

JOHN TAYLOR MULTI ACADEMY TRUST



Procurement Policy

Implementation date: May 2017
Reviewed on: July 2017,19,20,21,23
Next review due: July 2025
Policy owner: Barbara Mahoney

POLICY STATEMENT:

John Taylor Multi Academy Trust (JTMAT) strives to achieve the best value for money from all its purchases. This means getting what is needed in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and therefore we need to maintain the integrity of these funds by following the general principles of:

- **Probity**, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;
- **Accountability**, the academy is publicly accountable for its expenditure and the conduct of its affairs;
- **Value for money** - the achievement of value for money underpins the appropriate use of public funds. It is usually defined as economy, efficiency and effectiveness where:
 - economy is minimising the costs of resources used having regard to appropriate quality;
 - efficiency is the relationship between the output (however measured) and the resources used to generate that output;
 - effectiveness is the extent to which the objectives are achieved and the relationship between the actual and the intended outputs from an activity.

In applying funds to purchase decisions, JTMAT Trust and Local Governing bodies must have regard to value for money considerations. From the definitions given above it should be evident that this does not necessarily mean the cheapest on offer. Consideration also needs to be given to factors including quality, suitability, availability, reliability of the supplier, terms available and other factors deemed pertinent for the item in question.

JTMAT is opposed to any form of slavery and human trafficking within its business and activities and will continue to demonstrate commitment to acting ethically and with integrity in all business relationships. We will implement effective controls and use all reasonable endeavours to ensure that slavery and human trafficking are not taking place in our supply chain.

Procedures:

1. Routine Purchasing

Routine purchases up to £5,000 can be requested and authorised by budget holders as per the financial scheme of delegation. A quote or price must always be obtained before any order is placed. The Finance Office of each school can advise regarding regularly used suppliers, however, if the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the school then this must be discussed and agreed with the appropriate Finance Officer before forwarding to the Trust for ratification and entry onto the Iris finance system purchase ledger.

All orders must be made, either directly onto the finance system by authorised personnel or in writing using an official Requisition Form, stocks of which are held in the Finance Office of each academy. Orders must bear the signature of the member of staff requesting the order and countersigned by the budget holder who must ensure adequate budgetary provision exists before the order is placed.

See Appendix 1 for a Summary of Financial Authorisation Levels and the procedures to be followed for ordering goods up to the value of £30,000.

2. Tendering

All supplies/services ordered with a value over £30,000 must be subject to formal tendering procedures. Purchases within certain higher thresholds can be dealt with under light touch regulations and commonly advertised in electronic portals such as "Contracts Finder" [Contracts Finder - GOV.UK \(www.gov.uk\)](http://www.gov.uk). Services or works above these limits will require advertising to the "Find a Tender" service. www.find-tender.service.gov.uk or facilitated through compliant Framework agreements.

Ordering supplies/services which may potentially be over £30,000 must be discussed with the Senior Finance Officer in the School prior to any communication with suppliers. This is to ensure correct procedures are followed from the outset.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated. The circumstances in which each procedure should be used are described below:

- **Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Senior Finance Officer how best to advertise for suppliers, e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds
- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:
 - there is a need to maintain a balance between the contract value and administrative costs

- a large number of suppliers would come forward or because of the nature of the supplies/services are such that only specific suppliers can be expected to supply the school's requirements
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.
- **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:
 - the above methods have resulted in either no or unacceptable tenders;
 - only one or very few suppliers are available;
 - extreme urgency exists;
 - additional deliveries by the existing supplier are justified.

Details of suppliers engaged via the negotiated tender route, must be reported to JTMAT board at the earliest possible opportunity.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is to be used an invitation to tender may be issued in response to an initial enquiry.

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- health & safety arrangements;
- terms and conditions of tender;
- form of response.

Aspects to Consider

Financial

- like should be compared with like and, if a lower price means a reduced service or lower quality, this must be borne in mind when reaching a decision
- care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor;
- relevant experience of the contractor;
- descriptions of technical and service facilities;
- certificates of quality/conformity with standards;
- quality control procedures;
- details of previous sales and references from past customers;
- environmental impact.

Other Considerations

- Pre-sales demonstrations;
- deliverability ie track record/timescales/safeguarding practices;
- after sales service;
- use of local suppliers (where possible);
- small and medium-sized enterprises;
- financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the School. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Receipt of Tenders Electronically

It may be preferable to receive tender submissions electronically. All potential tenderers should be advised if electronic submissions are acceptable when sending an invitation to Tender letter, receipt of all electronic submissions will still be required to comply with a submission date and time. Electronic submissions will be in the form of a specific e-mail with contract information forming the subject line of all e-mails. All electronic tenders will be sent to the Trust central e-mail address: tender@jtmat.co.uk

Electronic tenders shall comply with the following requirements:

- a specific contract file shall be created in the central e-mail address for the tender which will be named by the contract number and a brief description of the tender.
- All emailed tenders will have the same subject line requirements.
- Any forms of tender or pricing documentation shall be a PDF scan of a hard copy document suitably signed by the tenderer.
- All received tenders should be moved unread to the contract file by somebody not directly involved with the Tender.
- All tender submissions are to be forwarded to the person who is carrying out the tender after the due date and time of the submission.
- Where tenders are required to be opened in the presence of senior Trust staff, tenders will be opened from the location of the e-mail file with submissions being recorded on a tender register.
- The date and time of the tender being received to the e-mail account will be recorded on the tender register.
- Tenders received after the submission deadline will not normally be accepted.

Tendering Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of tenders as follows:

- for contracts up to £50,000- two from: the budget holder/Headteacher/JTMAT Chief Operating Officer (COO) and the Chief Executive Officer (CEO);
- for higher value contracts for supplies/services: JTMAT COO, CEO plus a member of the Trust Board;
- A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

Tendering Evaluation Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision must take care not to accept gifts or hospitality from potential suppliers that could compromise, or be seen to compromise, their independence.

Full records should be kept of all criteria used for evaluation. For contracts over £50,000 a report should be prepared for the LGB Managing and Organising Committee, highlighting the relevant issues and recommending a decision. For contracts for supplies/services which fall into the Light Touch Regime or Find a Tender threshold levels the decision and criteria should be reported by the Managing and Organising Committee to the Trust Board for approval.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender. The accepted tender should be the one that is economically most advantageous to the School. All parties should then be informed of the decision.

3. Request to waiver Trust procurement procedures

The Trust recognises that occasionally works and services may need to be procured outside of the normal process for procurement. Reference should be made to the requirements for such requests within section 10.1A of the JTMAT Financial Control Handbook.

Appendix 1

Summary of Financial Authorisation Levels

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services (raising requisitions)	Up to £5,000	Budget Holder/Finance Officer (Primary school and JTMAT Central Finance staff)	Selection from preferred supplier list unless agreed otherwise with Finance Office
	£5,001 to £10,000	Primary Headteacher	Two quotes required
	£0 to £10,000	Budget Holder/Finance Officer (Secondary school) and JTMAT COO	Two quotes required if over £5k
	£10,001 to £30,000	Primary and Secondary Headteacher/Secondary school Business Manager or JTMAT COO	Three quotes required
	£30,001 to £100,000	JTMAT CEO plus report to LGB Managing and Organising Committee	Formal tendering process, including those falling into the threshold for the Find a Tender platform
	Over £100,000	As above plus report to JTMAT Board	
	Authority to accept other than lowest quotation or tender	£30,001 - £100,000 LGB – Managing and Organising Committee. Over £100,000 - JTMAT Board	
	Authority to approve a formal request to waiver Trust normal procurement procedures	JTMAT CEO and reporting to JTMAT Board	All requests above £5,000
Signatories for cheques, BACS payment authorisations and other bank transfers	Any	Two signatures from a minimum of three in accordance with the bank mandate for the Trust	
Signatories for ESFA grant claims and ESFA returns	Any	Two signatories (or as required by ESFA) from: - JTMAT COO - JTMAT CEO - Nominated Trustee	
Provision to varyate values between budget headings	Up to £10,000	Recommendation by Headteacher (Primary)/JTMAT COO/ Secondary School Business Manager/ reporting to the M & O Committee (if approved by COO)	
	Up to £30,000	JTMAT COO	
	£10,001 to £30,000	Headteacher (Secondary) - reporting to the Managing and Organising Committee (if approved by COO)	

	Over £30,000	CEO - reporting to JTMAT Bd	
Disposal of assets	Up to £5,000	Managing and Organising Committee	
	£5,001 to £20,000	M&O plus JTMAT Board	
	Over £20,000	JTMAT Board plus ESFA approval required for disposal of assets funded with more than £20,000 of ESFA grant, or transferred from an LA at nominal consideration	
Write-off of bad debts	Up to £3,000	Managing and Organising Committee	
	£3,001 - £44,999	M&O plus Trust Board	
	Over £45,000	M&O, Trust Board plus ESFA approval	
Purchase or sale of any freehold property	Any	ESFA approval required	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	ESFA approval required	
Raising invoices to collect income	Up to £10,000	Business Manager/ Senior Finance Officer (Secondary and Primary) and JTMAT Central Finance staff)	
	£10,001 to £30,000	Headteacher or JTMAT COO	
	£30,001 to £100,000	Managing and Organising Committee/JTMAT Board	
	Over £100,000	JTMAT Board	