



Astrea Academy Trust
INSPIRING BEYOND MEASURE

Procurement Policy 2022-23

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What is Procurement?

Procurement is the process whereby goods, services and works are acquired.

The procurement process spans a life cycle from identification of needs 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.

The Central Procurement Team is referred to throughout this document: however, procurement or purchasing may also be undertaken by Academy staff in accordance with the Trust's Financial Scheme of Delegation.

It is important that all staff engaged in procurement activity are aware of the correct procedures around purchasing and procurement and have a good working knowledge of this Policy.

Policy Statement

The purpose of this document is to ensure that Astrea Academy Trust (Trust) maintains and develops systems of financial control that conform to the requirements both of propriety and of good financial management. It is essential that these systems operate properly to meet the requirements of our funding agreements with the Education and Skills Funding Agency (ESFA) and internal financial controls.

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, paying attention to value for money, propriety and regularity in compliance with legislation.

The Trust's Financial Scheme of Delegation outlines who has authority to select contractors and award contracts and/or raise orders. Compliance with the policy is mandatory and failure to comply with either this Procurement Policy or the Trust Financial Scheme of Delegation may result in withdrawal of authority and disciplinary action.

This policy sets out how the Trust will manage its procurement to ensure compliance with relevant legislation, in particular the Public Contracts Regulations (PCR) 2015 it does not provide guidance on how to procure. Failure to comply could result in a breach of legislation, fines and litigation, claims for damages, loss of reputation and delays in delivering education to children.

The Trust is a single legal entity, of which individual academies are constituent parts rather than standalone procuring entities.

Agents

When procuring on behalf of academies the members of the Central Team are acting as 'Agents' in creating binding terms and conditions on the Trust. Whenever an Academy undertakes any procurement independently, then the Principal, School Business Manager or Office Manager and any other member of staff will be acting as an agent of the Trust. This is providing that the procurement is compliant with the Trust's Finance Scheme of Delegation and Procurement Policy.

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 appropriate procedural guidance.
- 1.2 This policy should be read in conjunction with the Trust's Financial Scheme of Delegation and the Fraud Policy, both of which can be found on the Trust's website: <https://astreaacademytrust.org/about-us/statutory-documents/>
- 1.3 The Trust's Procurement Policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or Academy based.
- 1.4 All procurement within the Trust and Academies shall be carried out in such a way to ensure compliance with legal requirements, the Trust's Financial Scheme of Delegation, any other requirements of the DfE or ESFA and in accordance with agreed budgets.
- 1.5 This policy is intended to reflect and support the aims 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 social value.
- 1.6 The Central Procurement Team will work with Academies and other Central Team Directorates by providing professional support and advice to 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.
- 1.7 The Trust's Procurement Policy does not provide detailed process guidance on procurement or purchasing. Help and support may be obtained from the Central Procurement Team.
- 1.8 The Procurement Policy will be reviewed at least every two years or earlier, if required by a change in legislation.

2. General Principles

- 2.1 When purchasing and contracting for goods and services, the Trust, its Academies and subsidiary companies must demonstrate compliance with procurement legislation and the proper and effective use of the Trust's funds at all times. Purchasing procedures should also ensure that the goods, services and works procurement are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be adhered to:
 - Public money is spent for the purposes intended by Parliament (regularity)
 - Appropriate standards of conduct, behaviour and corporate governance are maintained (propriety)

- Transparency and Non-Discrimination; in all purchasing activity the Trust must ensure that all contactors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and consistent manner. Procurement procedures must not be undertaken in a manner which narrows competition, favours or disadvantages any contractor, supplier or service provider.
- Social Value which takes a wider definition of value into account in order to increase equality, improve wellbeing and increase environmental sustainability.
- Probity; it must be demonstrable that all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption involved in any dealings of the Trust.
- Accountability; the Trust is publicly accountable for its expenditure and for the conduct of its affairs.
- Value for Money; the achievement of value for money underpins the appropriate use of all Trust 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, social value, reliability of the supplier, terms available, etc.

2.2 When procuring goods, services or works over certain values (mentioned later in this policy) it is good practice to use a procurement framework. Frameworks help public sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections. Speak with the Central Procurement Team before engaging with a framework.

3. Value for Money

3.1 Value for money is the optimum combination of whole life cost, quality and must be fit for purpose to meet the user's requirement. This is rarely possible with the lowest price alone. All purchases must be made in accordance with the Trust's Financial Scheme of Delegation, except in exceptional circumstances where a dispensation may be granted.

3.2 It is acceptable for a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest price bid but has been evaluated using the Most Economically Advantageous Tender method (MEAT) i.e. looking at quality, technical and sustainable aspects of the tender. The evaluation scores must be recorded and retained on file.

4. Financial Authority to Commit to Expenditure and Purchasing Thresholds

- 4.1 Any process which involves committing the Trust to expenditure must be approved in accordance with the Trust's Financial Scheme of Delegation. The scheme of delegation confirms who has the authority and to what financial level.
- 4.2 Any member of staff placing a purchase order on behalf of the Trust, including an Academy, must ensure that they have the correct level of authority to do so, in accordance with the Trust's Financial Scheme of Delegation, and where required must obtain approval from a more senior member of staff with a higher approval limit if necessary.
- 4.3 The Finance and Budget Committee meet quarterly and therefore if authorisation is required at this level, timescales must be adjusted accordingly. Requests for approval must be submitted to the clerk of the meeting at least **eight calendar days in advance** of the meeting date. Meeting dates are published in the Trust calendar and can be confirmed by a member of the Governance Team.
- 4.4 Purchase orders must be fully authorised before they are forwarded to suppliers and relevant contracts signed.
- 4.5 Purchase orders must be issued to all suppliers prior to work or services commencing or goods being requested.
- 4.6 All values quoted exclude VAT. Please contact the Central Procurement Team if you need advice around VAT.
- 4.7 Purchases up to £10,000 – Academies and Central Teams may procure goods, services and works without consultation providing budget provision is available and relevant authorisation is provided. Where possible orders should be placed with existing suppliers.
- 4.8 Purchases over £10,000– Academies and Central Teams must engage with the Central Procurement Team **prior** to procuring goods and services and complete a Procurement Approval Form (PAF). For Works, Academies and Central Teams must engage with the Estates Team. Adequate budget provision and relevant authorisation is required. A minimum of three quotes are required unless there is a dispensation. An approved framework, or formal tendering process may need to be undertaken for purchases where the lifetime contract value falls into 4.9, unless there is a dispensation
- 4.9 Purchases with a lifetime contract value (see 5 Aggregation) over £177,897.50 for goods and services are regulated by the Public Contracts Regulations (PCR) 2015– Academies and Central Teams must engage with the Procurement Team prior to procuring goods and services who will assist with managing the procurement process for compliance with PCR 2015. Adequate budget provision and relevant authorisation is required. Completion of a Procurement Approval Form is needed **before** a Purchase Order is raised. An approved framework agreement or formal tendering process will then need to be undertaken, unless there is a dispensation. Finance and Budget Committee approval is required, notified to the Board.
- 4.10 Purchases over £4,447,447.50 for Works Academies and Central Teams must engage with the Estates Team **prior** to procuring. Adequate budget provision and relevant authorisation is required. An approved framework agreement or formal tendering

process will then need to be undertaken, unless there is a dispensation. Finance and Budget Committee approval is required, notified to the Board.

- 4.11 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.
- 4.12 Where the Central Procurement Team are managing a procurement process on behalf of an Academy or other Central team within the Trust, orders will not be raised without approval from the budget holder in accordance with the Trust's Financial Scheme of Delegation.

5. Aggregation

- 5.1 When assessing the purchasing thresholds, the lifecycle of the whole contract must be taken into account e.g. a 3 year contract at £40,000 pa, with the option to extend for a further 2 years gives a value of £200,000 and so is subject to the PCR 2015. therefore a compliant Procurement process must be followed.
- 5.2 When a contract automatically renews each year the value must assume a lifecycle of 3 years e.g. the yearly contract is £40,000, the threshold assumes £120,000.
- 5.3 In appropriate circumstances the Central Procurement Team may identify opportunities to establish Trust wide contracts on behalf of Academies.
- 5.4 Academies should contact the Central Procurement Team if they have any concerns relating to values. The Central Procurement Team have visibility across the Trust.

6. Exceptions

- 6.1 The Financial Scheme of Delegation provides for certain exceptions and spending in unforeseen circumstances.
- 6.2 Each application for dispensation from the Procurement Policy will be reviewed by the Central Procurement Team, with reference to the Public Contracts Regulations (PCR) 2015.
- 6.3 If the Central Procurement Team agree that the Procurement warrants exception to the Procurement Policy, the reasons will need to be documented on a Procurement Approval Form to be Authorised in line with the Financial Scheme of Delegation.

7. Raising Purchase Orders

- 7.1 Purchase orders must be raised for ALL goods, works, services and/or consultancy required by the Trust and Academy using the Trust's financial system.
- 7.2 Purchase orders must be fully authorised before they are forwarded to suppliers.
- 7.3 Purchase orders must be issued to all suppliers prior to work or services commencing or goods being requested, with the exception of rates and utilities.

- 7.4 Purchase orders cannot be raised to cover more than one academic year's total value as we only pay for services delivered.
- 7.5 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. This document must be included as an attachment on the Trust's financial system.
- 7.6 Details outlining the number of non-order invoices paid on the Trusts financial system will be reported half termly at Executive level. Central Team members, Principals, School Business Managers or Office Managers may be required to explain any non-compliance.
- 7.7 No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable.

8. Credit Cards

- 8.1 There are a limited number of people across the Trust who have approved credit cards. This means of payment must be used in line with the Trust's Credit Card Agreement.

9. Supplier Management

- 9.1 Purchase orders, contracts and payments should only be raised/made to suppliers that have passed Trust vetting procedures and have been added to the Trust financial system.
- 9.2 New suppliers may only be added to the financial system following completion of a new supplier form and the requisite vetting procedures.
- 9.3 All existing suppliers will be reviewed on an annual basis. Any supplier not used within the last 14 months may be removed from the Trust's finance system. If this supplier is required at a later date, a new supplier form and the requisite vetting procedures will apply.
- 9.4 Regular contractor management meetings must be held at least termly by the individual owning the contract.

10. Competition

- 10.1 Subject to the thresholds in section 4, competition should be proportionate to the level of expenditure in order to drive best value.
- 10.2 Care should be taken to specify accurately the goods/services required in a way that is unambiguous, offers equality, removes barriers to participation by SME's and self-employed people without discriminating against others in line with the principles of Social Value (2.1).

11. Contract Agreement/ Terms and Conditions

- 11.1 Where possible all procurement should be carried out using the Trust's Terms and Conditions as outlined on the purchase order. Please consult the Central Procurement Team if a supplier is proposing using their own Terms and Conditions.
- 11.2 Any agreement, contract or lease with a supplier which requires a signature by a member of the Trust or Academy should be forwarded to the Central Procurement Team for review prior to signature.
- 11.3 Once agreed by the Central Procurement Team the agreement, contract or lease with the supplier must be signed by the relevant procurement authoriser as shown in the Trust's Financial Scheme of Delegation. A copy of the signed contract must then be returned to the Procurement Team to add to the Trust's contract register. A copy must also be added to the purchase order raised on the Trust's finance system.
- 11.4 Any leases undertaken must follow the ESFA guidelines
https://assets.publishing.service.gov.uk/media/60c8d0318fa8f57ce8c4621e/Academy_trust_handbook_2021.pdf

12. Payment and Payment Terms

- 12.1 Unless a credit card has been used to make a payment, all invoices from suppliers should be entered on to the Trust's finance system once received. A copy of the invoice must also be added to the system straight away.
- 12.2 Goods Received Note (GRN) must be entered on to the Trust's financial system to confirm that goods, services or works received are in accordance with those ordered. This must be actioned on the day of receipt.
- 12.3 The Trust's standard payment terms are 30 days following receipt of a correct invoice, unless alternative arrangements have been agreed by the Trust's Finance Team.
- 12.4 Payment should only be made upon receipt of goods. Where services are being procured, payment for work in progress or agreed interim stages may be appropriate.
- 12.5 All payments must be accounted for correctly, promptly and in full.

13. Tenders

- 13.1 All tenders over £177,897.50 for goods and most services and £4,447,447.50 for works must be publicly advertised, usually via a framework.
- 13.2
- 13.3 The Procurement Team will assist in selecting and managing the most appropriate procurement process in accordance with the anticipated value and any potential aggregation.
- 13.4 Tendering procedures may take up to six months depending on lifecycle costs and compliance with legislation. Failure to allow sufficient time for procurement will not be a reason to grant a dispensation.

- 13.5 Any post tender bid clarification with suppliers will be led by the lead individual who tendered for the works, goods and/or services.
- 13.6 Any communication with the suppliers involved in the tender process will be via the lead individual.

14. Internal Reporting Requirements

- 14.1 All contracts should be reported and authorised in line with the Trust's Financial Scheme of Delegation.
- 14.2 Contracts over £300,000 (goods and most services) and £4,447,447.50 (Works) also require approval from the Finance and Budget Committee, notified to the Board.
- 14.3 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, by exception, may accept a tender in excess of £300,000 (goods and most services) and £4,447,447.50 (works) following electronic sign off from the Finance and Budget Committee.
- 14.4 Compliance reports are regularly reviewed by the Trust. Failure to adhere to the rules set out will result in the budget holder being notified.

15. Contracts Register

- 15.1 All academies must produce an up to date contacts register on request. The contracts register must be reviewed by the School Business Manager or Office Manager and the Finance Manager on a monthly basis.
- 15.2 All signed contracts must be maintained by the Academy or Central team member and a copy submitted to the Central Procurement Team.
- 15.3 The Central Procurement Team will maintain and regularly review a master contracts register detailing all contracts which have been undertaken (N.B Contract register requires: supplier name, description of service, start date of contract, length of contract, notice period, cost and a copy of the contract so it can be uploaded into the register)

16. Treatment of Supplier

- 16.1 All suppliers must be treated equally in any competitive process regardless of value. They should have the same availability of access to specifications, plans, Trust staffs time, facilities etc.
- 16.2 Evaluation criteria should be decided in advance and made available in full to suppliers to show they will be treated fairly.
- 16.3 All bidders are entitled to be debriefed at the end of a process and informed of the winning bidder. This will be the responsibility of the lead individual who tendered for the works, goods and/or services.

- 16.4 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.

17. Confidentiality (FOI)

- 17.1 The Trust is subject to the Freedom of Information Act 2000. Accordingly, all information submitted to the Trust might need to be disclosed in response to a request under the Act. If a supplier considers that any of the information included in a tender or other procurement-related document is commercially sensitive, they should identify it and explain (in broad terms) what harm might result from disclosure if a request is received, and the time period applicable to that sensitivity. Suppliers should be aware that, even where they have indicated that information is commercially sensitive, the Trust may still be required to disclose it under the Act if a request is received. Suppliers should also note that the receipt of any material marked ‘confidential’ or equivalent by the Trust should not be taken to mean that the Trust accepts any duty of confidence by virtue of that marking. If a request is received, the Trust might also be required to disclose details of unsuccessful tenders.
- 17.2 Before making a disclosure under the Act, the Trust will endeavour to make appropriate contact with a supplier.
- 17.3 The Trust accepts that a supplier might itself be subject to the Act and will request that any relevant request in relation to the Trust’s information be discussed with the appropriate contact.

18. Information Security

- 18.1 All suppliers or third parties that require access to the Trust’s information systems as part of the service they provide, must comply with the requirements of the Central IT Team and with the Data Protection Policy.
- 18.2 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 requirement of the Central IT Team and will comply with the Trusts safeguarding and security policies.
- 18.3 In the event of the contract being transferred or terminated, appropriate provisions must be in place to ensure the continued security of information and systems. Suppliers/third parties will be asked where appropriate to demonstrate their compliance with the policies.

19. Payment in Advance

- 19.1 With the exception of some software licenses and training providers, 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 Procurement Team.

- 19.2 Services paid for in advance and not delivered, we must seek to be reimbursed from the supplier as soon as possible

20. Health and Safety

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

21. Segregation of Duties

- 21.1 There are a number of processes in purchasing goods and services etc. There must be adequate segregation of duties to ensure that the process of ordering goods, services and works, checking receipt/completion and authorising payments is not the responsibility of one person.

22. Procedural and Guidance Notes

- 22.1 To ensure consistent and compliant processes, the Central Procurement Team have provided a range of procedure documents/guidance notes outlining the process all staff must follow when undertaking procurement and purchasing.
- 22.2 These guides are reviewed and updated from time to time to ensure compliance with legislation and best practice.
- 22.3 The following documents are applicable:
- Procurement Approval Form
 - Purchase Order Requisition

23. Retention of Documents

- 23.1 All documents relating to requisition, quotations, frameworks and/or tenders should be attached to the completed Procurement Approval Form when raising a purchase order.
- 23.2 A copy of all contracts must be held by the Academy or Central Team member and a copy must be submitted to the Central Procurement Team.

- 23.3 Tender or quotation documents should be retained for a minimum of six years from the date of the end of the contract. Documentation may be retained electronically rather than in hard copy, however it must be readily accessible for audit or other purpose if required.
- 23.4 The Central Procurement Team are required to maintain a contracts register for all purchases.

24. Disposal of Redundant Equipment

- 24.1 Wherever possible, where equipment is no longer required by an Academy or the Trust, alternative internal uses should be sought.
- 24.2 In all cases where external disposal is proposed, this must be carried out with the approval of either the IT Team or Estates Team.
- 24.3 Any proposed disposal must comply with the current Waste Electrical and Electronic Equipment (WEEE) Regulations.
- 24.4 For land, buildings and heritage assets the Trust requires prior approval from the ESFA for any transactions.

25. Monitoring and Audit

- 25.1 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 are compliant with current policies, procedures, guidance and legislation.