

SOUTH LINCOLNSHIRE SCHOOLS TRUST (SLAT)

PROCUREMENT POLICY

Aspire - Challenge – Achieve

Author	SLT Line Link	Date Approved
SESH	LCO	July 2023
Policy Type	Date of Next Review	Approved By
Trust Wide	July 2024	Trustees

1. Legislation and guidance

This Policy aims to ensure that South Lincolnshire Academies Trust funds are used only in accordance with legal requirements, its funding agreement, articles of association, and the following policies and regulations:

- Academy Trust Handbook
- Department for Education (DfE) guidance on buying procedures and procurement law
- The Public Contracts Regulations 2015

It is important to note that South Lincolnshire Academies Trust is the sole legal entity which can enter into contracts for itself and any Schools within the Trust. The Schools themselves are not separate legal entities and cannot enter into contracts without Trust approval.

This Policy applies to any contract for services, supplies or works which results in payment being made by the Trust (including the Schools within).

The basic principle is that procurement should deliver best value to the Trust from all purchases at all times.

There are specific rules regarding leases within the Academy Trust Handbook. Guidance should be sought from the Trust Chief Financial Officer (CFO).

2. Roles and responsibilities

2.1 Board of Trustees

The Board of Trustees are responsible for determining and approving the content of this Policy. The Board are also responsible for approving business cases for tendered expenditure.

2.2 Chief Executive Officer (CEO)

The CEO has the delegated responsibility for the operation of the Trust including the performance of the Trust's Schools. The CEO is the Accounting Officer and must ensure that the organisation is run with financial effectiveness, stability and probity; securing value for money in line with the Academy Trust Handbook and Funding Agreement. All legally enforceable documentation for the Trust must only be signed by the CEO.

2.3 Chief Financial Officer (CFO)

The CFO will provide specialist advice and support under the framework of this Policy to the CEO, COO, leadership and the Board of Trustees.

2.3 Chief Operating Officer (COO)

The COO will provide support and guidance to leaders and staff under the framework of this Policy. The COO will manage and lead with the production of tender documentation and liaise with the CFO regarding the tendering process.

3. Purchase thresholds

3.1 De minimis level

Purchase order forms must be raised for all goods or services either on a location specific form or requested via email.

3.2 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £0 - £14,999
- Medium-value purchase: £15,000 - £49,999
- High-value purchase: over £50,000, but below the Public Contract Regulations (PCR) procurement threshold

3.3 PCR procurement threshold

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the Trust will seek specialist advice to ensure it runs a PCR compliant buying process.

4. Approval authority

CONTRACT LEVEL	CONTRACT VALUE	DELEGATED AUTHORITY
Low 3 quotes for purchases over £5k	£0 - £1,999	Budget Holder*
	£2,000 - £7,999	CFO/COO
	£8,000 - £14,999	CFO/COO & Chief Executive Officer (CEO)
Medium	£15,000 - £49,999	Board of Trustees (via emailed Business Case or meeting).
High	Over £50,000, but below the PCR procurement threshold	Board of Trustees (via emailed Business Case or meeting)
Small lots - Supplies and Services - Works	£70,778 £884,720	Board of Trustees (via emailed Business Case or meeting)
Supplies and services over the PCR procurement threshold	Over £213,477	Board of Trustees (via emailed Business Case or meeting)
Works over the PCR procurement threshold	Over £5,336,937	Board of Trustees (via emailed Business Case or meeting)

* Budget Holders can only be approved by the CEO/CFO.

Budget Holder authority to approve assumes there is sufficient budget remaining to enable the transaction to proceed and there will not be any detriment on potential future expenditure. If sufficient budget is not readily identifiable, a proposal for virement of funds may be appropriate via the CFO/CEO within the expenditure limits approved in the Financial Plan. Budget reports will be provided monthly detailing expenditure and commitments. Orders authorised by the CFO/COO/Director of IT Infrastructure will be facilitated on IRIS Financials (PSF). Proof of authorisation can be provided for audit purposes.

5. Valuing contracts

The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees (net of VAT).

We will not divide a single contract into smaller contracts to bypass the purchase thresholds.

6. Fixed Term Contracts

The CFO/COO will ensure that fixed term contracts of any value, including open, call off and rolling contracts, are monitored to ensure renewals are known in advance and budgeted appropriately. Retendering will be undertaken in accordance with this Policy.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period. Contracts cannot be extended beyond 25% of the original length without retendering in accordance with this Policy (Section 12 Exemptions apply).

7. Framework agreements

Where possible the Trust 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 favorable terms and conditions. In addition, the framework provider may offer advice and support. Utility provision must be via a framework.

Depending on the framework chosen, the Trust will choose a supplier from a list, or run a mini-competition between listed suppliers. All DfE approved frameworks including ESPO are approved for use by the Trust. If the suppliers within a framework do not provide best value, based on current market costs, the tendering procedure set out in this Policy will apply.

8. Suppliers

The Trust finance software holds an extensive list of approved suppliers. If an alternative supplier is requested, a new supplier form must be completed by the relevant staff member and approved by the CFO.

Preferred supplier status can be awarded by the Board of Trustees for low value purchases following a business case submitted for consideration and approval.

9. Conflicts of interest

The Trust will report all contracts and other agreements with related parties to the Education and Skills Funding Agency (ESFA) in advance of the contract or agreement commencing. Related parties include but are not limited to persons and entities with control or significant influence over the Trust, as detailed in the Academy Trust Handbook.

Any interest which may affect the outcome of a procurement process must be declared. This includes all Members, Trustees, Local Advisory Board Members as well as the Trust Senior Leadership Team, Finance Team and Budget Holders.

All Members, Trustees, Local Advisory Board Members, Trust Senior Leadership Team, Finance Team and Budget Holders must complete a register of business interests form and keep this updated at least once per year.

Staff are not permitted to use Trust orders for private purchases or take advantage of preferential Trust terms when obtaining goods for personal use.

Further details can be found in the Trust Finance Handbook Section 15.

10. Tendering procedure

Orders of any value can only be placed by the relevant Finance Office (or with their authority) to ensure that financial regulations are complied with.

10.1 Low Value Orders

A purchase order must be completed for all purchases (excluding exceptional circumstance exemptions noted in Section 12). One quote is required for non-catalogue purchases. This can be received by post or electronically (including screenshots from websites where appropriate). The purchaser must be confident that they have secured best value. The quotation should be attached to the purchase order and retained for audit purposes.

For purchases of £5,000-£14,999 three written quotes must be obtained. A purchase order must be completed at all times. The purchaser must be confident that they have secured best value. The quotation should be attached to the purchase order and retained for audit purposes.

Lloyds Corporate Cards facilitate the purchase of goods or services with payments being made immediately. Only authorised employees can use the corporate cards. Approval authority levels apply. A written purchase order or email from the Budget Holder must be present to support the purchase paperwork. Purchases should not exceed £5,000 unless exceptional circumstances apply (refer to Section 12 Exemptions).

10.2 Medium Value Orders

For purchases of £15,000-£49,999 three written quotes must be obtained. A business case with the financial analysis and rationale for the recommended supplier must be completed by the COO and submitted to the Board of Trustees for approval. The business case can be submitted via email or presented and discussed at a Board of Trustees meeting. If approvals are granted via email, a summary of approvals since the previous meeting must be minuted at the next available Audit, Risk and Finance meeting.

Routine purchases are exempt from the business case process if they are budgeted within the Financial Plan. Refer to Section 12 Exemptions.

10.3 High Value Orders

High value purchases are over £50,000 and any requirement that exceeds the PCR procurement threshold.

A formal tender process is required for purchases greater than £50,000. The procurement process will be managed by the CFO/COO.

The key stages are summarised below:

- Pre-Tender planning
- Developing a specification
- Agreeing the evaluation criteria
- Invitations to tender/quotations
- Submission, receipt and opening of tenders
- Evaluation of tender
 - cost
 - technical implementation
 - deliverability
 - company status
 - portfolio
 - understanding of site
- Recommendation to the Board of Trustees for approval of contract award

For tenders over £50,000, but under the PCR procurement threshold a business case with the financial analysis and rationale for the recommended supplier must be completed by the COO and submitted to the Board of Trustees for approval. The business case can be via email or presented and discussed at

a Board of Trustees meeting. If approvals are granted via email, a summary of approvals since the previous meeting must be minuted at the next available Audit, Risk and Finance meeting.

For procurement over the PCR procurement threshold, the Trust will use a procurement specialist to undertake the tendering procedure. A minimum of one Trustee will form part of the tender evaluation process before the recommendation is presented to wider Trustees. Tender evaluation documentation provided by the specialist tendering company will be presented to the Board of Trustees for their award decision. If approvals are granted via email, a summary of approvals since the previous meeting must be minuted at the next available Audit, Risk and Finance meeting. Unsuccessful companies must be informed in writing detailing the Trusts reasons for the decision.

11. Monitoring arrangements

The CFO is responsible for the implementation of this Policy.

This Policy will be reviewed and approved by the Board of Trustees annually and when PCR procurement thresholds change.

All documents required for audit purposes must be retained in accordance with HMRC retention policies.

12. Exemptions to this Policy

This Policy must be followed in all but exceptional circumstances. Non-compliance may lead to disciplinary procedures.

In such exceptional circumstances the Trust Executive Team (CEO/CFO/COO) may request aspects of the Policy are waived. Exceptional circumstances include, but are not limited to:

- In an emergency to resolve an issue that has a Health & Safety or Safeguarding risk attached whereby a proper procurement process would heighten the risk.
- Disaster recovery and the period of time prior to operating normally.
- Use of specialists. On occasion it may be preferable to contract a specific supplier given their technical expertise, specific prior experience of working with the Trust and/or monopoly of a particular supply.
- Time constraints. If an issue emerges that requires a rapid response that could not be met if adhering to standard procurement rules.

The Chair or Vice Chair of Trustees can authorise the exemption, which will then be reported at the next Audit, Risk and Finance Committee.

Other exemptions include payments for utilities, examinations, contracted services, existing and ongoing licenses and subscriptions used by the Trust (Including, but not limited to Capita SIMS, Every, Show My Homework, School Cloud, IRIS Financials, IRIS ParentMail, IMP, Uniware, Microsoft Agreement, HR and Payroll services, non-RPA insurance, school transport etc.). When a retendering exercise is instigated due to a planned change to any of the software packages in question, it must be completed in accordance with this Policy. Trip expenditure is exempt when income has been received to offset the payments made.

Exemptions cannot be used if the level exceeds the PCR Procurement Threshold.

13. Links with other policies

This tendering Policy is linked to the following policies:

- Academy Trust Handbook
- Scheme of Financial Delegation
- SLAT Finance Handbook
- Fraud Policy
- Gifts & Hospitality Policy
- Whistleblowing Policy