

POLICY DOCUMENT

Stratford-upon-Avon School is a company limited by guarantee, registered in England and Wales under number 7690776, whose registered office is Stratford-upon-Avon School, Alcester Road, Stratford-upon-Avon, Warwickshire CV37 9DH

Policy Title	PROCUREMENT POLICY
Policy Reference	SUAS.F.1205.PRO02

DISCLOSABLE UNDER FREEDOM OF INFORMATION ACT 2000	Yes / No	No
TO BE PUBLISHED ON WEBSITE	Yes / No	Yes

POLICY OWNERSHIP	
Governor Committee:	Finance
Department responsible:	Business
Post-holder: <i>(Title and Name)</i>	Valerie Hopkins (Strategic Business Director)
LINKED PROCEDURES REF:	F.1205.PROproc01
Responsible Person - Procedures	Finance Manager

POLICY IMPLEMENTATION DATE:	May 2012, this version December 2019
PLANNED REVIEW INTERVAL:	3 years
PLANNED NEXT REVIEW DATE:	December 2022

Stratford-upon-Avon School welcomes comments and suggestions from the public and staff about the contents and implementation of this policy. Please email your comment to policy@stratfordschool.co.uk.

i POLICY OUTLINE

Stratford-upon-Avon School (SuAS) purchases non-staffing goods and services to the value of approximately £2,000,000 per annum.

The academy wants to achieve the best value for money from all its purchases. It is essential therefore to obtain what is needed in the correct quality, quantity and time at the best price possible, and to demonstrate the procurement decision to be Best Value (Most Economically Advantageous).

ii PURPOSE

The purpose of this policy is to define the obligations and strategic intentions of Stratford-upon-Avon School, the Academy Trust, in ensuring that:

- Purchasing decisions are demonstrably “the most economically advantageous”;
- Compliance with legal and statutory requirements is assured;
- Staff responsibilities are allocated so that procurement is efficient, effective, robust and fair;
- An ethical and sustainable context, broadly in line with the school’s ethos, is maintained.

iii IMPLICATIONS OF POLICY

Compliance with the requirements laid out in the Department for Education’s Financial Handbook for Academies, and thus with Stratford-upon-Avon School’s Financial Regulations Manual. There are no significant implications for health and safety, risk, staff training, nor budget.

iv EQUALITY ANALYSIS

Every policy, at the outset and when any significant amendment occurs, will be the subject of an Equality Analysis (EA) completed by the policy writer, which should be circulated to all those being consulted, with the draft policy.

v CONSULTATION

Consultation will be with all staff holding significant financial responsibilities, prior to presentation for approval by the Governing Body (Finance Committee).

vi PROCEDURE

Procedure is the method by which the strategic intent of the policy is realised, and is thus an ‘instruction manual’ on how the policy outcome is to be achieved.

The procedure which supports this policy is an independent document, for internal use by Academy staff. The procedure reference is shown on the Policy Identification Page.

The development or amendment of the procedure is at a tactical / operational level. There is therefore no necessity for active referral to the Governing Body **unless** the policy intent has been altered.

If there is significant change to the procedure element of the policy there may be a requirement to engage in the consultation process and refer to the Governing Body.

vii RELATED POLICIES AND PROCEDURES

- Financial Regulations Manual (procedure)
- Procurement Procedure

viii DOCUMENT HISTORY

The policy will be subject to regular review once ratified by the Governing Body.

The history of the policy will be recorded using the chart following.

Date	Author /Reviewer	Amendment(s)	Approval/ adoption
May 2012	V Hopkins	Policy creation for academy	May 2012
January 2013	V Hopkins	Minor updates of nomenclature. Policy intent unchanged.	15.1.2013
July 2015	K Cullimore	Minor updates, policy intent unchanged (subject to change following publication of changes to public sector procurement regulations Policy intent unchanged.	
January 2018	V Hopkins	Additional para on MIS procurement	5 th Feb 2018 Finance Com

POLICY STATEMENT

A large proportion of purchases will be paid for out of public funds and it is necessary to maintain the integrity of these funds by following the general principles of:

Probity

It must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy;

Accountability

The academy is publicly accountable for its expenditure and the conduct of its affairs;

Solvency

In addition, as a registered company, it is essential that SuAS remains solvent.

1.0 Categories of Expenditure

Expenditure can be described as discretionary or obligatory, and so the level to which it is reasonable and possible to source a keen price differs accordingly. Furthermore, the principle of materiality will apply, in that the level of effort and amount of time (and therefore cost) put into obtaining quotes and assessing best value must be in proportion to the price expected to be paid.

1.1 Obligatory Expenditure

Obligatory Expenditure includes that over which there is no choice whether or not to purchase the goods / service. That said, it should be both possible and desirable to influence the amount paid for these goods / services. Examples of such expenditure include

- Rates
- Gas
- Electricity
- Water and Sewerage
- Insurance
- Examination fees.

It should be ensured that valuations are up to date and accurate, together with usage of resources being controlled and efficient. Robust procedures should be in place to govern and challenge systems and working practices, such that there is absolute confidence that spending is well-controlled with regard to these obligatory categories of expenditure.

1.2 Discretionary Expenditure

1.2.1 Discretionary Expenditure includes that over which there is a choice whether or not to purchase, and as such should normally be referenced in the School Development Plan and / or other development or action plans. Examples of such expenditure include

- Department (subject) development plans;
- ICT Strategic Plan;
- Facilities development plan (including decorating and maintenance programmes);
- Staff Training plan;
- Staffing and workforce plan
- Service development plan (e.g. Catering, Lettings);
- Marketing and Communications Plan;
- Corporate and Business Development.

1.2.2 As part of the budget setting process, these plans will be costed and the benefits of activities expressed, such that a cost / benefit assessment can be made. From this, the proposals for expenditure will be prioritised according to the overall budget available for discretionary spend.

1.2.3 Budget holders are responsible for obtaining quotes, where necessary in conjunction with Finance staff, within the structured rules which are described fully in the *Scheme of Delegation (as contained in the Financial Regulations Manual)*. In so doing, appropriate controls and checks are incorporated into the process to minimise risk of fraud, collusion or bias as well as ensuring Best Value is achieved.

2.0 Choosing Suppliers

2.1 In normal circumstances, for straightforward purchases, suppliers from the current approved list should be selected, as included in the Finance system. This is because they are tried and tested, known to be reliable and financially secure.

2.2 If a new supplier is to be used, details are to be passed to the Finance department, who will undertake relevant investigation and necessary financial checks, and, where appropriate, add to the approved list in the Finance system.

2.3 Where evidence can be provided of a broad choice, keen pricing and appropriate quality of product or service, use may be made of consortia or organisations which act as gatekeepers to a wide range of contracts with individual suppliers, all of which are pre-tendered. Examples of such organisations include The Eastern Shires Purchasing Organisation (ESPO) and the Office of Government Contracts (OGC).

2.4 A balanced judgment must be made on the most appropriate procurement route, with respect to the consortia advantages, the impact on staff time, the benefits of using local suppliers, and the most economically advantageous route ("MEAT")

2.5 Where appropriate, specific consideration should also be made for the use of local suppliers as this involves a number of benefits:

- Support for local economy
- Reduction in air miles or road miles
- Ease of resolution of problems / returns.
- After sales service.
- Incentive for a high quality service, as local reputation is paramount for the supplier.

It should be normal practice that, subject to the appropriate checks carried out by the Finance department, efforts should be made to seek quotes from local suppliers wherever possible.

2.6 It is essential that relationships with suppliers are objective and professional at all times, so that poor or failing service or unexplained price rises can always be properly challenged or responded to.

2.7 From time to time, the market must be tested, particularly when SuAS uses a particular supplier regularly. Price lists and alternative quotes should be obtained, so that the decision to remain with a supplier can be evidenced. As a general rule, this exercise will either form part of the contract renewal process or be performed on a periodic basis.

2.8 It is accepted that there can be advantages in staying with a particular supplier, usually when the service provided includes an element of advice, guidance or training. A good advisory service instils confidence in those using the service, and making a change to an alternative supplier on price grounds can lead to loss of the personal, confidence-inspiring element. However, in any such case, if opting not to change to a provider who offers a lower price, it is essential to be clear on the reasons, and for them to be documented appropriately. This is the responsibility of the budget holder, who should expect to be prompted by a member of the Finance team as part of the procurement procedure.

- 2.9 This procedure should also include safeguards and checks that challenge all situations when a quote other than the lowest is accepted, and for sampling purposes against other quotes, to rule out risk of fraud, collusion, bias, mutually comfortable relationships with suppliers.
- 2.10 Special circumstances apply to purchase of Management Information Systems, which are essential and fundamental to the smooth running of the school and form the basis of communication, student records, information on performance etc. Given the level of upheaval associated with MIS implementation, a school would typically expect to select an MIS to have longevity well beyond the usual contract period of 3 years. Safeguards are necessary at the selection stage, including comprehensive research, preparation and an initial contract of 3 to 4 years. Then, at the renewal stage, unless the system has very clearly been outpaced by other options or context has changed, the school will wish to renew without going to the market or undertaking significant research. The renewal must be discussed and approved by Trustees in line with the Scheme of Delegation. The essential difference with a normal procurement process is that there would not be alternative quotes, because the required product is available only from one provider.

3.0 Procurement Routes and Authorisation Levels

- 3.1 The procurement route and authorisation levels will vary depending on whether the item to be procured and the anticipated cost is in respect of goods or services and, if the latter, if it is covered by the Light Touch Regime (LTR) – the list of services to which the LTR applies is set out in Schedule 3 of the Public Contracts Regulations 2015.. Detailed information regarding the authorisation levels and procedures is included in the associated procedures documents, however the following table provides a summary of the key points.

Abbreviations Used

BH:	Budget Holder
BM:	Business Manager
SBD	Strategic Business Director
HT	Head Teacher
FC	Finance Committee
OJEU	Official Journal of the European Union
LTR	Light Touch Regime

Level	Value	Authorisation of BVF / Order / Invoice	Quotes and Tendering
Level 0	Up to £200	BH	One quote, ideally two (paperwork retained by BH)
Level 1a	£200 - £1k	BH & BM	As above
Level 1b	£1k - £2k	As Above	Two quotes, ideally three (paperwork retained by BH). BH must only purchase from their own budget.
Level 2	£2k - £10k	As above	Three quotes, Best Value form completed and authorised by BM prior to raising order
Level 3a	£10k - £30k planned	As above, plus SBD	As above, plus SBD for Best value form
Level 3b	£10k - £30k unplanned	As above, plus SBD refer to HT	As above, plus SBD refer to Head Teacher
Level 4	£30k - £100k	As above, plus Finance Committee	Tender process, including FC approval (though exceptions possible)
	£30k – OJEU limit - LTR	n/a	As above, plus in accordance with Public Contracts Regulations
	£30k – OJEU limit – outside LTR	n/a	As above

Level 5	Over £100k	As above, plus Chair of Trustees	
	Over OJEU limit (currently 750,000 euros)	n/a	As above, plus OJEU advertising required

- 3.2 So, depending on the cost involved, authorisation levels increase from budget holder to BM, SBD, Finance Committee and ultimately through to Chair of Governors. This process of escalating authorisation operates for all purchases (either individual or grouped as part of a contract) up to a value of £30,000, above which a formal tender process is required. Exceptions to this threshold will be considered on an individual basis and any proposed exception must be approved by the Finance Committee.
- 3.3 Purchases at a certain level (which changes from time to time) may fall under EU procurement rules which require advertising in the Official Journal of the European Union (OJEU). Guidance on the OJEU thresholds is referred to in the Academies Financial Handbook. The BM will establish, each year, what the current threshold value is and ensure this is adhered to by the academy, together with any other legislation pertinent to advertisement and award of tenders.
- 3.4 Only budget holders are permitted to commit school funds and regardless of the procurement route, orders must first be placed on the finance system by the budget holder so that the due authorisation process can occur. Verbal, emailed, telephoned orders are not permitted except in an emergency situation when the school is partially closed and not fully staffed, when an emergency occurs away from the school site, or other situation deemed to be critical.
- 3.5 Emergency / exceptional circumstances allow for deviation from the routine procurement process. However, whilst the authority to proceed is provided, it must in all cases be followed up at the earliest possible opportunity by an official order process by the appropriate budget holder and retrospective approval. Such instances are permitted for either the responsible budget holder or a manager of equivalent responsibility. In the event that the occurrence is very significant, in either financial or other terms, the Strategic Business Director or the Head Teacher should be contacted.

4.0 Budget Holders

Budget holders will be reviewed annually as part of the budget setting process, and the list amended as required, taking into account compliance with financial policy and procedures. A Budget Holder Guidance Booklet is also issued to every budget holder on an annual basis and should be used as a reference point for the various responsibilities of the role. Training is provided to all new budget holders, and more in-depth training will be provided for key budget holders, or otherwise, as required.