



**SUMMIT**  
LEARNING TRUST

## Procurement Policy

<b>Approved by:</b>	Finance & Resources	<b>Date:</b> September 2020
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## 1. Introduction

The following Procurement Procedures support the Trust's Financial Regulations, requirements of the ESFA (Education and Skills Funding Agency) Academies Financial Handbook 2020, along with the applicable Procurement Law. Everyone associated with or employed by the Trust must adhere to the procedures as laid out in this policy.

## 2. Summit Learning Trust Procurement Team

The Trust has a small Procurement Team who are there to ensure that we spend money wisely, that we operate in accordance with this Policy, to the benefit of the overall Trust.

This includes:

- 2.1 Working closely with Budget-holders on all aspects of expenditure for supplies and services
- 2.2 Providing support to ensure satisfactory supplier performance to the Trust
- 2.3 Identifying and delivering cost savings and service improvements
- 2.4 Ongoing management and development of supplier relationships
- 2.5 Preparing and planning of Invitation to Tenders
- 2.6 Aggregating spend to increase buying power
- 2.7 Single sourcing where appropriate, harmonising favourable terms across the Trust
- 2.8 Reducing our number of suppliers and developing a preferred suppliers list
- 2.9 Exploring ways of eliminating waste
- 2.10 Delivering continuous improvement opportunities
- 2.11 Maintaining contract registers for the schools and college within the Trust
- 2.12 Adhering to applicable Procurement Law and the Trust Procurement Policy
- 2.13 Recouping our own team's salary cost via the savings that we achieve

## 3. OJEU Thresholds

Thresholds for expenditure are determined by OJEU (Official Journal of the European Union) and are put in place every two years.

As at the 1st January 2020 (to 31<sup>st</sup> December 2021), the Thresholds are as follows:

Contract value

Works	£4,733,252
Supplies and services	£189,330
Light touch services	£663,540 ((Schedule 3 of the Regulations)

NB: Light touch includes exam boards

These OJEU Thresholds are net of VAT and apply to the total aggregated value of the contract, whether this is for one Academy or more than one.

For example, a services contract is being tendered for schools A and B. The anticipated annual cost for school A is £30k. For school B it is £35k. Over three years the total contract value is £195k and therefore exceeds the threshold so is subject to OJEU regulations.

Contracts for similar products or services may not be subdivided with the effect of preventing the expenditure from falling within the scope of OJEU Thresholds.

This legislation is also particularly appropriate where demands for goods and services around the Trust are consolidated for leveraging and single sourcing purposes. In case of doubt, the Trust Procurement Team or the Finance Manager / Director should be consulted.

### BREXIT

While the UK has left the EU, it is bound by the terms of the Withdrawal Agreement which requires it to adhere to EU rules until the transition period ends. Even after the transition period ends, EU rules, which have been transposed into UK law, will still be in force until the government decides to change them.

## 4. Ongoing outsourced services

### 4.1 Ongoing purchases above the OJEU thresholds:

#### 4.1.1 Defining the requirements

For ongoing goods and services that exceed the OJEU thresholds (for example, catering, cleaning and ICT), the Procurement Team will work with the Budget-holders to ensure that all the correct information is collated and agreed before the requirements are tendered utilising an appropriate Framework.

#### 4.1.2 Preparation and planning

This is vital to ensure the final Invitation to Tender document fully represents accurate requirements including specifications, timelines and service levels.

In some cases, preparation and planning can take up to twelve months, so it is vital to understand the relevant contract expiry dates to ensure we have robust processes in place to operate effectively and in a timely manner.

#### 4.1.3 Authorisation

As part of the planning and preparation process, the Procurement Team will ensure that the appropriate senior authorization is obtained from the Trust (in line with pre-authorized budgets) as detailed in section 5.

This authorisation will also enable the Procurement Team to award the contract to the 'most economic and advantageous tender' (MEAT).

### 4.2 Ongoing purchases below the OJEU thresholds:

#### 4.2.1 Defining the requirements

For ongoing goods and services that are below the OJEU thresholds (for example, stationary, hygiene services, cash collections), the Procurement Team will work with the Budget-holders to ensure that we pursue the most appropriate procurement method to the benefit of the Trust.

#### 4.2.3 Authorisation

Budget-Holders will work with the Procurement Team to ensure that the requirements are purchased in line with pre-authorized budgets.

## 5. Approval levels and instructions

The following Trust rules apply:

Table 1

Total Contract or purchase value*	Tender type	Pre-authorization and Approval level	Notes
Less than £10,000	N/A	School/college budget holders	These can be purchased from current/ designated suppliers. Where there is no existing supplier, firstly find out from another SLT Academy if there is a recommended supplier. A new supplier should only be used as a last resort to keep the number of suppliers down.
£10,000 - £49,999*	Three quotations from independent suppliers required OR utilize appropriate framework. Discuss	Appropriate Director and Trust Procurement Manager	Sourcing decision to be made on the basis of the most economic and advantageous tender

	with the Procurement Team for guidance. Budget holder to undertake procurement exercise.		
£50,000 + up to OJEU Thresholds	Procurement Undertake: Utilise appropriate Frameworks. Only undertake own tender if framework not available or approval is obtained for other reasons	Two nominated Directors and Trust Procurement Manager.	Sourcing decision to be made on the basis of the most economic and advantageous tender
Value above OJEU Thresholds	Undertaken by Procurement Team Appropriate OJEU compliant Frameworks to advertise the requirement. Only undertake own tender if no framework exists or approval is obtained for other reasons	Points 3 and 4 of the Trust Procurement Policy apply, along with the approval of the CEO (or designate), Finance Director (or designate) and the Trust Procurement Manager.	In accordance with the Trust Procurement Policy sections 3 and 4

\*Where the value is £10,000 to £49,999, the following practice should follow:

- Budget holders should have 3 quotes produced. These quotes should be based on a specific brief which is jointly approved by relevant stakeholders and senior managers.
- All documentation referring to quotations must be kept and attached to the quotes; particularly where further clarification is required or there is a deviation (following Principal approval) from the initial brief.
- Once all quotes are in, the budget holders should make a written recommendation as to the preference and clearly articulate reason as such. This should be directed to the senior managers for review and if appropriate for further work. In the event that it not possible to obtain 3 quotes, the budget holder must document the reasons in writing along with recommendations for approval.
- The senior managers should review objectively and either endorse the initial recommendation or suggest an alternative for consideration. This must be in writing. The Principal or finance director will review and make the final decision within the specified approval limit.

## 6. Budget holder responsibilities

- 6.1 The Trust appoint Budget holders, who are supported by the Procurement Team to ensure that purchased goods and services are fit for purpose to support and meet the needs of the Trust in meeting its objectives
- 6.2 Supplier credit checks must be conducted on all suppliers of strategic/high risk categories and checked annually thereafter. Checks are undertaken by the Strategic Business Director.

## 7. Capital expenditure

High value / one-off capital expenditure purchases including buildings or strategic projects should be handled by the Head of the Department concerned. For spend over £10k, the Trust rules shown in Table 1 above apply.

Capital expenditure on goods and services needs to satisfy the following:

- a) f significant in value (i.e. over £1,000)

- b) Be of benefit to the Trust for a period greater than one accounting year
- c) Received approval from the Trust prior to any expenditure being committed

## **8. Total cost of ownership**

The total cost of any goods or service should always be taken into account including:

- a) Delivery charges
- b) Packaging
- c) Installation cost
- d) Running costs (consumables, energy and maintenance)
- e) Warranty
- f) Service / maintenance calls

## **9. Code of Conduct & conflicts of interest**

All employees of the Trust are required to protect the standing of the Trust by:

- 9.1 Never engaging in conduct, either professional or personal, which would bring the Trust into disrepute
- 9.2 No gifts or hospitality should be accepted by any service provider as an inducement to award a contract to that supplier. This may be an offence under the provisions of the Bribery Act 2010. You must inform the Finance Director immediately on becoming aware of any such gifts or hospitality
- 9.3 Rejecting any business practice which might reasonably be deemed improper
- 9.4 Never using their authority or position for their own financial gain
- 9.5 Conducting procurement transactions with transparency in accordance with ethical behaviour and legal guidelines
- 9.6 The Academies Financial Handbook puts strict obligation on the Trust to ensure that conflict of interests in procurement are managed. Any interest which may affect the outcome of a procurement process must be declared. All staff involved in tendering activity must sign a declaration of interest form and send to the Trust Procurement Manager who will determine what if any action can be taken to seek to remedy any such conflict of interest.
- 9.7 Taking preventative steps to ensure that there is no modern slavery or human trafficking in its supply chains in accordance with the Trust's Anti-Slavery Statement.
- 9.8 All trustees, in addition to those staff that could potentially influence purchasing, must complete the register of business interests each year.

## **10. Audit Trail**

- 10.1 The Trust's accounting officer must complete a DfE value for money statement each year.
- 10.2 A clear audit trail must be kept for all purchases. The level of detail required will increase with the value of the procurement. The record must include:
  - 11.2.1 who was responsible for making the decision to procure, and details of their decision making process
  - 11.2.2 full minutes of any meetings at which the procurement was discussed
  - 11.2.3 who was responsible for evaluation of tenders, and details of the evaluation, if applicable
  - 11.2.4 who was responsible for receiving and checking the goods or services and for authorising and making payment. The person responsible for the decision to procure must not be the same person who authorizes payment
  - 11.2.5 details of the purchase itself, e.g. what was purchased, from whom and for what price; and
  - 11.2.6 be available to the Finance Director at all times for audit purposes.
- 10.3 In each case, a record must include copies of all original documentation used during the procurement such as tender pack, quotes, contracts and invoices,

## **11. Exemptions to this document**

- 11.1 This document must be followed in all but exceptional circumstances. Exemptions will not be permitted simply because we have a good or long-standing relationship with a supplier as this does not meet Public Sector Procurement rules.
- 11.2 Some types of arrangements fall outside of the procurement rules, such as employment contracts. This may also include some types of Special Education Needs provision, but you should check with the Finance Director in each case.
- 11.3 Any exemptions should only be relied upon with express written consent from the Finance Director and the Board of Directors or the Trustees. You should check with the Finance Director if you are unsure about any procurement and before you place any orders/sign any contracts.