



# **City Learning Trust**

## **Procurement Policy 2018 - 2019**

**01 September 2018**

# Table of Contents

- 1.....Purpose of the Procurement Policy  
..... 3
- 2.....Strategic Objectives and General Principles  
..... 4
- 3.....What is Procurement?  
..... 5
- 4.....The European Procurement Directives  
..... 5
- 5.....Value for Money, Purchasing Limits and Aggregation  
..... 6
- 6.....Financial Authority to Commit Expenditure  
..... 6
- 7.....Purchasing Thresholds  
..... 7
- 8.....Dispensations  
..... 8
- 9.....Raising Orders  
..... 9
- 10.....Business Charge Cards and Petty Cash  
10
- 11.....Supplier Management  
10
- 12.....Competition  
10
- 13.....Contract Agreement/Terms and Conditions  
11
- 14.....Payment and Payment Terms  
11
- 15.....Aggregation  
11
- 16.....Annual Procurement Plans  
12
- 17.....Tenders  
12
- 18.....Standards of Business Conduct  
13
- 19.....Reporting Requirements  
13
- 20.....Contracts Register  
13

21.....	Equal Treatment of Suppliers
13	
22.....	The Bribery Act 2010
14	
23.....	Acceptance of Gifts or Hospitality
14	
24.....	Confidentiality (FOI)
14	
25.....	Information Security
14	
26.....	Leases
14	
27.....	Payment in Advance
15	
28.....	Health and Safety
15	
29.....	Separation of Duties
15	
30.....	Procedural and Guidance Notes and Templates
15	
31.....	Retention of Documents
15	
32.....	Travel and Accommodation
16	
33.....	Disposal of Redundant Equipment
16	
34.....	Monitoring and Audit
16	

## Policy Statement

It is the Trust's policy to ensure that any spend of Public money, regardless of value, is carried out in a transparent and non-discriminatory way and in compliance with the Public Contracts Regulations and Bribery Act. This policy also outlines the formal purchasing strategy that aims to benefit the Trust in the procurement of all commodities and services. Staff with responsibilities for purchasing within the CLT should make themselves familiar with this policy.

The Trust 'Scheme of Delegation' and specific job descriptions outline who has authority to select contractors and award contracts and/or authorise orders. Failure to comply with either this Procurement Policy, the Trust Financial Policy or Scheme of Delegation may result in withdrawal of authority and disciplinary action.

As a publically funded organization, the City Learning Trust is a 'Contracting Authority'. Subsequently any procurement activity is regulated by the UK Public contracts regulations and EU procurement law. In particular, any procurement activity has to be carried out in a transparent and non-discriminatory manner.

This policy sets out how the Trust will manage its procurement to ensure compliance with relevant legislation, it does not provide guidance on how to procure, which is covered in the City Learning Trust Financial Procedures Manual which must be followed by Trust staff. Failure to comply with this policy and/or follow the procurement procedure guides could result in a breach of legislation, fines and litigation, claims for damages and loss of reputation.

## Agency

**When procuring, the City Learning Trust personnel are acting as 'Agents' in creating binding terms and conditions on the Trust. A constituent Academy will not undertake any procurement independently of the Trust Director of Operations and Chief Financial Officer.**

### Schools Buying Club

The City Learning Trust has engaged 'Schools Buying Club' to provide professional procurement consultancy advice on key service contracts across the Trust and to support with the development of a Trust wide procurement strategy.

## Compliance with the Modern Slavery Act 2015

City Learning Trust is required to comply with the requirements of the Modern Slavery Act 2015 and, in doing so all suppliers to the Trust are required to fully comply with the Modern Slavery Act 2015 and will confirm that they do so by accepting the Trust's Terms and Conditions which include specific requirements. The Trust also reserves the right to exclude any bidder who has been convicted of an offence under section 1, 2 or 4 of the Act. The Trust also reserves the right to terminate contracts where bidders are found to have breached the legislation after contract award.

Where the Trust deems that a procurement exercise is particularly high risk then it may be appropriate to require bidders to provide clarification of supply chains and ensure that suppliers demonstrate their methods of corporate social responsibility during the tendering and selection process, details of which may vary according to the project.

### 1. Purpose of the Procurement Policy

- 1.1. The purpose of this document is to make the Trust Procurement Policy clear and signpost staff undertaking procurement activity to the appropriate procedural guidance.
- 1.2. Under this policy all goods and services should be acquired by competition, and all purchasing should be based on good practice, facilitating a decentralised but coordinated system of purchasing as a mechanism for obtaining Value for Money (VfM), whilst ensuring compliance with procurement directives, the Academies Financial Handbook (AFH) and Trust Financial policy.
- 1.3. Further guidance on the use of this policy and the strategic procurement objective of the Trust may be obtained from Director of Operations or the Chief Financial Officer who have overall accountability for strategic procurement across the City Learning Trust.

1.4. This policy is in place to support with compliance to EU procurement directive and tender thresholds.

1.5. This policy should be read in conjunction with:

Document Title	Author	Date	Ratified by the Board on	Post holder responsible for review
<b>2018 Academies Financial Handbook</b>		<b>ESFA</b>	<b>October 2018</b>	<b>CFO</b>
<a href="#"><u>The Public Contracts Regulations 2015</u></a>	<b>HM Government</b>		<b>NA</b>	<b>CFO</b>
<b>Scheme of Delegation</b>	<b>Sian Hughes</b>		<b>October 2018</b>	<b>CFO</b>
<b>Financial Policy</b>	<b>Sian Hughes</b>			<b>CFO</b>
<b>Managing Conflict of Interests Policy</b>	<b>Sian Hughes</b>			
<b>Gifts and Hospitality Policy</b>				
<b>Health and Safety</b>	<b>Alan Christian</b>			<b>DoO</b>
<b>Safeguarding Children in Education (DBS)</b>	<b>Department for Education</b>	<b>November 2017</b>		<b>CEO</b>

1.6. The Trust procurement policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing.

1.7. All procurement within the Trust will be carried out in such a way to ensure compliance with legal requirements, including, the 2015 Public Contracts Regulations, EU Procurement legislation, Trust Financial Regulations and Scheme of Delegation and any other requirements of the DfE or ESFA.

1.8. This policy is intended to reflect and support the aims and ethos of the Trust by working with staff and suppliers to optimise 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.

1.9. The Central Finance Team will work with Academies and wider members of the Trust team either 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.

1.91. The Procurement Policy and associated guides/policies will be reviewed at least every two years or whenever required by a change in legislation.

1.92. The Trust Procurement Policy does not provide detailed process guidance on procurement or purchasing, this is covered by the Public Contracts Regulations 2015. Wherever possible the Trust will seek to use an appropriate public sector Framework to ensure best value of public funds and compliance with EU Purchasing Regulations.

1.93. 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 our business needs.

## 2. Strategic Objectives and General Principles

2.1 The Trust believes that goods and services should be acquired by competition and that all purchasing should be based on good practice and is in accordance with the following objectives;

- to supply the Trust with the right goods and services, at the right time, at the most advantageous cost.
- to promote the delivery of value for money through good procurement practice, utilising the most cost efficient and effective methods for procuring goods and services throughout the organisation.
- to facilitate the development of an effective and co-ordinated purchasing effort within the Trust.
- to identify opportunities for working with others, in order to widen the scope for maximising purchasing power and identifying innovation.
- To develop lasting relationships with contractors and suppliers, whilst ensuring VfM and continuing high performance can be demonstrated.
- to give due consideration to good financial governance, and to ensure transparency of arrangements.
- to give consideration to sustainable, ethical, social and environmental policies.
- to comply with all relevant UK legislation.
- to develop appropriate management information in order to measure the performance and VfM achieved in purchasing by the Trust.

2.2 When purchasing and contracting for goods and services, the Trust or any subsidiary companies must demonstrate compliance with procurement legislation and the proper and effective use of public funds at all times. Purchasing procedures should also ensure that the goods, services and works procured are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be adhered to:

2.2 *Transparency and non-discrimination in all purchasing activity.* The Trust must ensure that all contractors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and proportionate manner. Procurement procedures must not be undertaken in a manner which artificially narrows competition, favours or disadvantages any contractor, supplier or service provider. **All procurement activities with a value in excess of £50,000 must follow either a formal tender process and advertised on the CLT Website or the use of an approved Procurement Framework.**

2.3 *Probity.* The Trust must be able to demonstrate that all parties are dealt with on a fair and equitable basis and that there is no private gain, favoritism or corruption involved in any dealings of the Trust.

2.4 *Accountability.* The Trust is publicly accountable for its expenditure and for the conduct of its affairs.

2.5 *Value for Money.* The achievement of value for money underpins the appropriate use of all public funds, therefore as well as striving to achieve the best price possible for all purchases, consideration should also be given to other factors such as quality, suitability, availability, reliability of the supplier, terms available etc.

2.6 The Trust recognises the benefit of having a measurable strategic procurement policy in place and annually reviews the KPIs that support the strategic priorities of the Trust.

### 3. What is Procurement?

3.1 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.

3.2 The Trust Central or Finance Team is referred to throughout this document; procurement or purchasing may be undertaken by individual Academy staff but **only** after approval by the central Trust procurement team (a part of the Central team) and in accordance with the Scheme of Delegation and thresholds referred to within in this Policy.

### 4. The European Procurement Directives

4.1 As a member of the EU the United Kingdom and consequently as a public body, the Trust and academies are subject to European Procurement Directives. The purpose of European Procurement Directives, covering Supplies, Works and Services, is to encourage and stimulate an open market place for public procurement throughout the EU.

4.2 The European Procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire supplies, services or works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

4.3 All UK contracting authorities, irrespective of the source of funding for a particular purchase, must comply with the Directives. Because of the importance of getting a good quality specification it is essential to plan early as European Procurement procedures are lengthy and employees with an order or contract expenditure with lifecycle costs approaching the European Procurement Directives tender threshold (**currently £181,302 for goods and services, £4551,413 for capital works and £615,278 for light touch i.e. school catering**) must consult with the Central Finance Team as early as possible to avoid any delays.

4.4 EU and UK authorities are becoming increasingly concerned at breaches of the Directives by contracting authorities including Multi Academy Trusts. Breaches of European Procurement Directives may incur other penalties from the European Commission, HM Treasury or the ESFA. Employees should therefore notify the Central Finance team of anticipated high value expenditure at their earliest opportunity.

4.5 Even when a tender process is not subject to the European Procurement Directives (for example because the estimated value of a contract falls below the relevant threshold), EU Treaty Based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality apply. Some degree of advertising, which is appropriate to the scale of the contract, is necessary to demonstrate transparency. This is in line with the UK objective of achieving value for money in all public procurement.

### 5. Value for Money, Purchasing Limits and Aggregation

- 5.1 Value for money is the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement. This is rarely possible with the lowest price alone. To ensure that all purchases obtain optimum Value for Money, a range of procurement procedure guides and templates outlining the steps to be taken for varying levels of procurement are available.  
All purchases must be made in accordance with these guides, except in exceptional circumstances where a dispensation may be granted.

**The involvement and authorisation of the Central Finance team happens automatically via the scheme of delegation restrictions within the PS Financials system when raising purchase orders over £50,000.**

- 5.4 Unless below the threshold for obtaining multiple quotations or tenders all procurement of goods, works, services or consultancy should be acquired by effective competition, including adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Competition promotes efficiency and effectiveness in expenditure. Awarding contracts on the basis of value for money following competition contributes to the competitiveness of supplies.
- 5.5 City Learning Trust has a duty to comply with the requirements of EU Procurement legislation and Academy Funding Agreements, in order to do so the Central Finance team will review all proposed purchases over EU Threshold in the context of total Trust expenditure to come to a decision whether the potential requirement to aggregate is complementary or contrary to the requirement to show Value for Money.
- 5.6 In support of 5.5 above, the Central Finance team will review procurement plans and, where appropriate, will consult with Academies on the potential to develop a range of Trust wide or regional contracts in order to comply with the requirements around aggregation and value for money.

## **6. Financial Authority to Commit Expenditure**

- 6.1 Any process which involves committing the Trust or an Academy to expenditure must be approved in accordance with the Scheme of Delegation. The Scheme of Delegation confirms who has the authority and to what financial level.
- 6.2 Any member of staff placing a purchase order on behalf of the Trust or an Academy 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.
- 6.3 The Trust operates a system of devolved financial authority. Principals are responsible for the decision-making process and planning of purchasing decisions when expenditure is within the approved budget amount. In accordance with this Procurement Policy for lower value purchases the Central Finance team may provide technical and professional support if requested, however where the value of purchases exceed the delegated limits (£10,000 for Primary leads and £15,000 for Secondary leads) the Central Services team, under the direction of the CFO may request to manage the process on behalf of an Academy. In these cases, an Academy is still responsible for specifying requirements, evaluation criteria and committing funding
- 6.4 No employee may approve purchases unless they have been given authority within the Scheme of Delegation.

- 6.5 No employee is authorised to commit the Trust or an Academy to expenditure without first ensuring that there is adequate budget provision.
- 6.6 Schemes of work should not be artificially broken down into smaller orders to phase the issue of purchase orders and thereby circumvent either authorisation levels or the requirement to obtain further quotes/tenders.

## 7. Purchasing Thresholds

7.1 There are two types of threshold governing the procurement for the Trust. Firstly, authority to commit expenditure, which is covered in the Scheme of Delegation and secondly the procurement process which is governed by the anticipated cost of the procurement.

7.2 The various transactional thresholds and procurement process required is covered in detail in the Finance Policy which must be followed, however they are outlined briefly below:

- Primary Academy purchases up to £10,000 to be authorised by the Principal
- Secondary Academy purchases up to £15,000 to be authorised by the Principal
- Purchases required up to the value of £50,000 to be authorised by the CFO.
- Purchases up to £75,000 to be authorised by the CEO. As these require a formal tender process, the DoO will then be directed to run an appropriate process.
- Trust purchases over £75,000 can be approved by the CLT Board of Trustees only and signed by the AO.

### 7.2.1 Purchasing undertaken:

- Below £3,000 – obtain a written quotation from a suitable supplier/contractor plus evidence of applying value for money principles.
- £3,000.01 to £49,999.99 – obtain three written quotations from suitable suppliers/contractors.
- £50,000.00 to £181,302 (i.e. current EU limit) – advertise an invitation to tender on the CLT website. An appropriate Framework may be used, if available, instead of issuing an Invitation to Tender (ITT) – but ensure the contract duration does not overrun the termination date of the Framework.
- £181.302 or above - advertise an Invitation to Tender on the EU Journal. It can also be advertised on the Trust's website. An appropriate EU-compliant Framework can be used, if appropriate, instead of advertising the ITT on the EU Journal - but ensure the contract duration does not overrun the termination date of the Framework.

7.3 Where the Central Finance team are managing a procurement process on behalf of an Academy or other Central Team Directorate within the Trust, orders will not be raised without approval from the budget holder in accordance with the Scheme of Delegation.

7.4 Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous tender method (MEAT) then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file. However, if this is for any other reason approval must be sought before confirming award or raising an order in accordance with the Scheme of Delegation.

## **8. Dispensations**

- 8.1 In limited circumstances a dispensation from the requirement to obtain alternative quotes may be granted. This may include authority to solicit a single quotation, to award a contract or place an order without having obtained the requisite number of tenders or quotations or to directly award a contract. Refer to 8.7 for a comprehensive list.
- 8.2 All dispensations require prior approval in writing from the Accounting Officer before progressing and must not result in a breach of procurement legislation or be contrary to the Trust's Scheme of Delegation.
- 8.4 All dispensation requests, whether approved or rejected will be reported to the Board of Trustees or Director Scrutiny Committee for Finance. Staff may be called upon to attend full Trustee Board meetings to explain the reasons for requesting a dispensation.
- 8.5 Dispensations from the requirement for competitive quotations / tenders must not be used to avoid competition, or for administrative convenience, or to award fresh / further work to a supplier originally appointed through a competitive procedure.
- 8.6 All dispensations will be subject to obtaining and documenting appropriate evidence for single quotation / tender action, obtaining authorisation for such action in accordance with the approved Scheme of Delegation and never breaching current Public Contract Regulations or the relevant OJEU thresholds.
- 8.7 Subject to approval as outlined in the Trust's Scheme of Delegation, dispensations may be granted for the following reasons:
  - 8.7.1 Unforeseen emergency requirement
  - 8.7.2 The goods or services are only available from one source and there is no possibility of the Trust's requirements being met in any other way
  - 8.7.3 An extension is required to a current contract in order to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the procurement would not be justification for a single tender)
  - 8.7.4 Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (which along with a VfM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice of the Director of Operations in terms of compliance with the EU and UK legislation and subject to approval by the Chief Executive Officer and subsequently reported to the Board.
- 8.8 The Central Finance team may develop a schedule of dispensations for specific areas which Academy staff may use under certain circumstances.
- 8.9 A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years.

## **9. Raising Orders**

- 9.1 Following the raising of a requisition which must be approved in accordance with the Scheme of Delegation, official orders must be raised for all goods, works, services and/or consultancy required by the Trust or an Academy using the PS Financials system, unless

specifically exempted. The Procurement and Finance Policy documents the purchasing process and must contain adequate controls to ensure that:

- Official orders are raised in respect of all goods, services and works required by the Trust, its' Academies and any subsidiary companies, except for those specifically exempted.
- Only goods, services and works required by the Trust, its' Academies and any subsidiary companies are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the Trust's funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

9.2 Specific exemptions to the requirement to raise an official purchase order are limited to:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Petty cash purchases
- Purchasing card transactions
- Purchasing catering supplies (food and drink only)

9.3 Details outlining the number of non-order invoices paid on the PS Financials system will be reported to the Board and the Trust Finance Lead may be required to attend in order to explain any non-compliance.

9.4 In accordance with the Trust avoidance of gain/conflicts of interest policy, before raising any order checks must be carried out to ensure that no one who has declared a conflict of interest in relation to the purchase or the supplier/service provider has been involved in the selection process.

9.5 No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within the Finance Policy. In the event that the terms of any purchase order or contract have to be amended, approval in accordance with the Scheme of Delegation must be obtained.

## **10. Business Charge Cards and Petty Cash**

- 10.1 The Trust recognises the benefits of card payment as a means of paying for goods and services. The advantages include reduced administration time, the opportunity to make low cost online purchases and make emergency purchases to support business continuity.
- 10.2 Business Charge Cards will be allocated per academy and /or Central Finance team and must be kept and used by the person named on the card. Business Charge Cards must not be stored in school safes and should be taken off site outside of operating hours. Business Charge Cards and PINs must not be shared. All Charge Card purchases require a printed receipt with a second signature on it and must be retained in a file for audit inspection.
- 10.3. Full details governing the distribution and use of Business Charge Cards is subject to the Business Charge Card Procedures contained within the Finance Policy.
- 10.4 A Petty Cash system can be run by each individual academy. The limit for petty cash is £250.00 with a maximum limit of £25.00 per single transaction. Petty Cash must be balanced on a regular basis.

## **11. Supplier Management**

- 11.1 Purchase Orders, Contracts and payments should only be raised/made to suppliers which have passed Trust vetting procedures and have been added to the PS Financials system
- 11.2 New suppliers may only be added to the PS Financials system following completion of a new supplier form and the requisite vetting procedures. The Central Finance team will add new suppliers to the PS Financials system.
- 11.3 All staff who may raise purchase orders for work should satisfy themselves that where required, contractors have appropriate DBS clearance before raising an order for work. The Trust has issued guidance for the safeguarding of pupils whilst contractors are on site which must be followed.

## **12. Competition**

- 12.1 Subject to the thresholds in section 6, competition should be proportionate to the level of expenditure, complexity and risk. To minimise procurement costs for the Trust and suppliers, avoid doubt and ensure compliance with legislation, best practice and Trust's Financial Policy, guidance documents and templates for procurement at all levels has been provided which must be followed.
- 12.2 Care should be taken to specify accurately the goods/services required in a way which is unambiguous, offers quality, removes barriers to participation by SMEs, and self-employed people without discriminating against others.
- 12.2 Any minimum standards should be proportionate to the contract and not discriminatory other than where legally required.
- 12.3 All requests for quotation must be made using the appropriate templates and in accordance with the guidance most relevant to the estimated value of expenditure.

- 12.4 When estimating the value of a contract, unless it is a one off cost, the actual cost of the works, goods or services must be for the whole life costs and include any on-going costs. If the whole life is unknown then four years should be the baseline. Once the whole life cost has been estimated the appropriate procurement procedure should be followed.
- 12.5 All procurement over £50,000 must be overseen by the Central team and if required depending of the total value of the contract in accordance with the with relevant EU legislation by either undertaking a compliant tender process or by using an established, relevant and accessible compliant framework.

### **13. Contract Agreement/Terms and Conditions**

- 13.1 All procurement should be carried out using the Trust terms and conditions as outlined in the various procurement procedure guides and templates. There may be certain exceptions to this where the use of an established framework or access to specific software requires it. In any case any departure from Trust terms and conditions must be approved by the Board of Trustees before agreement is made.
- 13.2 Any agreement or contract with a supplier which requires a signature by a member of the Executive (not including general orders for goods and services) should be forwarded to the Central Finance team for review prior to signature. All lease agreements must be forwarded and signed by the Chief Financial Officer and a copy of the agreement retained centrally. The Trust is forbidden to enter into financial lease agreements without the prior approval of the ESFA.
- 13.3 A signature on an agreement or contract, or even an email response, indicates that the Trust or Academy accepts the suppliers Terms and Conditions which may not be favourable.
- 13.4 Following the identification of the most favourable offer for the Trust or subsidiary companies, whether by best value, quotation or tender, consistent with the thresholds identified above, contracts may only be awarded by those officers to whom the Trust Board has delegated such authority within the approved Scheme of Delegation. The required authority to accept other than the lowest quotation or tender is also included within the Scheme of Delegation.

### **14. Payment and Payment Terms**

- 14.1 Unless a credit card has been used to make a payment, all invoices from suppliers should be entered on to the PS Financials system once approved and then paid either by BACS, pre-printed cheque or manual cheque.
- 14.2 The Trusts standard payment terms are 30 days following receipt of a correct invoice, unless alternative arrangements have been agreed at purchase order stage.
- 14.3 Where purchases are made using established frameworks, the payment and other terms and conditions are likely to be those of the framework. Before purchasing from any framework, it should be confirmed that it is permissible for the Trust to use the framework and where required an appropriate access agreement has been approved by the Accounting Officer.
- 14.4 Payment should only be made on receipt of goods. Where services are being procured then payment for work in progress or agreed interim stages may be appropriate in accordance with the approved guidance and subject to sign off from the Chief Financial Officer.

## **15. Aggregation**

- 15.1 EU 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 As academies manage their own budgets and purchasing decisions within the value stipulated in the Scheme of Delegation, seeking advice and support of the Central Finance team to procure goods and service on their behalf where necessary and appropriate.
- 15.3 Where an Academy or the Trust does need to consider aggregation is when expenditure reaches certain thresholds. To ensure that the Trust or Academies do not fall foul of this, a procurement plan will be required for the Trust and Academies outlining all procurement activities within a 12-month cycle. This will enable the Central Finance team to identify where activity such as contracts being rolled over are proposed and take appropriate action to re procure on behalf of an Academy.
- 15.4 Should an Academy or the Trust identify that specific expenditure is reaching or has exceeded the current EU threshold then action should be taken to re-procure the goods/services in a compliant manner as a matter of urgency. The Central Finance team will review ½ termly reports from the PS financials system to ensure that this is the case.
- 15.5 In appropriate circumstances the Central Finance team may identify opportunities to establish corporate contracts on behalf of Academies. Academies will be invited to participate, however in such cases the Central Finance team will work on the basis that this expenditure does aggregate and procure accordingly.

## **16. Annual Procurement Plans**

- 16.1 The Central Finance team will complete an annual procurement plan setting out key tender activity and milestones. The plan will include the use of the contract list to plan the requirement for future tenders on going reviews of contracts, strategic areas of development, and any policy and procedural developments that are required.
- 16.2 Academies may be required to complete an Annual Procurement Plan following Procurement procedure guidance detailing key purchases for the year with a lifecycle cost in excess of £10,000. This is to enable the Central Finance team to identify any opportunity to procure similar services either regionally or Trust wide, exploit value for money opportunities and identify potential aggregation or breaches to thresholds.
- 16.3 The Trust is committed to the preparation and the continued development of the Procurement Plan. The Central Finance team will continually review the procurement requirements of the Trust and Academies whilst complying with all relevant legislation.
- 16.4 The practice of renewing annual contracts is not permissible unless specific provision has been made within the original procurement process for contract extensions. Re- procurement should feature on the annual procurement plan and be commenced in a timely manner to ensure completion and transfer to a new contract is managed effectively.
- 16.5 To avoid the inefficiencies of re-procuring services annually, the Central Finance team will work with Academies to review procurement plans and develop multi-year contracts regionally.

## **17. Tenders**

- 17.1 Any expenditure over £50,000 must be subject to tendering in accordance with Trust Financial Regulations and UK Public Contracts regulations 2015 and if the anticipated value is over the current threshold then also in accordance with EU procurement legislation.
- 17.2 All tendering where the anticipated lifecycle costs are in excess of £50,000 must be overseen by the Central Finance team.
- 17.3 The Central Finance team will select and manage the most appropriate procurement process in accordance with the anticipated value, any potential aggregation and Trust tendering guidelines which are compliant with current procurement legislation. This may include the use of Frameworks or bespoke tenders.
- 17.4 Tendering procedures may take up to six (6) months depending on lifecycle cost and compliance with legislation, failure to programme sufficient time for procurement will not be a reason to grant a dispensation.
- 17.5 All current and future tenders are advertised using the Trust website or alternative more appropriate means if necessary or legally required. It is the responsibility of the Central team to oversee the tenders for Goods, Services and Works to support the Trust and academies within it on procurement matters.
- 17.6 Any post tender bid clarification with suppliers will be supported by the Central team.
- 17.7 Any communication with the suppliers involved in the tender process can be facilitated by the Central team.

## **18. Standards of Business Conduct**

- 18.1 In exceptional circumstances, with the approval of the Chief Executive, the CFO may directly award certain contracts without the need to conduct a competitive process, provided that all such instances are compliant with EU and UK procurement legislation and the circumstances are subsequently reported to the Trust Board with a record of the justification for the direct award being retained for three (3) years.

## **19. Reporting Requirements**

- 19.1 For contracts above £75,000 (excluding VAT) the decision and criteria should be reported to the Trust Board, highlighting the relevant issues and recommending a decision.
- 19.3 All contracts whose value is over £75,000 (excluding VAT) must be authorised by the Trust Board. In cases where, due to the timing of the Board meetings, this would not be practicable and any undue delay would cause significant operational issues, the Chief Executive Officer acting jointly with the Chair or Vice Chair of the Trust Board may accept a tender in excess of £75,000 but this must be reported to the next meeting of the Trust Board.
- 19.4 The Central Finance team is required to complete a tender report for all tenders in accordance with EU procurement legislation.

## **20. Contracts Register**

20.1 The Central Finance team will maintain a contracts register detailing all procurement activity undertaken, with a value over £50,000 which records all related documentation, details of the winning bidder, price, duration of contract and the procurement process followed.

## **21. Equal Treatment of Suppliers**

21.1 One of the key principals of procurement legislation is that all suppliers are treated equally in any competitive process regardless of value. They should have the same availability of access to specifications, plans, Trust staff time, facilities etc.

21.1 Evaluation criteria should be decided in advance and made available in full to suppliers to show they will be treated fairly.

21.2 All bidders are entitled to be debriefed at the end of a process and informed of the winning bidder.

21.3 Any discussions and or correspondence prior to the conclusion of procurements should be on a “without commitment” basis and this phrase should be clearly stated on any such correspondence. The contract offer or purchase order should be the only point at which commitment is made.

## **22. The Bribery Act 2010**

22.1 All staff should also 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 Anti-bribery and corruption policy and all employees involved in procurement should be familiar with the policy.

## **23. Acceptance of Gifts or Hospitality**

23.1 The Trust policy is not to accept any form of gift or hospitality from suppliers; full details are included in the Anti-bribery and corruption policy.

## **24. Confidentiality (FOI)**

24.1 The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding Academy and Trust purchasing. All such requests should be handled in accordance with the Trust policy and subsequently referred to the Chief Financial Officer.

24.3 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.

## **25. Information Security**

- 25.1 All suppliers or third parties that require access to the Trust or Academy information systems as part of the service they provide must comply with the requirements of the Central IT team
- 25.2 Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier / third party meets the requirements of the Central IT team and will comply with the Trust safeguarding and security policies.
- 25.3 In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked, where appropriate, to demonstrate their compliance with the policies.

## **26. Leases**

- 26.1 Academies should not enter into any finance lease as this would be contravention of the requirements of the Academies Financial Handbook.
- 26.2 Academies may enter into operating leases. This is subject to the approval of the CFO who will arrange for independent legal advice to be sought. Academy Leads are not authorised to sign or enter into lease agreement on behalf of the Trust/academy.
- 26.3 All lease agreements must be signed by the AO of the Trust or a designated Trustee and a copy held centrally.

## **27. Payment in Advance**

- 27.1 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 then this should be discussed with and approval sought from the CFO.

## **28. Health and Safety**

- 28.1 When procuring any goods, services or works employees must ensure that checks are made to confirm that suppliers are suitably experienced and qualified to undertake the work required.
- 28.2 Where building or maintenance works is planned, suitable risk assessments and/or method statements must be in place and if required Academy change approval must be sought
- 28.3 All services, supply and works procured by the Trust must comply with the relevant UK and European health and safety legislation in force at the time the items are procured.
- 28.4 Where required by legislation, products (including used or refurbished products) must comply with the relevant UK and European Laws on the design, supply and operation of products.

## **29. Separation of Duties**

- 29.1 There are a number of processes in purchasing goods and services etc. There must be adequate separation of duties to ensure that the process of ordering goods, services and

works, checking receipt/completion and authorising payment is not the responsibility of one person.

- 29.2 Where the Central Finance team undertake tendering exercises, the receipt and custody of tenders prior to opening must be separated from the specification, selection and evaluation. Contract awards subject to tendering will be subject to approval of the procurement procedure undertaken and in accordance with the scheme of delegation.

## **30. Procedural and Guidance Notes and Templates**

- 30.1 To ensure consistent and compliant processes, the Central Finance team have provided a range of procedure documents, guides and templates outlining the process all staff must follow when undertaking procurement and purchasing.
- 30.2 The guides are reviewed and updated from time to time to ensure compliance with legislation and best practice.

## **31. Retention of Documents**

- 31.1 Tender or quotation documentation should be retained for a minimum of five (5) years from the date of the end of the contract. Documentation may be retained electronically or in hard copy, however it must be readily accessible for audit or other purposes if required.
- 31.2 The Central Finance team are required to maintain a contracts register for all purchases with a lifecycle cost over £50,000.
- 31.4 Where procurement is undertaken on behalf of an Academy by the Central Finance team, all documentation in relation to the procurement process will be retained centrally. Academies need not hold local copies and can rely on notification from Director of Operations or CFO that the Trust Financial Regulations and relevant Procurement legislation has been complied with. The records held centrally are available should auditors wish to inspect them.

## **32. Travel and Accommodation**

- 32.1 All travel and accommodation should be purchased in accordance with the Staff Business Travel, Accommodation, Subsistence and Expenses Policy and the cost claimed back through the staff expenses procedure.

## **33. Disposal of Redundant Equipment**

- 33.1 Wherever possible where equipment is no longer required by an Academy or the Trust, alternative internal uses should be sought, however where this is not possible or there is no interest then it is permissible to dispose of by sale to suppliers or the general public.
- 33.2 In all cases where external disposal is proposed this must be carried out with the approval of either the Chief Financial and for the disposal of IT equipment, the IT Director. Disposals must also be in accordance with the Fixed Asset Procedures stated within the Finance Policy.
- 33.3 Any proposed disposal/sale must comply with the current Waste Electrical and Electronic Equipment (WEEE) regulations.

### 34. Monitoring and Audit

34.1 The Trust and academies are subject to scrutiny by internal and external auditors as well as the ESFA and other government departments/organisations. It is the responsibility of everyone involved in the purchasing process to ensure that they comply with current policies, procedures, guidance and legislation.

<b>Associated documentation</b>	
<b>Academy Trust Funding Agreement</b>	<b>This can be found:</b> <a href="http://www.citylearningtrust.org/wp-content/uploads/2016/01/Master-Funding-Agreement-1.pdf">http://www.citylearningtrust.org/wp-content/uploads/2016/01/Master-Funding-Agreement-1.pdf</a>
<b>Academies Financial Handbook</b>	<b>This can be found:</b> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633375/Academies_Financial_Handbook_2018.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633375/Academies_Financial_Handbook_2018.pdf</a>
<b>Academies Accounts Direction</b>	<b>This can be found:</b> <a href="https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/618379/Academies_accounts_direction_2017_to_2018.pdf">https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/618379/Academies_accounts_direction_2017_to_2018.pdf</a>
<b>Scheme of Delegation</b>	<b>This can be found on:</b> <a href="http://www.citylearningtrust.org/about/financial-documents/">http://www.citylearningtrust.org/about/financial-documents/</a>