board of trustees every 2 years and when EU procurement thresholds change.

28. LINKS WITH OTHER POLICIES

- 28.1 This Procurement policy is linked to the following policies:
- Accounting policies
 - Investment policy
 - Competitive Tendering Policy

Reviewed and approved by:	Date approved:	Next review date:
Conor Hickey, Chair F&GP Committee	June 2024	June 2026