



Humber Education Trust

Procurement Policy

Approved By:	Full Trust Board
Version:	1.1
Created on:	31 January 2017
Amended on:	December 2019
Next review date:	December 2020

Contents

Policy Statement	Page 3
Policy Scope	Page 3
Purpose of the Procurement Policy	Page 3
General Principles	Page 5
European Procurement Directive	Page 6
Value for Money (VfM)	Page 6
Financial Authority	Page 7
Purchasing Thresholds	Page 7
Dispensations	Page 9
Purchasing Cards	Page 10
Supplier Management	Page 10
Payment Terms	Page 10
Aggregation	Page 11
Annual Procurement Plans	Page 11
Tenders	Page 12
Standards of Business Conduct	Page 12

Reporting Requirement	Page 13
Contracts Register	Page 13
Equal Treatment of Suppliers	Page 13
Bribery Act 2010	Page 14
Gifts and Hospitality	Page 14
Confidentiality	Page 14
Information Security	Page 14
Leases	Page 15
Health and Safety	Page 15
Separation of Duties	Page 15
Retention of Documentation	Page 16
Policy Review	Page 16

Policy Statement

It is Humber Education Trust (HET) policy to ensure that any expenditure of public funds regardless of value is carried out in a transparent and non-discriminatory way and in compliance with the Public Contracts Regulations and Bribery Act.

As a publicly funded organisation HET and its constituent academies, in accordance with procurement legislation are 'Contracting Authorities'. Subsequently, any procurement activity is regulated by the UK Public Contracts Regulations and EU procurement law.

This policy sets out how HET will manage its procurement to ensure compliance with relevant legislation, it does not provide guidance on how to procure, this is covered in the financial procedures of HET which must be followed by all individuals involved with procurement activities within HET and its constituent academies.

HET and Academy staff alike, failure to comply with this policy and other related policies and/or follow the procurement procedure guidelines could result in a breach of legislation, fines and litigation, claims for damages and loss of reputation.

Policy Scope

This policy applies to HET, its constituent academy, all individuals whether employed, volunteer or those with significant control/influence of HET; failure to comply with this policy and other related policies and/or follow the procurement procedure guidelines could result in a breach of legislation, fines and litigation, claims for damages and loss of reputation. Therefore, a breach of this policy may result in disciplinary action.

This policy should be read in conjunction with the scheme of delegation and the anti-fraud, bribery and corruption policy.

Purpose of the Procurement Policy

This policy is intended to reflect and support the aims of the HET by working with staff and suppliers to optimise value for money (VfM) in the procurement of works, goods and services. It aims to balance efficiency against risk factors in achieving VfM whilst promoting compliance and sustainability.

All procurement activities undertaken by HET shall be carried out in such a way to ensure compliance with legal requirements, including, the 2015 Public Contracts Regulations and EU procurement legislation. In addition, all procurement activities will be subject to HET financial regulations and scheme of delegation and any other requirements, as may be introduced from time to time by the DfE, ESFA or HMRC.

General Principals

When purchasing or contracting for works, goods and services HET must demonstrate compliance with procurement legislation and effective and efficient use of public funds, always. Purchasing procedures should also ensure that the goods, services and works procured are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be applied:

- **Transparency and Non-Discrimination**
HET must ensure that all contractors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and proportionate manner. Procurement procedures must not be undertaken in a manner which artificially narrows competition, favours or disadvantages any contractor, supplier or service provider.
- **Agency**
When procuring on behalf of academies, the members of the Central Finance Team (CFT) are acting as 'Agents' in creating binding terms and conditions on HET. Wherever an academy undertakes any procurement independently (subject to the category A or B limitations) then the Principal will be acting as an agent of HET provided that the procurement is compliant with this policy, scheme of delegation and financial procedures.
- **Probity**
HET must 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 process or decision taken by HET.
- **Accountability**
HET is publicly accountable for its expenditure and for the conduct of its affairs.
- **Value for Money**
The achievement of VfM underpins the appropriate use of all public 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, reliability of the supplier, terms available etc.

The European Procurement Directives

As a member of the EU the United Kingdom and consequently as a public body, HET is subject to European procurement directives which serve to encourage and stimulate an open market place for public procurement throughout the EU.

European procurement directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire supplies, services or works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds. European procurement processes are lengthy therefore where the lifecycle costs exceed European thresholds, academies must consult the CFT as early as possible to ensure the process can be initiated to avoid any unnecessary procurement delays.

EU and UK authorities are becoming increasingly concerned at breaches of the directives by contracting authorities including Multi Academy Trust's. Breaches of European procurement directives may incur penalties from the European Commission, HM Treasury or the ESFA, employees should therefore, notify the CFO of any anticipated high value procurement at their earliest opportunity.

When a tender process is not subject to the European procurement directives (for example because the estimated value of a contract falls below the relevant threshold), EU Treaty based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality apply. Some degree of advertising, which is appropriate to the scale of the contract, is necessary to demonstrate transparency. This is in line with the objective of achieving VfM in all public procurement.

Value for Money

VfM is the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement. This is rarely possible with the lowest price alone. To ensure that all purchases obtain optimum VfM, a range of procurement procedure guides and templates outlining the steps to be taken for varying levels of procurement should be developed and applied.

Purchases over £25,000 (Primary Academies) and £50,000 (Secondary Academies) must be managed by the CFT and in these cases early involvement is recommended to ensure expectations are clear and timelines are achievable.

Procurement activities in excess of £25,000 (excluding VAT) will require pre-approval from the CFO before the procurement process can commence.

Unless below the threshold for obtaining multiple quotations or tenders all procurement of works, goods and services should be acquired by effective competition, including adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Competition promotes efficiency and effectiveness in procurement, awarding contracts based on VfM following competition contributes to the competitiveness of supplies.

The CFO will review HET procurement plans and where appropriate will consult with academies on the potential to develop a range of HET wide or regional contracts to comply with the requirements around aggregation and VfM.

Financial Authority to Commit Expenditure

Any process which involves committing funds or incurring a liability on behalf of HET or any of its constituent academies must be approved in accordance with the scheme of delegation, in addition to ensuring there is adequate budget provision available.

Any member of staff placing a purchase order on behalf of HET or an Academy must be sure that they have the correct level of authority to do so in accordance with the scheme of delegation and where required must obtain further authorisation.

HET operates a system of devolved financial authority under which Principals are responsible for the decision-making process and planning of purchasing decisions. In accordance with this policy CFT colleagues may provide technical and professional support for lower value purchases if requested, however where the value of purchases £50,000, the CFO will manage the process on behalf of an academies. In these instances, an academy is still responsible for specifying requirements, evaluation criteria and committing funding

No member of staff may approve purchases unless they have been given express authority within the scheme of delegation.

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.

Purchasing Thresholds

There are two types of threshold governing procurement for HET and its constituent academies. Firstly, authority to commit expenditure, which is covered in the scheme of delegation and secondly the procurement process which is governed by the

anticipated lifecycle cost of the procurement. The various transactional thresholds are outlined briefly below.

Academy Procurement:

- Below £5,000 – a single written quotation from the approved suppliers/contractors schedule.
- £5,001 - £49,999 – three written quotations from the approved suppliers/contractors schedule or the completion of a formal mini tender.
- Any expenditure over £25,000 to be signed/managed off by the CFO.
- Any expenditure over £50,000 to be managed by the CFO.

Central Finance Team Procurement:

- Below £5,000 – a single written quotation from the approved suppliers/contractors schedule.
- £5,001 - £49,999 – three written quotations from the approved suppliers/contractors schedule or the completion of a formal mini tender.
- Any expenditure up to £50,000 to be signed off by the CEO.
- Any expenditure over £50,000 to be approved by the Full Trust Board
- £50,000 - £181,000 – advertise on a contract finder website and invite a minimum of three (3) tenders following advertisement unless an appropriate procurement framework can be identified.
- Over £181,000 EU compliant tender procedure or use of EU compliant framework.

Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous Tender (MEAT) method then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file. However, if this is for any other reason approval must be sought before confirming award or raising an order in accordance with the scheme of delegation.

Dispensations

In limited circumstances a dispensation from the requirement to obtain alternative quotes may be granted. This may include authority to solicit a single quotation, to award a contract or place an order without having obtained the requisite number of tenders or quotations or to directly award a contract.

All dispensations require prior approval from the CEO and CFO before progressing and must not result in a breach of procurement legislation or be contrary to the scheme of delegation.

Circumstances and reasons where a dispensation may be granted are included below:

- Dispensations from the requirement for competitive quotations / tenders must not be used to avoid competition, or for administrative convenience, or to award fresh / further work to a supplier originally appointed through a competitive procedure.
- All dispensations will be subject to obtaining and documenting appropriate evidence for single quotation / tender action, obtaining authorisation for such action in accordance with the approved scheme of delegation and never breaching current Public Contract Regulations or the relevant OJEU thresholds.

Subject to approval as outlined in the scheme of delegation, dispensations may be granted for the following reasons:

- Unforeseen emergency requirement
- The goods or services are only available from one source and there is no possibility of the requirements being met in any other way
- An extension is required to a current contract to allow sufficient time to complete a competitive tendering exercise
- Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (which along with a VfM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice of the CFO in terms of compliance with the EU and UK legislation and subject to approval by the CEO and subsequently reported to the Finance Committee.

A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years.

Purchasing Cards

HET recognises the benefits of purchasing cards as an alternative means of paying for goods and services. The advantages include reduced paperwork, reduced administration time and costs, opportunity to make on line purchases and seek discounts from suppliers on the basis that they receive immediate payment.

Purchasing cards are particularly suitable for high volume, low value purchases, booking off site visits and for site staff to order building materials etc.

The use of purchasing cards will be subject to a detailed procedural process and a signed indemnity for fraudulent use by all card holders.

Supplier Management

Purchase orders, contracts and payments should only be raised/made to suppliers which have passed HET vetting procedures and have been added to the approved suppliers and contractors schedule.

New suppliers may only be added to the schedule following completion of a new supplier form and the requisite vetting procedures and CFO authorisation.

All existing suppliers will be vetted on a three-year cycle in accordance with this policy.

Payment and Payment Terms

Unless a purchasing card has been used to make a payment, all invoices from suppliers should be entered on to the financial ledger system once approved and then paid either by BACS, pre-printed cheque or manual cheque.

Where purchases are made using established frameworks, the payment schedule and other terms and conditions are likely to be those of the framework. Before purchasing from any framework, it should be confirmed if it is permissible for HET to use the framework and where required an appropriate access agreement has been approved by the CFO.

Payment should only be made on receipt of goods. Where services are being procured then payment for work in progress or agreed interim stages may be appropriate in accordance with the approved guidance and subject to sign off from the CFO.

Except for some software licenses, payment should not be made in advance of receipt of works, goods or services. If a supplier requests payment in advance, then this should be discussed with and approval sought from the CFO.

Aggregation

EU legislation sets out how and when multiple orders and contract values for the same type of work should be added together for the purposes of deciding what procurement process is applicable.

HET academies manage their own budgets and purchasing decisions independently, seeking advice and support of the CFT to procure goods and service on their behalf where necessary and appropriate, academy expenditure in this instance does not aggregate across HET.

HET academies do need to consider aggregation when expenditure reaches certain thresholds. To ensure HET does not fall foul of this, a procurement plan will be required for HET and individual academies outlining all key procurement activities within a twelve-month cycle. This will enable the CFT to identify where activity such as contracts being rolled over are proposed, taking appropriate action to re-procure on a combined basis.

Should an HET or any academies identify that specific expenditure is reaching or has exceeded the current EU threshold then action should be taken to re-procure the works, goods and services in a compliant manner as a matter of urgency.

Annual Procurement Plans

The CFT will complete an annual procurement plan setting out key tender activity and milestones. The plan will include the use of the contract list to plan the requirement for future tenders, on going reviews of contracts, strategic areas of development, and any policy and procedural developments that are required.

HET academies will be required to complete an annual procurement plan following procurement procedure guidance detailing key purchases for a twelve-month period with a lifecycle cost more than £5,000. This is to enable the CFT, to identify any opportunity to procure similar services either regionally or trust wide, exploit VfM opportunities and identify potential aggregation or breaches to thresholds.

The practice of renewing annual contracts is not permissible unless specific provision has been made within the original procurement process for contract extensions. Re-procurement should feature on the annual procurement plan and be commenced in a

timely manner to ensure completion and transfer to a new contract is managed effectively.

To avoid the inefficiencies of re-procuring services annually, the CFT will work with academies to review procurement plans and develop multi-year contracts.

Tenders

Any expenditure over £50,000 must be subject to tendering in accordance with UK Public Contracts Regulations 2015 and if the anticipated value is over the current threshold then also in accordance with EU procurement legislation.

All tendering where the anticipated lifecycle costs are in excess of £50,000, must be undertaken by the CFT.

The CFT will select and manage the most appropriate procurement process in accordance with the anticipated value, any potential aggregation and HET tendering guidelines. This may include the use of frameworks, dynamic purchasing systems, or bespoke tenders.

Tendering procedures may take up to six months depending on lifecycle cost and compliance with legislation, failure to programme sufficient time for procurement will not be a reason to grant a dispensation.

Any post tender bid clarification with suppliers will be led by the CFT and/or the CFO.

Any communication with the suppliers involved in the tender process will be facilitated by the CFT.

Standards of Business Conduct

In limited circumstances, with the approval of the CEO the Chief Financial Officer may directly award certain contracts without the need to conduct a competitive process, provided that all such instances are compliant with EU and UK procurement legislation and the circumstances are subsequently reported to the Finance Committee and/or HET Board (depending on value) with a record of the justification for the direct award being retained for three years.

Reporting Requirements

Contracts between £25,000 and £100,000 (excluding VAT) the decision and criteria should be reported to the Finance Committee.

All contracts in excess of £100,000 (excluding VAT) a report shall be prepared for the HET Board, highlighting the relevant issues and recommending a decision/course of action.

All contracts in excess of £150,000 (excluding VAT) must be authorised by the HET Board. 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 CEO acting jointly with the Chair or Vice Chair of the HET, may accept a tender in excess of £150,000 but this must be reported to the next meeting of the HET Board.

Contracts Register

The CFT will maintain a contracts' register detailing all procurement activity undertaken, with a value over £25,000, which records all related documentation, details of the winning bidder, price, duration of contract and the procurement process followed.

Equal Treatment of Suppliers

One of the key principals of procurement legislation is that all suppliers are treated equally in any competitive process regardless of value. They should have the same availability of access to specifications, plans, staff time and facilities.

Evaluation criteria should be decided in advance and made available in full to suppliers to show they will be treated fairly.

All bidders are entitled to be debriefed at the end of a process and informed of the winning bidder.

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 a commitment is made.

The Bribery Act 2010

All staff should also be aware of The Bribery Act 2010, which came into force in April 2011. HET, its employees and contractors/bidders are all covered by the Act. To meet our obligations under the Act, HET has an anti-fraud, bribery and corruption policy, all employees involved in procurement process should be familiar with the policy and associated procedures

Acceptance of Gifts or Hospitality

All employee, especially those involved in procurement should be familiar with HET's gifts and hospitality policy.

Confidentiality (FOI)

The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding HET and its constituent academies. All such requests should be handled in accordance with HET policy.

As part of the process for providing quotations and tenders, HET requires all bidders to identify confidential information which they would not want HET to disclose in response to a freedom of information request.

Information Security

All suppliers or third parties that require access to HET or individual academy information systems as part of the service they provide must comply with the requirements of GDPR.

Staff responsible for agreeing IT maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier / third party complies with the requirements of HET.

In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked where appropriate to demonstrate their compliance with the policies.

Leases

Academies should not enter into any finance lease as this would be a contravention of the requirements of the Academies Financial Handbook.

Academies may enter into operating leases; however, this is subject to procurement thresholds and authorisation levels. The CFO must be consulted regarding any procurement which involves the use of an operating lease.

Health and Safety

When procuring any works, goods or services employees must ensure that checks are made to confirm that suppliers are suitably experienced and qualified to undertake the work required.

Where building or maintenance works is planned, suitable risk assessments and/or method statements must be in place and if required academy change approval must be sought.

All services, supply and works procured by HET must comply with the relevant UK and European health and safety legislation in force at the time the items are procured. Where required by legislation, products (including used or refurbished products) must comply with the relevant UK and European Laws on the design, supply and operation of products.

Separation of Duties

There are many processes in purchasing goods and services etc. There must be adequate separation of duties to ensure that the process of ordering works, goods and services, checking receipt/completion and authorising payment is not the responsibility of one person.

Where the CFT undertake tendering exercises, either on behalf of an academy or for HET, the receipt and custody of tenders prior to opening must be separated from the specification, selection and evaluation. Contract awards subject to tendering will be subject to approval of the procurement procedure undertaken and in accordance with the scheme of delegation.

Retention of Documents

All documentation and communication (including emails) relating to purchases or tenders with a value over £3,000 should be referenced with a URN which identifies the Academy (using the established three letter identifier) the date with no spaces and a chronological numbering system. This will enable easy location of all electronic records relating to a purchase for audit purposes.

Tenders or quotation documentation should be retained for a minimum of five (5) 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 purposes if required.

Where procurement is undertaken on behalf of an academy by the CFT, all documentation in relation to the procurement process will be retained centrally. Academies need not hold local copies and can rely on notification from the CFO that the relevant procurement legislation has been complied with.

Policy Review

The Humber Education Trust board has agreed that the Procurement Policy will be reviewed on an annual basis unless Government/EU guidance, changes in legislation or a change in the operating circumstances of HET forces an earlier revision.

Any review will take into consideration all aspects of applicable legislation and advice current at the time of the review. The next 'Period of Review' will be January 2019.

Sign Off

Approved By (print name):	
Role Title:	
Signature:	
Date:	

**Where everybody counts,
every moment matters.**

