

# PROCUREMENT POLICY

**Date of issue:** 10/07/2023

## 1. Introduction

The Two Counties Trust (the Trust) is responsible for ensuring value for money is achieved across all our schools 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 to the Procurement Regulations, the Bribery Act and The Academies Trust Handbook. The Trust must 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 in compliance to legal requirements, including, the 2015 Public Contract Regulations, EU Procurement Legislation, Trust Finance Policy and Scheme of Delegation, Academies Financial Handbook and any other requirements of the Department for Education (DfE) and Education & Skills Funding Agency (ESFA).

The Procurement policy will be reviewed annually or updated at other intervals if a change is required.

## 2. 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 ensure they follow the Procurement guidance within this Policy and any other supporting procurement documentation, unless there is a stipulated exemption (see section 10)

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.

## 3. 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 school's spend on these items. If the total contract value is above £25,000 consideration will be given as to whether a Trust wide or multi school procurement process should be undertaken. Where the contract value is over £35,000 the opportunity will be advertised on Contracts Finder (see section 5)

## 4. Purchasing Thresholds

### 4.1 Orders / Contracts up to £1,000

The cost should be established and the purchaser must be confident that they have secured both quality and value for money before raising a Purchase Order.

### 4.2 Orders/Contracts greater than £1,000 to £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 department and attached to a copy of the authorised Purchase Order.



Contracts between £1,000 and £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.

#### **4.3 Orders/Contracts greater than £5,000 up to £35,000**

A minimum of three like-for-like quotations must be obtained for purchases greater than £5,000 up to and including £35,000. These can be received by post, or electronically (including screenshots from websites where appropriate). A Purchasing Form (Appendix A) 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 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 parts or stages in order to avoid the procurement regulations or this policy applying.

#### **4.4 Orders/Contracts greater than £35,000**

External procurement support via In-Tend or any other procurement category specialist will be obtained for any contracts or orders with a value greater than £35,000 to determine the best procurement route. The external procurement support will support the procurement lead to write the specification and evaluation criteria and manage the advertising / publication process to ensure that a compliant process is run.

The received quotations or tenders will be evaluated against the agreed criteria and an award made by either an official purchase order, offer letter or formal form of contract, dependent on required terms and conditions for the goods or services purchased.

#### **4.5 Formal Tender Process**

Open Tenders, Further Competitions or Direct Awards under a Framework, must be undertaken for all contracts above £35,000, unless an alternative process is authorised by exception the Chief Executive Officer (CEO). The primary User Department is required to complete and submit a 'Request to Tender/ award a contract for goods/services/works above £35,000' form (Appendix B)

The Key stages of the Tender Process are summarised below:

- Pre-Tender planning (Market and Stakeholder engagement) Review Procurement Plan and develop timeline for procurement
- Specification development and review
- Establish evaluation team and agree evaluation criteria and weightings
- Invitations to tender/quotations
- Manage Clarifications
- Shortlisting (for above EU Thresholds only)
- Submission, receipt and opening of tenders
- Tender Evaluation, Moderation and contract award recommendation
- Approval and Award of contract and issue of Supplier Notifications
- Contract execution and mobilization

#### **4.6 Contracts greater than £500,000**

In accordance with the Finance Policy, orders and contracts to a value of £500,000 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.



## 4.7 PCR 2015 Thresholds

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

Supply & Service Contracts	£213,477
Works Contracts	£5,336,937
Light touch regime for health/social services	£663,540

Goods/Services or Works can be purchased through a Framework that has already been to tender under the PCR 2015, or an PCR tender can be run by In-Tend or any other procurement category specialist using an e-Tendering platform where the PCR 2015 rules must be complied with. The Trust will comply with the 2015 Procurement Regulations and relevant procurement legislation as required which may vary from time to time.

## 5. Contracts Finder

Although not a statutory requirement, all Contracts above £35,000 will normally be published on Contracts Finder. Published means new opportunities above £35,000 are placed on Contracts Finder 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 £35,000 where there is no legal requirement to advertise.

## 6. Frameworks

Public Buying Organisations (PBOs) such as Crown Commercial Services (CCS), Eastern Shires Purchasing Organisation (ESPO), Yorkshire Purchasing Organisation (YPO) and Crescent Purchasing Consortium (CPC) have set up Framework contracts to assist public sector organisations with their procurements.

Framework contracts may also allow an opportunity to run Further Competitions 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 (Financial health check undertaken and robust T&Cs established) who can then fulfil the contract with the contract being awarded to the tender that gives best value for money.

## 7. 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 will be entitled to be debriefed at the end of the process when confirmation of the winning bid is sent.

## 8. Fixed Term Contracts

Finance will ensure that fixed term contracts of any value are registered on the supplier register, this will include open/call-off contracts and rolling contracts.

Any updates to fixed term contracts, regardless of value, should be sent to Finance to enable the register to be kept up to date.

The register will be used to manage and monitor fixed term contracts and assist with sending reminders to ensure contracts do not contravene the Procurement Policy by auto renewing without prior consideration.



## 9. Supplier Management

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

The Trust will identify Strategic Suppliers e.g., catering, cleaning, enterprise systems, energy & utilities and implement quarterly business reviews to manage supplier performance, change management and contract negotiations.

## 10. 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 £35,000 must have written consent (an email is sufficient) from the Corporate Services Director attached to the Purchase Order.
- Expenditure above £35,000 must have an Exceptional Purchase Action (EPA) form (Appendix C) completed and signed off by the Corporate Services Director or Director of Operational Resources who will assess the risk to the Accounting Officer (CEO) for them to either authorise or reject the request. Expenditure exceeding £500,000 must also be signed off by a Trustee. The EPA form will be attached to the Purchase Order.

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

## 11. 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.

## 12. Non-Compliance

All instances of non-compliance with the Procurement Policy will be logged and submitted to the Finance Committee in an annual report.

The Trust will include procurement arrangements within the internal scrutiny programme.

Finance will identify trends such as retrospective Purchase Orders being raised regularly and will flag with the person/ school 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.



### 13. Leasing

The Trust must not enter into any finance lease as this would be a contravention of the requirements of the Academies Financial Handbook.

Operational leasing is permitted with the prior approval from the Corporate Services Director or delegate and all assets must be logged with the Trust Finance Department.

### 14. 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 Director of Operational Resources without delay.

As required by the Academies Trust Handbook, contracts entered into with connected parties must be declared to the Education and Skills Funding Agency (ESFA) whereby;

- A contract or other agreement exceeds £20,000 (this limit will change to £40,000 from 1 September 2023).
- 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 (£40,000 from 1 September 2023) in the same financial year ending 31 August.

### 15. General Data Protection Regulation

All data within this policy will be processed in line with the requirements and protections set out in the General Data Protection Regulation.



## APPENDIX A

### TTCT Purchasing Form for Orders/Contracts greater than £5,000 up to £35,000

Three like-for-like quotations must be obtained for purchases greater than £5,000 up to and including £35,000.

A Purchasing Form must be completed in all cases to explain the rationale for the selected supplier with three quotations attached to this form.

<b>Completed by:</b>	
<b>Date:</b>	
<b>Product description</b>	
<b>Quote 1</b>	
<b>Supplier:</b>	
<b>Price:</b>	
<b>Quote 2</b>	
<b>Supplier:</b>	
<b>Price:</b>	
<b>Quote 3</b>	
<b>Supplier:</b>	
<b>Price:</b>	
<b>Recommended supplier:</b>	
<b>Basis for recommendation</b>	



## APPENDIX B

### Request to Tender/award a contract for goods/services/works above £35,000

For Completion

FOR COMPLETION by User DEPARTMENT

**TO: TRUST PROCUREMENT DEPARTMENT**

Please invite tenders for the goods/services/works detailed below.

Please undertake a Further Competition under a Framework for the goods/services/works detailed below

Please award a contract for the goods/services/works detailed below

**Brief description of goods/services/works (including as appropriate, any estimated quantities, maintenance periods, phased deliveries, training requirements etc):** Click or tap here to enter text.

<b>Contract commencement date:</b>	Click or tap to enter a date.	<b>Budget Value:</b>	£ Click or tap here to enter text.
<b>Contract completion date:</b>	Click or tap to enter a date.		

**Are there any GDPR considerations for this Contract (i.e. does this involve the supplier handling personal data on behalf of the Trust)?** YES  / NO

**Are there any specific equality or diversity concerns that will need addressing as part of this contract?**  
YES  / NO

**Reasons for the procurement:** Click or tap here to enter text.

**Value for Money considerations (details to demonstrate how value for money is being achieved):** Click or tap here to enter text.

**Person(s) requiring copies of completed documents and to contact if site visits are required:** Click or tap here to enter text.

<b>Telephone:</b>	Click or tap here to enter text.	
<b>Has provision for this requirement been included in the Capital Programme?</b>	YES <input type="checkbox"/> /NO <input type="checkbox"/>	If yes, please specify the codes:
<b>Has provision for this requirement been included in the Procurement Plan?</b>	YES <input type="checkbox"/> /NO <input type="checkbox"/>	If yes, please specify the codes:
<b>Has a Trustee decision report been approved for this requirement?</b>	YES <input type="checkbox"/> /NO <input type="checkbox"/>	If yes, please attach a copy and specify the codes:
<b>If this purchase is revenue, does budgetary provision exist?</b>	YES <input type="checkbox"/> /NO <input type="checkbox"/>	If yes, please specify the codes:

**Signature:** Click or tap here to enter text.

**Title:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

<b>Date request received by:</b>	Click or tap to enter a date.	TTCT
<b>Date sent to central finance:</b>	Click or tap to enter a date.	
<b>Date sent to Finance Manager/Corporate Services Director:</b>	Click or tap to enter a date.	





## APPENDIX C

### Exceptional Purchase Action (EPA) form

The Procurement Policy states "All exceptions for Contracts valued above £35,000, and the reasons for them, must be recorded on the Exceptional Purchase Action (EPA) form and approved by the Chief Executive Officer (CEO), Trust Corporate Services Director, Operational Resources Director.

Applicants are required to complete this form (points 1 to 6 below) when seeking to award a Contract with a value in excess of **£35,000** without obtaining formal competitive tenders in accordance with the Trust Procurement Policy.

Any price information obtained by the applicant plus any other relevant documentation must be submitted with this application, along with a completed Request to Tender form.

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**1. GOODS/SERVICES/WORKS: (i.e. what you require)** Click or tap here to enter text.

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**2. CONTRACT VALUE:** £Click or tap here to enter text.

**3. DELIVERY POINT:** Click or tap here to enter text.

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**4. RECOMMENDED CONTRACTOR/SUPPLIER:** Click or tap here to enter text.

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**5. REASONS FOR EXCEPTION: (Please state here why you are seeking permission to waive the requirement to obtain formal competitive tenders or wish to directly negotiate with one of more suppliers)** Click or tap here to enter text.

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**6. VALUE FOR MONEY: (Please state here how you feel you have obtained value for money in the absence of any formal competition process being completed).** Click or tap here to enter text.

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**7. APPLICANT (To be completed by Budget Holder)**

**Signature:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Title:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

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**DIRECTOR OF CORPORATE SERVICES/DIRECTOR OF OPERATIONAL RESOURCES (please return to Procurement Department when completed)** **Comments:** Click or tap here to enter text.

**Signature:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

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**SPECIALIST ADVICE AND COMMENTS (if required)**

**Legal Services**

**Comments:** Click or tap here to enter text.

**Signature:** Click or tap here to enter text.

**Title:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

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**ICT SPECIALIST ADVICE AND COMMENTS (if required)** **Comments:** Click or tap here to enter text.

**Signature:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.



**SPECIALIST ADVICE & COMMENTS (if required) - please return to Procurement Department when completed**

**Comments:** Click or tap here to enter text.

**Signature:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Title:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

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**CEO Comments:** Click or tap here to enter text.

**Approval Given:** YES  / NO

**Signature:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

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**Consultation with The Trustees**

**Comments:** Click or tap here to enter text.

**Signature:** Click or tap here to enter text.

**Name:** Click or tap here to enter text.

**Date:** Click or tap to enter a date.

