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1. Overview

- 1.1. The Standard Procurement Procedures support the University of Brighton Academies Trust's Financial Regulations and reflect the requirements of the Education and Skills Funding Agency (ESFA) as set out in the Academies Financial Handbook. The requirements of the Academies Financial Handbook must be adhered to by everyone associated with or employed by the trust.
- 1.2. Where possible individuals should purchase from preferred suppliers. Where a preferred supplier does not exist then either quotes or tenders should be sought. Further information can be found in section 2.
- 1.3. Where appropriate, individuals with relevant experience including the end-users (e.g. ICT managers and teachers) should normally be involved when putting together invitations to tender, or making key decisions. This will not only aid selection of the best solutions for each academy, but will also help achieve buy-in by the end-users.
- 1.4. Procurement decisions must be clearly recorded to ensure that each decision has been reached fairly and to provide a clear audit trail:
 - the options available should be documented;
 - the basis for scoring/ranking should be documented;
 - the individuals responsible for scoring/ranking should be documented;
 - the outcome of the scoring and the final decision should be documented;
 - the reasons on which the decision was reached should be clearly documented;
 - supplier clarifications should be included in the contract
- 1.5. All key documents should be retained together by each academy/the central Finance team. These include:
 - invitations to tender;
 - tenders received from bidders;
 - quotes obtained for smaller purchases;
 - papers/minutes documenting the procurement decision;
 - signed copies of the contracts awarded;
 - invoices.
- 1.6. Where procurement is carried out with the assistance of an external project management company (for example the initial procurement of ICT, furniture and equipment prior to moving into a new building) key documents should be transferred to, and retained by, each academy / the central Finance team prior to cessation of the contract with the project management company.
- 1.7. Opportunities should be taken for bulk purchase discounts, for example by combining similar orders. This can be done by combining the requirements of a number of academies, with costs being shared proportionately.
- 1.8. When ordering goods an assessment of likely delivery timeframes should be made by the purchaser and agreed arrangements made to ensure appropriate staff are available on site to receive them (particularly during school holidays), and that adequate space is available to locate or store the delivery.
- 1.9. Budget holders will be informed of the budget available to them at least one month before the start of the academic year. It is the responsibility of the budget holder to manage the budget and to ensure that the funds available are not overspent. Information detailing actual expenditure against budget will be supplied to each budget holder a week after the end of each month and budget holders are encouraged to keep their own records of orders placed but not paid for.

2. Staff duty of compliance

- 2.1. All staff who are authorised to purchase works goods and services on behalf of the trust using an official order are required to ensure that they have been provided with the appropriate level of authority within the Scheme of Delegation.
- 2.2. There are specified levels of purchase expenditure which determine whether there is a requirement to obtain competitive quotations or apply a tender procedure. These values are set out in Paragraph 3.
- 2.3. The trust actively supports the use of framework contracts negotiated by Public Sector Buying Organisations eg:
- The Crown Commercial Service,
 - The Pro 5 - Eastern Shires Purchasing Organisation (ESPO), ESPO Academies, Central Buying Consortium, Yorkshire Purchasing Organisation (YPO), North Eastern Purchasing Organisation (NEPO)
 - Other Local Authority or NHS Agreements
- 2.4. Staff using these priced contracts are not required to obtain additional quotations or tenders unless it is a requirement of the agreement or it is assessed that additional discounts would be obtained for bulk purchases.
- 2.5. The trust also recognises the availability of local business within our community and seeks to continue to provide the opportunity for those that are proven to be competitive to bid to provide their services within a competitive process.

3. Procurement limits

- 3.1. The trust's procurement limits (excluding VAT) are:

Limit A – one quote or negotiation	Orders Less than £2,000 if not on the preferred suppliers list OR Orders Less than £5,000 if on the preferred suppliers list
Limit B – Three Quotes	Orders from £2,000 (if not on the preferred suppliers list) / £5,000 (if on the preferred suppliers list) to £25,000
Limit C – Four Tenders	Orders from £25,000 to £172,000
EU regulations apply	£172,000

- 3.2. The EU threshold level¹, excluding VAT, is based on €193,000 and €4,845,000 for works (values set as at 1 January 2010 and reviewed every two years). Where the European Union procurement directives apply the Finance and Business Services Director or person nominated by him or her will provide guidance and assistance with the process and timescale.

¹ The sterling equivalents are fixed for two years and are currently £173,934 for goods and services and £4,348,350 for works.

4. Orders

4.1. Orders Limit A

- 4.1.1. For contracts for works, supplies or services (including consultancy) with an estimated cost within the Limit A range, the budget holder will obtain at least a single written quotation (and more than one where practicable), or place an order with a contractor under a Framework Agreement or Consortia, where such arrangements exist.
- 4.1.2. The aim is to identify the best source for the provision of the goods or services. Written details of quotations obtained should be retained with the purchase order, Goods Received Note and invoice for audit purposes. Telephone quotes are acceptable if these are evidenced and emailed confirmation of quotes has been received before a purchase decision is made.

4.2. Orders Limit B

- 4.2.1. In the case of contracts (including consultancy) with an estimated cost in the Limit B range, the budget holder will work with the central Finance team to obtain at least three written quotations, or place an order with a contractor under a Framework Agreement or Consortia, where such arrangements exist.
- 4.2.2. If three quotations cannot be obtained due to lack of suitable suppliers prepared to quote, the central Finance team must keep a record of the reasons for this with the tender file.

4.3. Orders Limit C

- 4.3.1. Contracts (including consultancy) with an estimated value exceeding Limit C must be let by formal competitive tender and must be developed with reference to the central Finance team (see below.)
- 4.3.2. Where the estimated value of the contract is in excess of the relevant EU threshold, EU procurement procedures must be followed. Advice should be sought from the Finance and Business Services Director who may, in turn, seek advice from the University of Brighton or other appropriate professionals.

5. The quotation procedure

- 5.1. For purchases between £2,000² and £25,000 in value, staff are required to obtain a minimum of three written quotations from approved suppliers. This may also take the format of using e-mail or fax and does not formally set a date by which the quotations are to be returned although dependent on the nature of the requirement and market it is good practice to set an appropriate final date.
- 5.2. The total purchase requirements should not be disaggregated below the threshold to avoid the obtaining of quotations.
- 5.3. On rare occasions it may be impossible to obtain quotations. In such circumstances a waiver form must be completed outlining details of the commitments entered into and the reasons quotations could not be obtained. The waiver form must be signed by the Director of Operational Services before the order is placed.

² At least one quotation is required for purchases up to £5000 if the supplier is on the preferred supplier list

6. The tender procedure

6.1. This is a formal process to be implemented where all purchases for works, goods or services are likely to exceed £25,000 in total for the period of the subsequent contract. The requirement is to ensure that there is an equal fairness of competition using a minimum of four suppliers and a similar template to that available for the use with competitive quotations is applied. This may be adapted to meet the requirements appropriate for the purchase.

6.2. The process will require that all suppliers are provided with the initial documentation at the same time with a pre-determined return date and time.

6.3. *Tender by advertisement*

6.3.1. This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Director of Operational Services or Finance and Business Services Director how best to advertise for suppliers (e.g. general press or trade journals); or to identify all potential suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

6.4. *Tender by non-advertised supplier list*

6.4.1. This is where suppliers are specifically invited to tender. Restricted tenders are appropriate where:

- there is a need to maintain a balance between the contract value and administrative costs;
- 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 academy's requirements;
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

6.5. *Negotiated tender*

6.5.1. The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no tenders or unacceptable tenders;
- only one or very few suppliers are available;
- extreme urgency exists;
- additional deliveries by the existing supplier are justified.

6.6. *Preparation for tender*

6.6.1. Full consideration should be given to:

- objective of project;
- overall requirements;
- technical skills required;
- after sales service requirements;
- terms and conditions.

6.6.2. It may be useful after all requirements have been established to rank requirements (e.g. mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

6.7. ***Invitation to tender***

6.7.1. 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 to interested parties.

6.7.2. An invitation to tender should include the following:

- introduction/background to the project
- scope and objectives of the project
- technical requirements
- evaluation criteria
- implementation of the project
- terms and conditions of tender and
- form of response

6.7.3. The evaluation criteria of the tender must be set out in advance of the tender being issued. The agreed criteria must then be included in the tender document to ensure all bidders are aware of the trust's priorities.

6.8. ***Aspects to consider***

6.8.1. ***Financial***

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Financial stability and level of insurance held.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.
- Is there scope for negotiation?

6.8.2. ***Technical/Suitability***

- Qualifications of the contractor
- Resources committed to the contract
- Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality/conformity with standards
- Quality control procedures
- Health and safety policies
- Details of previous sales and references from past customers.

6.8.3. ***Other Considerations***

- Pre sales demonstrations
- Carbon management and sustainability
- After sales service
- Financial status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service. It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

6.9. ***Tender Acceptance Procedures***

6.9.1. The invitation to tender should state the date and time by which the completed tender document should be submitted. Tenders should be submitted in accordance with the requirements set out in the invitation to tender. Tenders received after the submission deadline will not be accepted.

6.10. **Tender Opening Procedures**

6.10.1. All tenders submitted should be opened at the same time after the deadline and a record should be established to record the names of the firms submitting tenders and the amount tendered.

6.11. **Tendering Procedures**

6.11.1. The evaluation process should involve at least two people. Those involved should disclose all interests, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process. The register of business interests should be updated to reflect conflicts.

6.11.2. 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.

6.11.3. Full records should be kept of all criteria used for evaluation and a report should be prepared highlighting the relevant issues and recommending a decision, to be held by the central Finance team. The decision to enter into and sign the final contract is determined by the value and length of the contract, as set out in the Scheme of Delegation.

6.11.4. **NB:** Where required by the conditions attached to a specific grant from the DfE or other government or fund provider, the Department's approval must be obtained before the acceptance of a tender.

6.12. **Post-tender negotiations**

6.12.1. Post-tender negotiations (ie after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into provided:

- it would not put other tenderers at a disadvantage
- it would not affect their confidence and trust in the trust's tendering process.

6.12.2. In each case a statement of justification should be approved by the ~~Principal~~ relevant senior manager prior to the event showing:

- background to the procurement
- reasons for proposing post-tender negotiations
- demonstration of the improved value for money.

6.12.3. Staff must ensure that prices negotiated and quoted/tendered are to remain confidential and on no account must these be notified to competitor suppliers.

6.12.4. Under no circumstances must an official order be placed for works, goods or services required in a personal capacity.

6.13. **Contract Extension or Variation**

6.13.1. Variations to a contract must not be accepted without evidence of a formal written agreement with the supplier/contractor setting out the full price, time and/or resource implications.

6.13.2. Approval from the relevant person indicated in the Scheme of Delegation is required if the proposed variation or series of variations would:

- increase the contract value by more than £5,000 (excluding VAT); and/or
- increase the contract period by 50% or more; and/or
- mean the works, services or goods to be added to or be deleted from the contract are substantially different in scope;

6.13.3. If the value of the extension/variation or the total of subsequent extensions/variations is in excess of:

- £15,000, it will require the approval of the Director of Operational Services;
- £25,000, it will require the approval of the Finance and Resources Committee (or Chair and CEO and reported to the Finance and Resources Committee at its next meeting);
- the relevant EU threshold, it is not permitted.

6.13.4. Extensions to contracts exceeding the relevant EU Threshold are not permitted unless they are indicated in the original OJEU notice. For contracts below the relevant EU Threshold, extensions to such contracts shall not be permitted if the revised value then exceeds the relevant EU Threshold.

6.14. **EU Thresholds**

6.14.1. In accordance with the trust's Financial Regulations, the Finance and Business Services Director is responsible for ensuring the trust complies with its legal obligations concerning EU procurement legislation. EU procurement regulations apply to written contracts for all forms of procurement, purchase or hire (whether or not hire purchase) with a total value exceeding a threshold value.

6.14.2. Purchases over the thresholds set out below may fall under EU procurement rules.

Thresholds from 01/01/2014 and net of VAT	Goods	Services	Works
Public sector contracting authorities including academies	£172,514 (£207,000)	£172,514 (£207,000)	£4,322,012 (£5,186,000)

6.14.3. These thresholds refer to the value over the life of the contract. Where this is not known four years should be assumed.

6.14.4. The help and advice of third party procurement specialists (e.g. at the University of Brighton) should be sought where the threshold may be breached.

6.14.5. Purchasers need to be aware that the procurement planning process needs to allow ample time for EU advertising and other aspects of the procedure to take place. Purchasers should allow a minimum of 3 months from advert to award.

7. **Routine Purchases**

7.1. Routine purchases up to limit A can be ordered directly by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained by the central Finance team. A quote or price must always be obtained before any order is placed. If the budget holder considers that better value for money can be obtained by ordering from a supplier not on the approved supplier list the reasons for this decision must be discussed and agreed with the central Finance team and approved by Director of Finance and Business Services or Director of Operational Services.

7.2. Details of the order must be forwarded without delay to the central Finance team or academy's Business Manager/Finance Office as appropriate so that an official order can be entered into the finance system before the goods are ordered, received and the invoice paid.

8. Preferred Suppliers

- 8.1. Budget holders should always obtain quotes from the trust's preferred suppliers. The trust's central Finance team maintains a list of preferred suppliers, using suppliers who are registered on a national procurement framework, and trusted suppliers local to each academy. However, the central Finance team will actively seek to achieve the best value for money which will mean identifying alternative suppliers outside of the preferred suppliers list.

9. Asset registers and inventories

- 9.1. Asset registers and inventories should be maintained in accordance with the trust's Financial Regulations.
- 9.2. Fitness for purpose must be a key consideration in any procurement decision (e.g. ICT should be of the correct specification; fixtures and fittings should be of adequate durability).
- 9.3. All expenditure on individual assets costing in excess of the approved capitalisation limit will be treated as capital assets.

10. Purchase Requisitions and Orders

- 10.1. Official Purchase Orders requisitions must be authorised by the budget holder. It is the budget holder's responsibility to ensure that they have sufficient budgetary provision, obtained the correct number of quotes and that best value is achieved. Upon receipt of a Purchase Order requisition form a Purchase order is entered onto the accounting system, approved on the system, automatically allocated an order reference number and emailed to the supplier.

11. Goods receipting

- 11.1. All goods shall be received at designated receipt and distribution points. The budget holder must make appropriate arrangements for the delivery of goods. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.
- 11.2. All goods received shall be entered onto a Goods Received Note (GRN - an appropriate goods received document or electronic receipting system) on the day of receipt. On receipt the budget holder must undertake a detailed check of the goods received against the GRN. They shall be checked for quantity and/or weight and inspected for quality and specification and a record of any discrepancies between the goods delivered and the GRN will be made. Discrepancies should be discussed with the supplier of the goods without delay.
- 11.3. If the goods are deemed to be unsatisfactory the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery the record should be marked accordingly and the supplier immediately notified. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the central Finance team or academy Finance office *must* be notified. The Finance team / office will keep a central record of all goods returned to suppliers.

- 11.4. Budget holders must pass the signed GRN to the central Finance team / academy Business Manager / Finance office when goods or services have been received and whether they were satisfactorily delivered.
- 11.5. All persons receiving goods on behalf of the trust must be independent of those who negotiated prices and terms and placed the official order.

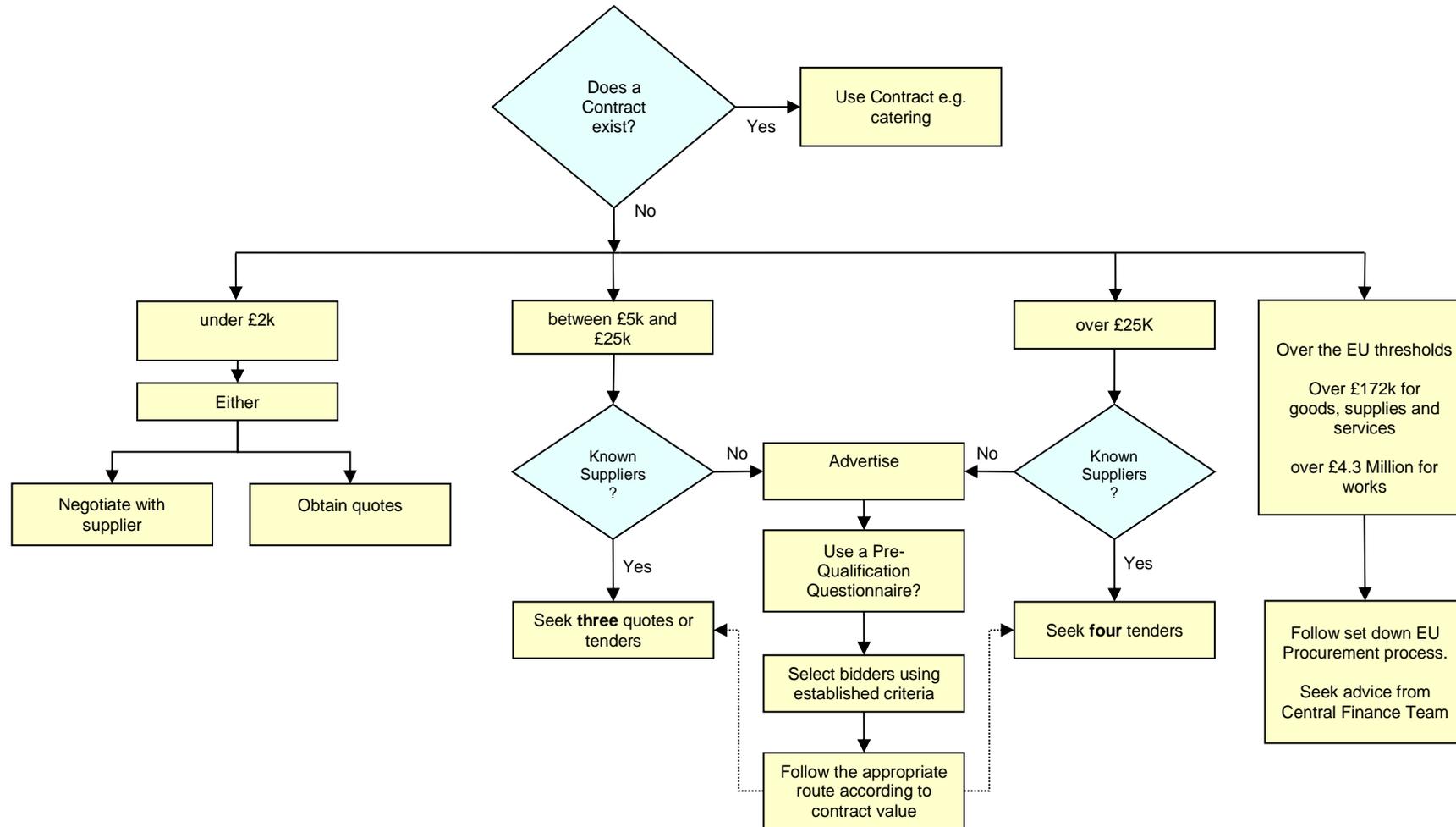
12. Payment of invoices

- 12.1. All invoices should be sent to either: the central Finance team or academy Business Manager/Finance office. Invoice receipt will be recorded by a member of finance staff by entering it into the finance system. The member of finance staff checks that the following can be evidenced:
1. invoice arithmetically correct
 2. invoice posted to purchase ledger
 3. goods/ services received
 4. goods/services as ordered
 5. prices correct
 6. invoice authorised for payment
 7. payment authorised
 8. VAT treated correctly and
 9. payment made
- 12.2. Boxes 1 and 2 will be completed by finance staff. The invoice will then be sent to the budget holder to complete boxes 3, 4, 5 and 6. Before authorising the budget holder must make a detailed check against the order and the GRN. These documents must be attached to the invoice before it is sent back to the finance staff. Budget holders must undertake these checks without undue delay and in any case within 7 days of invoice receipt.
- 12.3. If a budget holder is pursuing a query with a supplier the central Finance team or academy Business Manager /Finance office must be informed of the query and periodically kept up to date with progress.
- 12.4. When the budget holder has completed boxes 3, 4, 5, and 6 the invoice, order and GRN will be sent to the Finance Office who will input the details of the payment to be made onto the finance system.
- 12.5. Each week a member of the central Finance team will produce a proposed payment list from the finance system and this list together with supporting documentation will be reviewed by a Management Accountant. Following review, each payment run on the online banking system will be approved in accordance with the Scheme of Delegation.
- 12.6. BACS payments will be sent to suppliers by a member of central Finance staff who will also complete boxes 8 and 9 on the invoice and then place it in the appropriate file.

13. Operational procedure status and review

Written by:	Finance and Business Services Director
Owner:	Finance and Business Services Director
Status:	V1 = Approved by Director of Operational Services V2 = Approved by Director of Operational Services
Approval date:	V1 = 3/7/15 V2 = 1/9/17
Review Date:	As required

Appendix A – University of Brighton Academies Trust Procurement Procedures



Note: These thresholds relate to the **total** likely spend with a particular organisation/supplier. If the length of time you will be purchasing from/contracting with is unknown, assume four years. If for any reason you are unable to follow the above procedures it is likely that a Waiver will need to be completed. Please seek advice from Central Finance Team.