



Beacon Academy Trust

A COMPELLING VISION FOR SUCCESS

PROCUREMENT POLICY

Approving Body	Trust
Created	October 2020
To be Reviewed	October 2021
Statutory (Y/N)	N
Signed/Authorised	BMAT Chief Executive Officer BMAT Chief Finance Officer

I. INTRODUCTION – PURPOSE, SCOPE AND GUIDING PRINCIPLES

1. This policy is required to ensure that the Procurement activity of the Trust is carried out in accordance with the strategy in place, with overarching principles of achieving best overall value for the Trust.

Purchasing decisions are not solely judged on obtaining goods or services for the lowest possible price, rather on value for money, taking into account the total cost to procure and the lifecycle of the goods or services.

In support of these objectives the Trust has procedures and processes in place to ensure:-

- Supplier are appropriately selected
- Goods and services are purchased only with proper authorisation
- Appropriate and compliant tender processes are used – where necessary
- Goods and services are received and correctly recorded
- Payments are only made for goods and services received

This policy applies to the all procurement of non-pay expenditure where stated in the current strategy.

2. BMAT is required to comply with the Academies Financial Handbook, funding agreements with the DfE, with relevant DfE guidance and with the Public Contracts Regulations 2006.

3. Scope:

- a. This Policy is compulsory for every member of BMAT staff who is responsible for purchasing, whether as an employee or contractor;
- b. This Policy applies to any contract which results in a payment being made by BMAT or one of its constituent schools.

4. Guiding Principles:

- a. More rigorous processes apply to higher value contracts and not all purchasing requires a competitive procurement process;
- b. All suppliers in competition will be treated equally, with transparency and without discrimination (e.g. all suppliers will be given the same information at the same time, including transparent timescales).

II. ROLES AND RESPONSIBILITY

The Procurement Team are responsible for enforcing governance related protocols, management of risk in relation to procurement activities and delivery of savings whilst obtaining the **best value for money**. This includes the following activities:-

- Management of the Procurement System, population of products and processing requisitions into orders
- Internal and external stakeholder consultation, to ensure the most authoritative opinion issued
- Mitigate contract risk during tendering process
- Standardisation where possible across high volume items e.g. paper, text books and stationery
- Selection of products and suppliers through formal quote and tendering processes
- Introduction of procurement systems which support the Procurement strategy and policy
- Building relationships with suppliers to ensure un-interrupted flow of goods and services

Please note: - The effectiveness and efficiency of Procurement depends greatly on the amount of advance notice of requirements. Therefore the procurement team must receive adequate notification of potential purchases to provide for sufficient performance of the necessary procurement functions. All departments should advise Procurement of any requirements likely to arise from any new development as soon as this information is available.

The team are also responsible to provide assurance that they are aware of and will report any offence of fraud under the Fraud Act 2006 and the Bribery Act 2010. Defined as:

Fraud - *Any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.*

Bribery - *Giving (or offering) or receiving (or requesting) a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010)*

In line with the requirements of the Trust's Finance Policy, all senior staff and others whose role may make them liable to have a conflict of interests, are required to declare annually any interests they have (including other employment) which may be in conflict with their Trust duties.

It is essential that a declaration of interests form is completed and counter-signed to ensure that no conflicts of interest have arisen. Failure to declare any interests may lead to disciplinary action, including dismissal and in certain circumstances, to prosecution.

III. DELEGATED AUTHORITY

From time to time, the following table will be updated by the BMAT Chief Finance Officer.

Transaction Type	Value	Authority
Virtual credit card	up to £1000 per single transaction per day	Budget Holders (e.g. Heads of Department); <i>Incl. 1 from list below</i> BMAT School Principals; The BMAT Chief Finance Officer; The BMAT Chief Executive Officer.
Purchase Orders & Invoices	up to £10,000	Budget Holders (e.g. Heads of Department); +Senior Finance Officers; + BMAT School Principals; <i>In the absence of Principal 1 from list below</i> The BMAT Chief Finance Officer; The BMAT Chief Executive Officer.
Purchase Orders & Invoices	between £10,001 - £50,000	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals <i>Incl. 1 from list below</i> The BMAT Chief Finance Officer; The BMAT Chief Executive Officer.
Transactions £50,001 and above, excluding tendered contracts	Above £50,001	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals

exam entry costs and business rates.		<i>Incl. All approvers listed below</i> +The BMAT Chief Executive Officer +BMAT Chief Finance Officer +Finance & Risk Committee
Transactions £50,001 and above, tendered contracts, exam entry costs and business rates.	Above £50,000	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals <i>Incl. 1 from list below</i> The BMAT Chief Finance Officer; The BMAT Chief Executive Officer.

IV. PROCEDURES

5. **Exemption:** BMAT may divert from this Policy where a contract is required in cases of extreme urgency and business continuity for reasons not caused by BMAT. This exemption should only be relied upon with express written consent from the BMAT Chief Finance Officer and Chief Executive Officer.

- a. **BMAT recognises there may be instances where the use of the purchase order system is not practical. The full list of exemption types can be found in Appendix 1.**

6. Preliminaries:

- a. Budget holders should check with the BMAT Chief Finance Officer whether any other departments or schools within BMAT need to make the same purchase. If so, such spend should be included within the same contract.
- b. Budget holders should consider how the purchase is going to be sourced, for example, whether or not BMAT can use an existing framework agreement and whether or not another department or school within BMAT can provide the requirement without needing a procurement process.
- c. As a minimum requirement, budget holders should clearly set out why the goods, works or services are needed; what quantity is required; the maximum anticipated cost; and delivery or completion requirements.

7. Valuing a contract

- a. Contracts must be properly assessed for value and must not be divided into smaller contracts to avoid the application of the Public Contracts Regulations 2006.
- b. Contract value = the total value of the spend which is the subject of the procurement.
- c. Multiple departments' and/or schools' needs should be combined into one procurement if the needs are the same or similar.
- d. Where an exact spend over the lifetime of a contract is unknown, the average annual spend should be multiplied by the estimated duration of the contract.

8. Using BMAT virtual credit cards (low value, one off spends)

- a. BMAT virtual credit cards should only be used for low value, one off spend which cannot be procured through alternative means.
- b. BMAT virtual credit cards are not suitable to procure repeat items or higher value goods.
- c. The maximum spend for any one item on a BMAT virtual credit card is £1,000. Any amounts over £1,000 may only be made with prior written approval from the BMAT Chief Finance Officer.
- d. The maximum single transaction spend using the virtual credit card is limited to £1,000, prior written approval must be sought from the School Principal and BMAT Chief Finance Officer.
- e. Full receipts must be submitted in respect of any virtual credit card purchases.

9. For orders up to £10,000

- a. No formal quotations are required but the person placing the order should be sure they have, as far as possible, obtained value for money.

10. For orders between £10,001 - £25,000

- a. Three quotes will be needed for transactions between £10,001 to £25,000.
- b. Quotes may be taken from suppliers' written quotations or from catalogues and price lists. This must be done before a purchase order can be raised and processed.

11. For order between £25,001-£50,000

- a. A business case should be produced by the budget holder/contract proposer to be considered by the BMAT Chief Finance Officer, who should seek advice from the BMAT Chief Executive Officer as appropriate.
- b. Approach A – The Lowest Price Approach
 - i. A minimum of three written quotations must be obtained before a purchase order or contract is issued.
 - ii. A specification of the purchase must be provided in advance which must include a statement that BMAT will purchase the lowest price contract, a description of the requirement(s), the quantity needed, the timescale for completion and the deadline for submitting the quotation.
- c. Approach B – Price and Quality Approach
 - i. A minimum of three written quotations must be obtained before a purchase order or contract is issued.
 - ii. A specification of the purchase must be provided in advance which must include a statement of what BMAT aims to achieve from the purchase including the criteria that will be used to evaluate tenders received and how those criteria will be weighted, the quantity needed, the timescale for completion and the deadline for submitting the quotation.

12. For order above £50,001

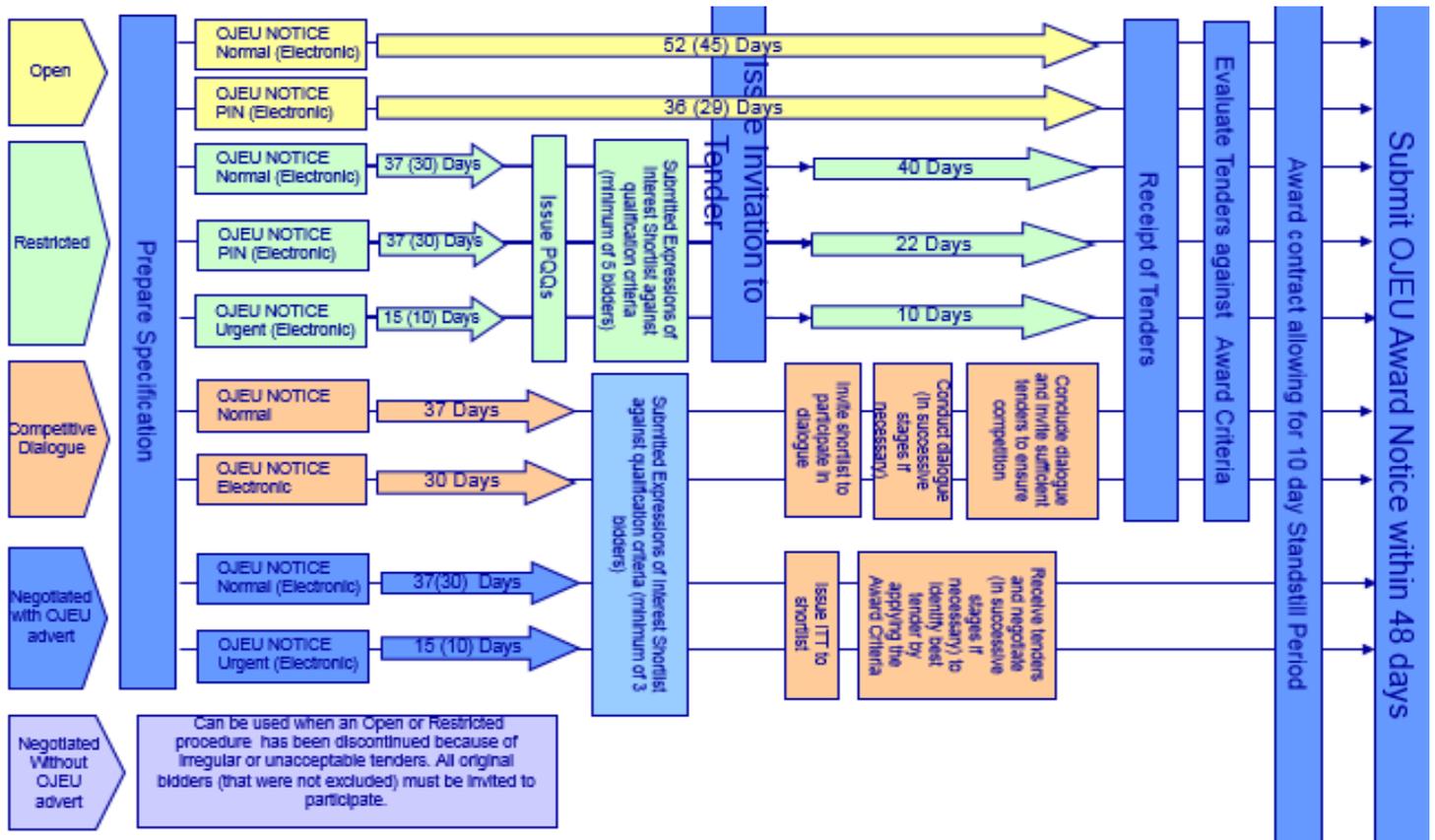
- a. A formal tender process must be followed and authorisation from the Finance and Risk Committee must be obtained.
- b. A business case must be presented for the approval of the BMAT Chief Finance Officer and the BMAT Chief Executive Officer, who should seek advice from the Finance and Risk Committee as appropriate.
- c. The Chief Finance Officer and Chief Executive Officer will prepare the tender documents in accordance to the needs of the Trust.
- d. An advertisement must be placed to seek expressions of interest from all interested bidders. The decision about where to advertise will be taken on a case-by-case basis and will be proportionate. Advertising may include a post on the BMAT website, trade journals and newspapers.
- e. Advertisements must set out the submission requirements and provide a reasonable time for bidders to respond

- f. Bidders requesting more information should be sent a tender pack. This should contain the information about the requirement and needs, together with the information required from bidders. This will need to be bespoke in each case but will usually include:
 - i. Pricing details;
 - ii. Method statements;
 - iii. Product characteristics;
 - iv. The evaluation criteria to be used to evaluate the tenders received, including sub criteria and weightings that will be applied to select the best bidder(s); and
 - v. A draft contract.

13. OJEU Upper Threshold Transactions

- a. The Public Contracts Regulations 2006 must be followed whenever the total value of the contract exceeds the Upper Threshold.
- b. This is a complex area and budget holders/contract proposers should agree with the BMAT Chief Finance Officer and/or Chief Executive Officer whether any legal or financial support is needed.
- c. Some service contracts are 'Part B' contracts (including catering services, education services, legal services, personnel placement services, health and social services, recreational cultural and sporting services and investigation or security services).
- d. 'Part B Contracts' should be created using the procedure for High Value Transactions with one exception. If the subject matter of what is being purchased is likely to be of interest to suppliers based elsewhere in the European Union, then it should be advertised more widely to reflect this, by placing a voluntary advert in the Official Journal of the European Union and making it clear that the advert is voluntary (so that the full extent of the EU Regulations do not apply).
- e. The same procedure as outlined for 'Part B Contracts' applies to the right to operate leisure facilities (the full scope of the EU Regulations do not apply). There are other types of contracts, in addition to those for Part B services, that are not caught in full by the Regulations.
- f. A contract award notice must be sent to the Official Journal of the European Union ('OJEU') within 48 calendar days of the award of the contract.

- g. An advertisement will need to be sent to the OJEU to notify the EU market of the contract opportunity. Other adverts (for example, on the BMAT website) must not appear before the OJEU notice and must be consistent with it.
- h. The legal minimum timescales to allow bidders to request information about a procurement process and to complete each stage are:



- i. Bidders are entitled to understand all of the evaluation criteria, sub criteria and weightings to be used in the procurement process. Once any such criteria are set, they should not be changed;
- j. Bidders are entitled to certain information when they are excluded from a process;
- k. A minimum cooling off period of 10 calendar days (if the notification is electronic) or 15 calendar days (if by other means) must be left between notifying all bidders of the outcome of the procurement and entering into the contract ("mandatory standstill period".) Certain information about the procurement must be provided with the notification to bidders and individuals should liaise with the BMAT Chief Finance Officer and/or Chief Executive Officer to ensure compliance with this requirement.
- l. A contract award notice must be sent to the OJEU within 48 calendar days of the award of the contract.

14. Opening Tenders:

- a. Every quotation above £50,001 may be provided in hard copy, via post. Hard copies should bear no external markings to identify the tenderer.
- b. BMAT will keep tenders secure until the time specified for all tenders to be opened.
- c. Quotations will be opened by the Trust Services Manager under the supervision of a Senior Finance Officer

15. Evaluating Tenders:

- a. For all procurements, an assessment of the mix of price factors and non-price factors may be taken into account.
- b. The evaluation approach requires the use of evaluation criteria which are:
 - i. Pre-determined and listed in the invitation to tender;
 - ii. Strictly followed at all stages through the process;
 - iii. Inclusive of price;
 - iv. Relevant and proportionate;
 - v. Capable of objective assessment;
 - vi. Weighted in accordance with the relative importance and weighting of the tenders; and
 - vii. Non-discriminating on the basis of the bidder's nationality or any other discriminatory measure.
- c. Where the evaluation approach is used, any contract must be awarded to the bidder which achieves the highest score in the objective assessment.
- d. A minimum of 2 Trust executive members and 1 member of the Finance & Risk committee will evaluate the tenders.

16. Awarding Contracts:

- a. For all contracts, the outcome of the procurement must be recorded in writing and the BMAT Chief Finance Officer must be notified of the outcome of the procurement.
- b. A contract must only be signed by an authorised individual as set out in Section II of this Policy.

17. Audit Trail:

- a. The level of detail required will increase with the value of the procurement. For all purchases where the lowest cost is not adopted the reason for this must be documented. The written record should include, for example:
 - i. Who made the decision to procure, and details of the decision making process;
 - ii. Full minutes of any meetings at which the procurement was discussed;
 - iii. Who was responsible for evaluation of tenders, and details of the evaluation, if applicable;
 - iv. Who was responsible for receiving and checking the goods or services and for authorising and making payment. The person responsible for the decision to procure must not be the same person who authorises payment; and
 - v. Details of the purchase itself, for example, what was purchased, from whom and for what price.
- b. In each case, the written record should include copies of all original documentation used during the procurement such as tender packs, quotes, contracts and invoices.

18. Conflicts of Interest:

- a. Any interest which may affect the outcome of a procurement process must be declared. This includes all trustees and governors as well as authorised employees as set out in Section II of this Policy.
- b. A record of all such declared conflicts of interest must be sent to the BMAT Chief Finance Officer who will determine what if any action can be taken to seek to remedy any such conflict of interest.
- c. No gifts or hospitality will be accepted by BMAT from any service provider as an inducement to award a contract to that supplier. This may be an offence under the provisions of the Bribery Act 2010 (refer to the [BMAT Finance Policy](#) for more information).

19. Receipt of Goods:

- a. On receipt of the order, the recipient will undertake a detailed check of the goods received against their order and any discrepancies or damage should be noted and advised to the finance office within 2 days of receipt of the goods.

20. Record Retention:

- a. Any documents such as supplier's quotes, sole supplier forms or emails which are attached to a requisition or order in the procurement system will be retained for a minimum 6 years.
- b. Any other records relating to a purchase e.g. delivery notes, tender documents etc must be retained for 6 years after the expiry of the purchase order or contract.

21. Sustainable Procurement:

- a. BMAT recognises its responsibility to carry out its procurement activities in an environmentally and socially responsible manner. In accordance with the statutory obligation under the Climate Change Act 2008 the Trust will incorporate environmental and social considerations into its product and service selection process.
- b. BMAT recognises that it has a responsibility to encourage suppliers and contractors to minimise negative environmental and social effects associated with the products and services they provide.

22. Legislative Compliance

All procurement undertaken on behalf of the Trust must comply with the requirement of all relevant and applicable legislation. This includes but is not limited to the following:-

- Public Contracts Regulations Act 2006
<http://www.legislation.gov.uk/uksi/2006/5/contents/made>
- EU Procurement Directives http://www.mytenders.org/sitehelp/help_legislation.aspx
- Transfer of Undertakings (TUPE)
http://www.legislation.gov.uk/uksi/2006/246/pdfs/uksi_20060246_en.pdf
- Construction Industry Scheme <http://www.hmrc.gov.uk/cis/index.htm>
- Waste Electrical and Electronic Equipment (WEEE)
<http://www.environmentagency.gov.uk/business/topics/waste/32084.apx>
- Climate Change Act 2008 <http://www.legislation.gov.uk/ukpga/2008/27/contents>
- Environment Protection Act 1995
<http://www.legislation.gov.uk/ukpga/1995/25/contents>
- Fraud Act 2006 <http://www.legislation.gov.uk/ukpga/2006/35/contents>
- Bribery Act 2010 <http://www.legislation.gov.uk/ukpga/2010/23/contents>

23. Savings

A “saving” is an outcome that derives from a Procurement activity. Outcomes are only savings if they are baseline and quantifiable. For instance increased income, improved cash flow, reductions in organisational costs or something that the Trust’s stakeholders perceive as a real value proposition.

Savings can be defined as “Cost Avoidance”, “Cost Reduction” or “Intangible Savings” and can be either “non-recurring” or “recurring”. Recurrent savings are those that apply in more than one financial year. Non-recurring savings are one off activities and apply within the financial year they have been realised.

Cost reduction savings are calculated as

Old price MINUS New Price MULTIPLIED by the Baseline Volume

In the absence of an accurate 12 month forecast a ‘baseline’ volume will be determined to be the volume consumed during the preceding 12 month period to that in which the agreement was concluded.

Cost avoidance is a cost reduction that does not lower the cost of products/services when compared against historical levels, but rather which minimises or avoids entirely the negative impact to the trust’s cost base that a requested price increase would otherwise have brought about.

Intangible savings are ones which cannot be measure by looking a one price versus another; these are the kinds of savings which are made by standardising on a single product/product range; typically these are savings in administration.

Appendix 1

Purchase Order Exemptions list

- Exam centre charges
- Catering supplies
- Supply Costs
- Telephone Costs
- Legal Fees
- Emergency call outs re premises
- Parentpay Collection Charges
- FSM vouchers
- Utilities
- Fuelcard Charges
- DBS Processing Charges
- Lease Agreements
- Photocopying Charges
- BEST Costs