

PROCUREMENT POLICY

Prepared By	Head of Finance
Approved By	Chief Executive Officer
Approved By	Chair of Board of Directors
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PROCUREMENT POLICY

Scope:

The Directors of Hamwic Trust (the Trust) are aware of the need to obtain best value for money in all instances of procurement.

The Academies Financial Handbook states that:

“Academy Trusts must ensure that:

- *spending has been for the purpose intended and there is probity in the use of public funds;*
- *spending decisions represent value for money, and are justified as such;*
- *internal delegation levels exist and are applied;*
- *a competitive tendering policy is in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed; and*
- *relevant professional advice is obtained where appropriate, including that of their external auditor where necessary.”*

For the purpose of this document the Trust refers to the Hamwic Trust, all Multi-Academy Trusts (MATs) and academies operating under the Hamwic Trust.

Scheme of Delegation:

The Trusts Financial Handbook 2016/17 stipulates the following schemes of delegation:

Secondary

Approval Limits	Approver
£0 - £9,999	School Business Manager/Head Teacher (or equivalent)
£10,000 - £24,999	Head of Finance
£25,000 - £99,999	Chief Executive Officer
£100,000 +	MAT Board of Directors (Hamwic Board of Directors for Central Services)

Primary

Approval Limits	Approver
£0 - £4,999	School Business Manager/Head Teacher (or equivalent)
£5,000 - £24,999	Head of Finance
£25,000 - £99,999	Chief Executive Officer
£100,000 +	MAT Board of Directors (Hamwic Board of Directors for Central Services)

In addition to the above approval limits, it is expected that each academy will have their own internal schemes of delegation to ensure appropriate approval levels are in place between the following individuals/committees:

- Budget Holders
- Business Manager (or equivalent)
- Head Teachers (or equivalent)
- Local Governing Bodies

Once these scheme of delegations have been approved by the appropriate committee, a copy must be sent to the Head of Finance.

Tendering Limits

The Trust has set the below thresholds for specific forms of tendering:

Tendering Thresholds	Tendering Requirements
£0 - £4,999	No formal requirements, but value for money must be obtained
£5,000 - £24,999	3 Written Quotes
£25,000 +	Formal Tendering (see below)
OJEU Limits: Supplies - £172,514 + Works - £4,322,012 +	Formal OJEU Tendering. Any tenders over this threshold must be completed in consultation with the Head of Finance

Forms of Tenders:

Any item of expenditure of over £25,000 is required to go through a formal tendering processes and involve the Head of Finance. Academies must complete a Tender Business Case for submission to the relevant approver.

There are four forms of tender procedure: open, restricted, negotiated & framework and 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 & agree with the Business Manager how best to advertise for suppliers or how to identify potential 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 specifically invited to tender. Restricted tenders are appropriate where;
 - o there is a need to maintain a balance between the contract value and administrative costs,
 - o a large number of suppliers would come forward or because the nature of the goods are such that only specific suppliers can be expected to supply the Trust’s requirements,
 - o 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 of more chosen suppliers. This is appropriate in specific circumstances:
 - o the above methods have resulted in either no or unacceptable tenders,
 - o only one or very few suppliers are available,
 - o extreme urgency exists,
 - o additional deliveries by the existing supplier are justified.
- **Framework** – this is where the terms of supply of goods or services directly match an existing framework that the Trust is able to access as a public body.

Preparation for Tender

Full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

Invitation to Tender

If a restricted tender is to be used then an invitation to tender must be issued. If an open tender is 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 & objectives of the project
- Explanation of the tender process for the project
- Technical requirements
- Implementation of the project
- Evaluation criteria
- Terms & conditions of tender
- Form of response

A template is available from the Head of Finance upon request.

Aspects to Consider

- Financial
 - o Like should be compared with like and if a lower price means a reduced service of lower quality this must be borne in mind when reaching a decision
 - o Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
 - o Is there scope for negotiation?
- Technical/Suitability
 - o Qualification of the contractor
 - o Relevant experience of the contractor
 - o Descriptions of technical & service facilities
 - o Certificates of quality/conformity with standards
 - o Quality control procedures
 - o Details of previous sales & references from past customers
- Other Considerations
 - o Pre sales demonstrations
 - o After sales service
 - o Financial status of supplier

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time & 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.

Tender 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 under £25,000 – two of the Budget Holder, Business Manager, Head Teacher (or equivalent), Local Governor, Head of Finance, Deputy CEO or CEO of the Trust.
- For contracts over £25,000 – one of the Head of Finance, Deputy CEO or CEO and a member of the Audit Committee.

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.

Tender Evaluation

The evaluation process should involve at least two people. Those involved should disclose all interests, business & 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 and for contracts over £25,000 a report should be prepared for the Audit Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Local Governing Body.

Where required by the conditions attached to a specific grant from the Education Funding Agency, 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 Trust. All parties should then be informed of the decision.

Group Procurement

Where identified by the Trust, group tendering will be utilised for procurement of goods & services across schools. A working party formed of central service staff & academy staff will be created to lead any group procurement project. Examples include, but are not limited to:

- Energy
- Term Servicing
- IT Equipment
- Photocopiers
- Catering