Cumbria Education Trust

RESPECT | RESPONSIBILITY | RESILIENCE

Procurement Policy

DOCUMENT CONTROL

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Please note that a record of the changes made to the original issue of this document can be found at Schedule 1 after any Appendices to the Policy/Procedure.

1. Purpose of this Policy

1.1. This Policy reflects the aims of Cumbria Education Trust (the Trust) to guide staff and suppliers in the procurement of works, goods, and services. It aims to balance efficiency against risk factors in achieving value for money whilst supporting the Trust's priorities, ensuring compliance, and promoting sustainability.

2. Introduction

2.1. This policy sets out how the Trust will manage its procurement to ensure compliance with relevant legislation. This Policy should be read in conjunction with the Trust's Finance Policies, with particular reference to the Scheme of Delegation and appropriate procurement procedure guidance notes.

2.2. The Trust currently spends approximately £6.5m a year externally on procuring goods, works and services. The Trust always aims to achieve best value from this expenditure. National and local reductions in funding are likely to see a reduction in the amounts available for procurement spending, making value for money increasingly important.

2.3. As a publicly funded organisation, the Trust will ensure that any spend of public money regardless of value is carried out in a transparent and non-discriminatory way and in compliance with the Public Contracts Regulations and Bribery Act – *see section 16 Fraud and Corruption*.

2.4. In accordance with the DFE Academy Trust Handbook, the Trust must ensure that:

- Spending has been for the purpose intended and there is probity in the use of all funding;
- Spending decisions represent value for money;
- Internal delegation levels exist and are applied within the Trust;
- Competitive tendering processes are in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed;
- Relevant professional advice is obtained where appropriate.

2.5. The Trust's Scheme of Delegation outlines who has authority to select contractors and award contracts and/or raise orders. Failure to comply with either this Procurement Policy, the Trust's Financial Guide or Scheme of Delegation, may result in withdrawal of authority and / or disciplinary actions.

3. What is Procurement

3.1. Procurement is defined as the buying of goods and services that enable an organisation to operate its supply chains, in an efficient and ethical manner, getting products or services the Trust needs to the right place, for the right price, at the right quality and quantity and delivered at the right time.

3.2. When the Trust needs to acquire goods, services, or works that cannot be provided in house it will obtain these from external providers.

4. Trust Oversight

4.1. To meet the Trust's objectives and support the achievement of strategic priorities, the Trust continues to build a network of systems and procedures in place to help guide schools and central services when executing procurement activities, including:

- Managing the supply base including identifying opportunities that may add value such as the selection of suppliers, maintenance of policies and procedures.
- Developing strong relationships across the Trust to understand, align and aggregate procurement needs.
- The ability to negotiate with suppliers to establish desirable outcomes for both parties.
- Supplier relationship management including analysis and feedback to suppliers to enhance the working relationship for the benefit of both parties and monitoring supplier's performance.
- Contract development and establishing legal contracts that protects the Trust's interests.
- Category management and the management of spend for dedicated areas and commodity knowledge required to protect and benefit the Trust.

5. Who this Policy Applies to

5.1. The Policy applies to all schools and central service operations and is applicable to all purchasing activities, regardless of value, and should be followed by all staff involved in purchasing whether centrally or school based.

5.2. Whilst the responsibility for ensuring implementation of the Policy rests with the Executive and other members of the Senior Leadership Team, there is a duty on all staff who may be involved in any stage of the procurement process to apply the key principles of best practice procurement to achieve appropriate governance, value for money and suitable quality of goods and services to meet the Trust's business needs.

6. General Guiding Procurement Principles

6.1. When purchasing and contracting for goods and services, the Trust and its schools must demonstrate compliance with procurement legislation and the proper and effective use of public funds at all times. Purchasing procedures should also ensure that the goods, services, and work procured are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be adhered to:

- <u>Transparency and Non-Discrimination</u>: in all purchasing activity. The Trust 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 services provider.
- <u>Probity</u>: it must be demonstrable that all parties are dealt with in a fair and equitable manner and that there is no private gain, favouritism or corruption involved in any dealing of the Trust and its schools.
- <u>Accountability</u>: The Trust is publicly accountable for its expenditure and for the conduct of its affairs.
- <u>Value for Money</u>: the achievement of value for money underpins the appropriate use of all public funds. As well as striving to achieve the best price possible for all purchases, consideration will

also be given to other factors such as quality, suitability, availability, reliability of the supplier, terms available, as well as consideration towards the supplier's corporate social responsibility.

7. General Procurement Practices

7.1. The Trust will support schools by providing professional support in obtaining works, goods and/or services which are compliant with current legislation and best practice.

7.2. Responsibility for the majority of routine procurement resides in each school or central service operations. Where schools and central service operations are making independent purchases, the Trust will provide details of frameworks and other suitable purchasing options and procurement guidance which all should follow.

7.3. The central (finance) team will assist schools with procurement as required and where appropriate, to ensure value for money. In some circumstances the central team will procure on behalf of the whole Trust. In particular, any contract/purchase exceeding £50,000 **must** be referred to the Head of Finance and be subject to tender unless there is an excepted reason where this cannot be achieved – *see section 14 Tenders.*

7.4. There are two types of threshold governing the procurement for the Trust and its schools. Firstly, authority to commit expenditure, and secondly the procurement process which is governed by the anticipated total cost of the procurement. When considering the cost of a procurement exercise / contract, the value should take account of the whole life costs which considers the annual cost and the length of the contract if it exceeds more than one year.

7.5. Value for money 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. Awarding contracts on the basis of value for money following competition contributes to the competitiveness of supplies.

7.6. Unless below the threshold for obtaining multiple quotations or tenders, all procurement of goods, works and services should be acquired by effective competition. This should include adequate publication of the contract opportunity through an appropriate forum unless there are convincing and justifiable reasons when this is not practical – *see section 11 Competition.*

7.7. The Head of Finance will maintain a contract register detailing all procured contracts and services and all related documentation, details of the winning bidder, price, and duration of the contract.

7.8. The Trust has a duty to comply with the requirements of UK Procurement Legislation and Academy Funding Agreements. The Head of Finance or their delegated representative will review school procurement needs and where appropriate will consult with schools on the potential to develop a range of Trust wide contracts through aggregation in order to complement the requirement and attain better value for money – *see section 12 Aggregation.*

7.9. Competitive procurement remains key of the Trust's procurement approach but there will be circumstances where a direct contract with a sole supplier will be appropriate, for example where there is only one supplier of a particular service or when goods / services are required in an emergency. In these limited circumstances a dispensation from the requirement to follow expected procurement practices may be granted. Such instances should be reported to the Head of Finance for approval and the details captured in the central procurement waiver register - please refer to the Trust's Financial Handbook for further details on dispensation.

7.10. Occasionally a contract may be awarded to an organisation or supplier which has not submitted the lowest priced bid. This should only be where the quotation or tender has been evaluated using the Most Economically Advantageous method (MEAT). The evaluation method must be retained on file to evidence the decision. If an order/contract is to be awarded for any reason other than MEAT, approval must be sought from the Head of Finance before confirming award or raising an order in accordance with the Scheme of Delegation.

7.11. Any contracts that may be awarded to companies who the Members, Directors or staff who have declared as a related party, must be notified to the Head of Finance at the earliest opportunity as, depending on value, this may require approval from the ESFA.

7.12. Where relevant, contracts that involve the processing of personal data must be reviewed for GDPR compliance and all contractual data must be managed confidentially – *see section 17 Information Security and Confidentiality (FOI)*

8. Purchase Orders

8.1. All procurement needs should be supported by an authorised purchase order using the Trust's financial operating system, unless specifically exempt. Purchase orders must be authorised in line with the Trust's scheme of delegation and devolved authorisation levels – *see section 10 Financial Authority to Commit Expenditure / Purchasing Thresholds*.

8.2. Purchase orders or 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 – please refer to the Trust's Financial Handbook for further details on raising purchase orders.

9. Supplier Management

9.1. Supplier management controls should be applied to all procurement activities, ensuring the supplier is a bona fide and authorised supplier to the Trust, and that the supplier is suitably experienced and qualified to undertake the work required. New suppliers may only be added to the Trust's financial operating system following completion of a new supplier form and the requisite vetting procedures – please refer to the Trust's Financial Handbook for further details on supplier management arrangements.

9.2. The Trust's guidance for the safeguarding of pupils whilst contractors are on site must be followed at all times.

10. Financial Authority to Commit Expenditure / Purchasing Thresholds

10.1. Any process which involves committing the Trust or a School to expenditure must be approved in accordance with the Scheme of Delegation. The Scheme of Delegation confirms who has the authority to commit expenditure and to what financial level.

10.2. Any member of staff placing a purchase order on behalf of the Trust, or a School 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 approval from a more senior member of staff with a higher approval limit if necessary.

10.3. No member of staff may approve purchases unless they have been given authority within the Scheme of Delegation to do so.

10.4. No employee is authorised to commit the Trust or a School to expenditure without first ensuring that there is adequate budget provision.

10.5. Where the Head of Finance or their delegated representative are managing a procurement process on behalf of a school, orders will not be raised without approval from the budget holder in accordance with the Scheme of Delegation.

10.6. The various transactional thresholds and procurement processes required are covered in detail in the supporting procurement guidance contained in the Trust Financial Handbook; the financial thresholds are outlined below:

Orders under £1,000 for Primary Schools or £2,500 for Secondary Schools	Can be ordered by budget holders or those with devolved authorisation (departmental heads and admin / finance assistants) and will be responsible for ensuring that reasonable steps have been taken to achieve Best Value.
Orders between £1,000 and £5,000 for primary or £2,500 and £5,000 secondary school -.	Can be ordered by budget holders or those with devolved authorisation, but with oversight by the relevant Finance Manager. The same best value considerations apply.
Orders over £5,000 but less than £25,000	At least three written quotations should be obtained for all orders between £5,000 and £25,000 to identify the best source of the goods/services. Written details of quotations obtained should be retained by budget holders for audit purposes. Telephone quotes are acceptable if these are evidenced.
Orders over £25,000 but less than £100,000	All goods/services ordered with a value over £25,000, or for a series of contracts which in total exceed £25,000, must be subject to three written quotations. The relevant budget holder / authoriser should, under normal circumstances, opt for the lowest of the three (or more) quotes. If they decide to accept a quote other than the cheapest, the reasons for this should be reported to Finance.
Orders over £100,000	Staff involved in the procurement of an item or services over £100,000 should do so in line with the DfE recommended framework tool and/or guidelines on tendering. Legal advice is strongly

	suggested in any large purchase / commitment to ensure that it is not subject to EU rules.

10.7. The Trust operates a system of devolved financial authority under which Headteachers are responsible for planning general purchasing arrangements. In accordance with this Policy for lower value purchases, the Central (finance) team will provide technical and professional support to schools to guide them with their general purchasing needs and the procedures to be followed.

11. Competition

11.1. Subject to the thresholds in section 11, competition should be proportionate to the level of expenditure, complexity, and risk. Care should be taken to specify accurately the goods/services required in a way which is unambiguous, offers equality, removes barriers to participation by small and medium size enterprises (SMEs), and self-employed people without discriminating against others.

11.2. All requests for quotations must be made in accordance with the guidance most relevant to the estimated value of expenditure.

11.3. When estimating the value of a contract, unless it is a one-off cost, the actual costs of the works, goods or services must be for the whole life costs and include any on-going costs. Once the whole life costs have been estimated the appropriate procurement procedure should be followed.

11.4. All procurement over £50,000 must be reviewed and/or carried out by the Head of Finance or their delegated representative in accordance with relevant UK legislation by either undertaking a compliant tender process or by using an established, relevant, and accessible compliant framework – *see section 14 Tenders.*

12. Aggregation

12.1. UK 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.

12.2. The Trust must consider aggregation when expenditure across goods or services of a similar nature aggregated across the Trust reaches procurement thresholds specified in the UK Public Contracts Regulations. To ensure that the Trust is compliant with the requirements, a procurement plan will be required for the Trust and Schools outlining all procurement activities within a 12 month cycle. This will enable the Head of Finance or their delegated representative to identify where activity such as contracts being rolled over a proposed timescale and take appropriate action to procure on behalf of the Trust.

12.3. Should a School or the Trust identify that specific expenditure is reaching or has exceeded the current UK procurement threshold action will be taken to re-procure the goods/services in a compliant manner without unnecessary delay.

12.4. In appropriate circumstances the Head of Finance or their delegated representative may identify opportunities to establish locality or corporate contracts on behalf of schools. Schools will be invited to participate, however in such cases the Head of Finance or their delegated representative will work on the basis that this expenditure does aggregate and procure accordingly.

13. Contract Agreement/Terms and Conditions

13.1. Following the identification of the most favourable offer for the Trust, or its schools, whether by best value, quotation or tender, consistent with the thresholds identified above, the contract may only be awarded by those officers to whom the Trust Board has delegated such authority within the approved Scheme of Delegation.

13.2. All agreements, contracts or leases should be in in the name of Cumbria Education Trust, with school's names shown as the delivery point, if applicable.

13.3. No member of staff, other than members of the executive team, may sign an agreement, contract, or lease in the name of the Trust. Where an agreement, contract or lease requires a signature (not including general orders for goods and services), this should be forwarded to the Head of Finance or another member of the executive team for review and signing as per the Scheme of Delegation.

13.4. The decision to lease or buy should be approved by the Head of Finance**.** The Trust will not enter into any finance lease as this may be a contravention of the requirements of the DFE Academy Financial Handbook. The Trust may enter into operating leases; however, this is subject to the approval of the Head of Finance.

14. **Tenders**

14.1. All tendering where the anticipated lifecycle costs are in excess of £50,000 must be subject to a tender process in accordance with Trust Financial Regulations and UK Public Contract Regulations.

14.2. The Head of Finance or their delegated representative will select and manage the most appropriate procurement process in accordance with the anticipated value, any potential aggregation and Trust tendering guidelines which are compliant with current procurement legislation. This may include the use of frameworks or bespoke tenders.

14.3. Tendering procedures may take up to 12 months depending on lifecycle costs and compliance with legislation. Failure to programme sufficient time for procurement may not be a reason to grant a dispensation.

14.4. All current and future tenders will be advertised through an appropriate forum.

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

14.6. Any post tender bid clarification with suppliers will be led by the Head of Finance or their delegated representative.

14.7. Any communication with the suppliers involved in the tender process will be facilitated by the Head of Finance or their delegated representative.

14.8. Any discussions and or correspondence prior to the conclusion of procurement 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 commitment is made.

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

15. Reporting Requirements

15.1. For contracts in excess of £100,000 (excluding VAT) the decision and criteria should be reported to the Trust Board.

15.2. The procurement waiver register should be reported to each meeting of the Audit and Risk Committee.

16. Fraud and Corruption

16.1. All staff should be aware of The Bribery Act 2010. The Trust, its employees and contractors/bidders are all covered by the Act. To meet obligations under the Act, the Trust has a Fraud and Corruption Policy refers and all employees involved in procurement should be familiar with the policy.

16.2. The Trust's policy is not to accept any form of gift or hospitality from suppliers: full details are included in the Fraud and Corruption Policy.

17. Information Security and Confidentiality (FOI)

17.1. The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding School and Trust policy purchasing. All such requests should be handled in accordance with the Trust policy.

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

17.3. All suppliers or third parties that require access to the Trust or School information systems as part of the service they provide must comply with data protection legislation and safeguarding policies.

17.4. Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed that suppliers/third parties meet the data protection legislation and safeguarding policies.

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

18. Retention of Documents

18.1. All documentation and communication (including emails) pertaining to contract awards and management arrangements should be retained for a minimum of 5 years after the end of the contract.

18.2. All documentation in relation to the procurement process will be retained securely for 6 years (current year plus previous 5 years). Goods and services which are centrally procured will be retained by the central (finance) team. Those which are procured directly by schools should be retained by each school.

19. Monitoring and Audit

19.1. The Trust is subject to scrutiny by internal and external auditors as well as the ESFA and other government departments/organisations. It is the responsibility of everyone involved in procurement practices to ensure that they are compliant with current policies, procedures, guidance, and legislation.

SCHEDULE 1

DOCUMENT CONTROL – RECORD OF CHANGES

Version Number:	Publication Date:	Nature of, and Reason for, Change(s)
001	June 2023	Original
002	June 2024	Reviewed and amendments made to order value at section 10.6.
---	June 2025	Reviewed and no changes required.