



Procurement & Tendering Policy

(Statutory)

Approved: Summer 2022
Date of Next Review: Summer 2024

Equality Impact Assessment - Policy Review

In reviewing this policy, we have tried to make a positive impact on equality by considering and reducing or removing inequalities and barriers which already existed. We have ensured that this policy does not impact negatively on the dimensions of equality.

1. Introduction

The purpose of this policy is to set out the way The Roseland Multi Academy Trust ('the Trust') manages its expenditure and obtains best value for the purchasing of goods and services, in line with the requirements of both the Academies Financial Handbook ('the handbook') and The Trust's Master and Supplementary Funding Agreements ('the funding agreement'), as well as any other Department for Education (DfE) regulations and guidance.

This policy applies to everybody within the Trust who are either responsible or have influence over purchasing decisions, be that an employee, contractor or volunteer.

2. Overview

The underlying principle of this policy is that the procurement of goods and services is managed appropriately, whilst obtaining best value for money for the Trust and its individual academies.

Best value will be determined by considering both cost and non-cost factors (for example contractor availability or reliability).

Authorisation limits must be adhered to at all times (Point 4), as must the correct procedures (Point 5). The higher the value of the transaction, the more detailed the procedures that apply.

All suppliers in competition should be treated fairly, in a transparent and non-discriminatory way that allows sufficient time for the suppliers to respond.

3. Related Parties, Novel, Contentious and Repercussive Transactions

Under no circumstance should orders for goods or services be placed with suppliers listed on the Trust's Register of Business Interests without first being brought to the attention of the CFO.

Any related party transaction must first be approved by the CEO **and** CFO of the Trust and be registered using the ESFA's online form. For transactions that exceed the limits outlined within the current Academies Financial Handbook, **prior approval** from the ESFA will also be required.

Similarly, any transactions that could be considered novel, contentious or repercussive must be brought to the attention of the CEO, CFO and/or the ESFA for approval before the transaction takes place.

3a. Wave Multi Academy Trust

Wave Multi Academy Trust ('Wave MAT') are currently a related party to the Trust, due to the positions of Mr Robert Gasson (CEO of Wave MAT & a Member of the Trust) and Mr Christopher Challis (CEO of the Trust and a Trustee of Wave MAT).

Wave MAT are commissioned by Cornwall Council to provide Alternative Provision to pupils within the County, through the Pupil Placement Partnership ('PPP') policy agreed by Schools Forum, with costs agreed between Wave MAT and Cornwall Council. Wave MAT also operate Cornwall's Community and Hospital Education Service ('CHES'). No alternative service is available to the Trust for these services, and therefore Wave MAT are an explicit exemption to point 3 above.

Following consultation with the ESFA in Autumn & Spring 2020/21, the Trust is not considered the decision maker for both Cost and Provider for AP services, and as such is not in breach of the Academies Financial Handbook when trading with Wave MAT.

The Trust is required to provide an annual disclosure through the ESFA's Related Party Online Portal, together with a cost estimate for the forthcoming year. This disclosure must include evidence from Schools Forum or a Statement of Assurance from Cornwall Council confirming the Local Authority as the decision-maker.

Trust academies **must** notify the CFO **and** CEO of any intention to refer pupils to a Wave MAT Academy, **in advance** of any referral and/or financial commitment taking place. The CFO **must** ensure costs declared within the RPT disclosure remain up-to-date and in-line with year-end forecasts.

4. Authorisation Thresholds

The following thresholds apply to single orders or invoices (exclusive of VAT), for individual items or in total. The correct procedures must be followed at all times, see Point 4.

- Delegated academy budget holders may approve orders **up to a value of £500**, provided this does not cause them to exceed their total delegated budget limit.
- Primary and Secondary School Headteachers may authorise orders **up to a value of £1,000**.
- Orders for goods and services **up to but not exceeding £10,000**, either as a single item or in total, must be authorised by the CEO, CFO or Trust Management Accountant (following consultation with the CFO).
- Orders for goods and services **within the range £10,001 - £19,999.99**, either as a single item or in total, must be approved by the CEO or CFO.
- Orders **equal to or in excess of £20,000** must be brought to the attention of the Trust Board's Business & Finance Committee and discussed before any commitment is entered into by the Trust.

5. Procedures

All orders for goods and services must have a formal Purchase Order issued through the Central Services Finance Office. Members of staff not working within the Central Services Finance Office are not permitted to place orders with suppliers without the generated Purchase Order number, or the prior written approval of the CFO.

The only instances where Purchase Orders may not be raised will be limited to authorised Petty Cash or Proforma Invoice transactions (see points 14 & 15), payments falling due as part of an ongoing, approved contract or statutory obligation (eg Contractual Payments/SLA/Utility/Water/Business Rates) or where the raising of a Purchase Order is not practical, such as (but not limited to) Teacher Supply cover, minibus fuel or emergency repairs and maintenance. Invoices raised without a Purchase Order will be reviewed by the CFO or Trust Management Accountant on a regular basis to ensure appropriateness and integrity of internal controls.

Written quotations, when required, must be attached to the Purchase Order and retained by the Finance Office.

- Orders for a value of **up to £500 or less do not require quotations** and can be ordered by way of raising a Purchase Order through the Finance Office, and must be authorised by the appropriate budget holder.
- Orders of **£501 – £10,000** must have **at least one written quotation** attached to the Purchase Order, and be accompanied by appropriate authorisation. Where the transaction is considered unusual or value for money cannot be easily ascertained, the CFO may request up to two additional quotations be sought, which if requested must be provided by the procuring member of staff before the transaction is approved.
- Orders with a value of **£10,001 - £19,999.99** must have a minimum of two, preferably three quotes obtained before a Purchase Order is raised. Total number of quotes required is to be considered by the CFO, taking into account the best interests of the Trust, including (but not limited to) value for money, previous performance of any contractor/supplier, and timescales. Where requested, the procuring member of staff must provide additional quotes before the transaction is approved. Restricted Tendering is considered the most relevant form of tendering for purchases of this value.
- Orders **in excess of £20,000 and up to the current OJEU/FTS threshold** must be raised at a full Trust Board meeting for the consideration of Trustees, before full procurement work is undertaken. Following receipt of documented approval, a minimum of three quotations should be sought through either Open or Restricted Tender in the first instance.
- Orders that **exceed the current OJEU threshold**, must be brought for the consideration and approval of the full Trust Board. The Trust Board will then consider whether a consultant should be engaged to manage the procurement process, or if an Open or Restricted Tender is sufficient.

Email and/or website prints are acceptable forms of written quotations.

For procurement of goods and services exceeding £20,000, the CFO will determine the appropriate method of tender, with the Trust Board's Business & Finance Committee providing final award approval.

6. Condition Improvement Fund Projects

Where the Trust lacks sufficient internal knowledge and expertise, external consultant(s) will be appointed to submit and manage Condition Improvement Fund bids on the Trusts' behalf.

Where the professional fees form part of the funding bid submitted to the DfE, and no cost will be incurred by the Trust should the bid(s) be unsuccessful, tendering for this element of the project will not be required provided fees remain below acceptable DfE thresholds, published annually.

The Trust Board's Business & Finance Committee will be notified of all project bids and expected costs prior to submission to the DfE, and **must** approve any financial contribution exceeding £20,000 towards the bid.

Construction work of each successful project will be tendered by the appointed consultant. A minimum of three tenders will be sought for each project, however suitability and availability will be taken into consideration as outlined within sections 7 to 11 detailed below.

Where returned tenders do not exceed initial project costs, and no material change to the project has occurred, the CFO may accept tenders on behalf of the Trust Board. Should tenders exceed original project costs or a material change to the project is likely, tenders will be submitted to the Trust Board's Business & Finance Committee for consideration and approval. A change of scope request will then be submitted to the DfE.

The Trust Board's Business & Finance Committee will be updated on project status on a minimum termly basis until completion.

7. Forms of Tender

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 potential suppliers are invited to tender. The CFO of the Trust will determine how best to advertise for suppliers. 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 identified and specifically invited to tender, and 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 the nature of the goods is such that only specific suppliers can be expected to meet the Trust'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 existing supplier are justified.

8. Preparation for Tender

A specification will be prepared, approved by the CFO and sent to the appropriate number of suppliers. At a minimum, the specification should include:

- Introduction/background.
- Scope and objectives of the project.
- Technical requirements.
- Implementation of the project.
- Terms and conditions of the tender.
- Form of response.

Whenever possible, the Trust should avoid creating its own frameworks and should make use of existing framework arrangements, for example utilising the Schools Buying Hub. For any instances of major investment requiring Trust Board approval, appropriate specialist advice should be sought.

9. Invitation to Tender

Where appropriate, suppliers invited to tender should be approved by the CEO or CFO of the Trust. Where Open Tendering is being used, the invitation must include:

- an introduction/background to the project;
- the scope and objectives of the project;
- any technical requirements;
- implementation details for the project;
- the terms and conditions of the tender; and
- the form and date of response to the academy, or in the case of building works, to the architect or quantity surveyor.

All replies, if to the Trust, should be addressed to the CFO in a plain sealed envelope marked 'Tender' to reach them by a specified date. All replies must be kept sealed until that date and passed, when consideration can be made to all received tenders.

10. Consideration of Tender

All tenders will be opened at the same time and details of the contractor, quotation and any other details recorded at the time of opening.

No contractor will be allowed to amend the tender after the time fixed for receipt.

The CFO or appointed consultant will open a separate correspondence file for each tender which will contain copies of all correspondence or other relevant information.

For purchases **up to the current OJEU/FTS threshold**, provided prior approval from the Trust Board or Business & Finance Committee has been granted, the decision as to which quote to accept will be taken by the CFO.

For purchases **exceeding the current OJEU/FTS threshold**, a decision will be made by the Trust Board or Business & Finance Committee.

The reasons for accepting a particular tender must be documented, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the Trust Board's Business & Finance Committee.

11. Acceptance of Tender

The following points will be considered when deciding which tender to accept:

- The overall price and the individual items or services which make up that price.
- Whether there are any 'hidden' costs; that is additional costs which the Trust will have to incur to obtain a satisfactory product.
- Whether there is scope for negotiation, while being fair to all tenderers.
- The qualifications and experience of the supplier, including membership of professional associations.
- Compliance with the technical requirements laid down by the Trust.
- Whether it is possible to obtain certificates of quantity.
- Warranties or Guarantees offered by the Supplier/Manufacturer.
- The supplier's own quality control procedure; pre-sales demonstrations, after-sales service and, for building works, a six month defects period and insurance guarantees.
- The financial status of the supplier.
- References from other establishments.
- Understanding and compliance with health and safety, CDM regulations and Child Protection issues related to working on a school site.

In the case of building works, where the tendering process is being carried out by an external Consultant, they will be responsible for checking the documentation of each tender before making a recommendation to the Trust.

Once a tender is accepted an order or letter of intent should be issued immediately to the supplier in the normal way.

12. Invoices and Payments

Invoices will be authorised for payment by the budget holder to confirm the goods or services have been received and are of the quality expected. Any discrepancies must be notified to the Finance Office within 24 hours of delivery for appropriate action to be taken.

For Agency Staffing invoices, the individual responsible for booking supply cover will detail who the cover was required for (named individual), whether the cover was for a Teacher or Support staff member, and the nature of the absence (Short or Long term sickness, CPD, or job role vacancy).

The Central Services Finance Office will process the invoice, ensuring correct treatment of VAT, and confirm all charges are correct and match the relevant Purchase Order(s).

The invoice will then be authorised by the CEO, CFO, Trust Management Accountant or relevant Headteacher for payment. Payments will be made by BACs on a regular basis, term dates and national holidays allowing. Where BACs payments are unable to be made (for example when account details are not provided), or payment is required as a matter of urgency, a cheque payment may be issued at the discretion of the CEO, CFO or Trust Management Accountant.

Payments will not be made where original invoices have not been provided, where goods or services have not been received to the expected quality, or where the appropriate authorisation cannot be obtained.

Regular BACs payments will be authorised in batches in line with the Trust's Financial Scheme of Delegation.

13. Business Charge Card

The Trust has two Business Charge Cards. The cards are to be retained by and for the use of the Central Services Finance Office, and are in the name of the CEO and CFO.

The cards have a shared financial limit of £7,000, split equally between the two cards. Any changes in the limit will be implemented by the CFO, following consultation and approval by the CEO and Chair of the Trust Board or Business & Finance Committee. All purchases must adhere to the Trust's usual authorisation limits and procurement procedures, and the card must be managed as follows:

- The cards must be kept in the Central Services Finance Office safe, and only removed when required for use.
- A detailed record of expenditure must be kept for all purchases.
- Care must be taken with all internet purchases, including purchasing only from known, trusted, reliable and reputable suppliers and only from sites adopting the internet security protocols.
- The cards must be settled in full each month; it must not be used as a line of credit.
- The cards may only be used by the CFO or a member of the Central Services Finance Office staff.
- The Central Services Finance Office staff are responsible for reconciling the monthly expenditure. Any items which do not have detailed record of expenditure or do not appear to be for bona fide school purposes must be immediately reported to the CFO, CEO and Bank, and must be investigated immediately.
- The CFO or Trust Management Accountant will authorise each individual purchase made on the charge card. The CFO and CEO will then review and authorise the monthly statement.
- The CFO or Trust Management Accountant may carry out a monthly check on a sample of the transactions, after which the charge card transactions will be posted monthly onto the finance system.

14. Petty Cash

Budget holders may authorise the use of Petty Cash for items of expenditure up to but not exceeding £20.00, and where sufficient funds exist within their delegated budget to meet the expenditure.

Staff with the prior approval of the budget holder may purchase goods for reimbursement or may obtain cash for purchasing goods prior to the transaction taking place.

A valid receipt, signed authorisation from the relevant Budget Holder and any change from the transaction (if applicable) must be provided to the finance office. Reimbursements will not be made unless a valid receipt is provided.

Expenditure exceeding £20.00 is not permitted from Petty Cash without the express written approval in advance by the CFO.

15. Pro-forma Invoice

Budget holders may authorise the use of Pro-forma Invoices for items of expenditure exceeding £20.00, but below £50.00 (*£49.99 or less*), where sufficient funds exist within their delegated budget to meet the expenditure.

Staff with the prior written approval of the budget holder may purchase goods for reimbursement and submit a Proforma Invoice in order to be reimbursed. Reimbursement will only be made via BACs or Cheque, at the discretion of the CFO.

A completed Proforma Invoice, including full details of the transaction, a valid receipt, correct BACs details for the member of staff and signed authorisation from the relevant Budget Holder must be provided to the finance office. Reimbursement will not be made until a completed Proforma Invoice and valid receipt are provided.

Expenditure of £50 or more is not permitted outside of the Purchase Order system, see point 5 above, without the express written consent of the CFO in advance of any commitment or purchase being made.

The CFO may, in exceptional circumstances, approve Proforma Reimbursement to staff up to (but not exceeding) £100 where it is considered advantageous for the Trust to do so.

16. Other Cash Transactions

When it is necessary for staff to have access to money, such as during a trip or visit, every effort will be made to minimise the amount of cash being carried by using prepaid card or other appropriate means.

Prior authorisation for cash to be taken must be given by the CFO.

A lead member of staff must be appointed for each trip/visit and will be required to take responsibility of budgeting and cash/card handling for the duration. On return any prepaid cards, valid receipts for all expenditure and any remaining cash funds must be returned to the Central Services Finance Office.

Where prepaid cards have been issued, the lead member of staff will follow guidance issued to them when collecting the card(s), ensure security of cards at all times, and immediately report any lost or stolen cards to the Central Service Finance Office.

17. Student Trips, Visits & Events

Where the cost of trips, visits or events is not covered by the Trust, and instead funded through parental/carer/student contributions, procurement methods and thresholds detailed above may not apply.

Procurement will be based on previous experience of suppliers, availability and/or locality of supply, or any specific provision that meets Trust requirements or the overall student experience (eg Activities Week, Ski Trips). In such instances a single written quotation will be acceptable, regardless of value, provided the Operator/Agent is a reputable company and offer appropriate protections and/or guarantees (eg. ATOL)

Parental or student money must be paid directly to the Central Services Finance Office, local Finance Offices or Primary School Secretaries. Members of staff not working within the Finance Office function **must not** collect money to pass onto Finance Staff on a parent/student's behalf.

Where possible, income should be collected through the Trust's online payment systems (eg. ParentPay, Schoolcomms). In the case of cash or cheque payments, a receipt must be issued for all monies collected, with records maintained of up to date payments made by students showing the amount paid and the balance outstanding. This will then be reconciled to the Trust's Financial Software on a regular basis.

18. Alcohol

Under no circumstance should Alcohol be purchased by Trust staff whilst on duty for the purposes of consumption, and under no circumstance should alcohol be purchased using Trust funds.

This includes, but is not limited to, the duration of any trip, visit or overnight stay whilst children remain under the care of Trust staff, purchase of alcohol for the purposes of cooking, and the use of petty cash or proforma invoice to reimburse the cost of purchasing alcohol.

Hand Sanitizer or other cleaning product not intended for consumption which contain alcohol are permitted with the approval of the CFO.