

# PROCUREMENT AND PURCHASING POLICY



*WHERE LEARNING IS UNSTOPPABLE AND ASPIRATIONS HAVE NO LIMITS*

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## **Policy Statement**

It is the Trust's policy to 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 Procurement Act, Public Contracts Regulations and Bribery Act 2010.

The Trust has agreed Financial Regulations relating to the procurement of goods and services. These are included in the Scheme of Delegation and Record of Financial Responsibility (RoFR). The RoFR records the limits set by Trustees. All school staff (including budget holders) must operate within these limits. Failure to comply with this Procurement Policy, the Trust Financial Regulations or Scheme of Delegation may result in withdrawal of authority and disciplinary action.

As a publicly funded organisation, Orwell Multi Academy Trust and its academies in accordance with procurement legislation are 'Contracting Authorities'. Subsequently any procurement activity is regulated by the Procurement Act, Public Contracts Regulations and EU procurement law. Any procurement activity must be carried out in a transparent and non-discriminatory manner.

This policy sets out how the Trust will manage its procurement to ensure compliance with relevant legislation.

## **Purpose of the Procurement Policy**

This policy should be read in conjunction with the rest of the Trust's Financial Regulations with particular reference to:

- The Scheme of Delegation
- The Record of Financial Responsibility
- Finance Policy

The Trust procurement policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or Academy based.

All procurement within the Trust and Academies shall be carried out in such a way to ensure compliance with legal requirements, including, the Procurement Act 2023, Public Contracts Regulations 2015, EU Procurement legislation, Trust financial regulations, scheme of delegation and RoFR and any other requirements of the DfE or EFA.

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 our business needs. A widely accepted definition of VFM refers to three elements.

- Economy – Minimising the costs of resources used
- Relationship between outputs and the resources used to produce them
- Extent to which objectives have been achieved

## General Principles

A large proportion of purchases will be paid for with public funds. The basic rules of procurement aim to ensure that public funds are spent openly and fairly, and make the most of the budgets, whilst protecting against legal challenges, financial penalties and damage to the Trust's reputation. The Academy needs 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
- Fairness, that all the dealings with the Academy are done on a fair and equitable basis.
- Transparency and Non-Discrimination, 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 service provider.

## What is Procurement

Procurement is a process whereby goods, services and works are acquired. The procurement process spans a life cycle from identification of need and resources, through selection of suppliers, purchasing, contract management and disposal. Purchasing is the transactional process of buying the goods/services and is just one part of procurement.

There are 3 main routes of procurement (see Procurement Process Guides for more detail):

- **< £6,000** – Local checks to ensure best value is being achieved. This could be by email, price checking on websites etc. Local school approval for these purchases
- **£6,001 – EU tender threshold** – 3 like for like quotations to be sought and retained within TEAMS Procurement folder with a copy of the 3 quotes sign off form (see Appendix 1). Approval from CFO required before purchase.
- **Above EU threshold** – Full Tender process to be completed.

## The Public Contracts Regulations (2015)

As a public body, Schools are subject to meeting the Public Contracts Regulations as a Contracting Authority. Please note, the Procurement Act 2023 is new legislation which replaces the Public Contracts Regulations 2015 once all existing contracts expire, are replaced or cease to exist. See below for more information on the Procurement Act 2023.

All UK contracting authorities, irrespective of the source of funding for a particular purchase, must comply with the Regulations 4.2 The Public Contracts Regulations set out the legal framework for public procurement. They apply when public authorities seek to acquire supplies, services or works. Principles of non-discrimination, equal treatment, transparency, mutual recognition, and proportionality should be applied to all procurements. The regulations set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

Schools are strongly advised to consult with the Trust CFO as early as possible for advice and guidance, to avoid any delays. Higher value procurements above Threshold are subject to defined timescales, which are lengthy.

To meet the requirements from the Cabinet Office, it is necessary for Contracts which are above the Threshold to be advertised on the Government's Find a Tender database, to demonstrate transparency.

Time should be taken to draft a good quality specification which clearly outlines the requirements, this is a critical part of the procurement process and advice should be sought as appropriate.

Procurement Thresholds applicable from the 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2025 are inclusive of VAT and will be Goods and Services £214,904, Social and Other Specific Services £663,540 and Works £5,372,609.

### **Procurement Act 2023**

The Procurement Act 2023 introduces significant reforms to UK public procurement law, which impact how procurement processes are carried out in the public sector. It simplifies procurement procedures and emphasises fairness, transparency, and competition.

The key objectives of the Procurement Act include:

- Simplification and flexibility
- Enhanced transparency
- Competition and supplier engagement
- Supplier remedies and dispute resolution
- Sustainability and social value considerations

The Procurement Act requires notices to be published at each of the 5 stages of the procurement procedure:

- Planning
- Tender
- Award
- Contract
- Implementation

Part 3 section 20 of the legislation defines the two procurement procedures:

- **Open procedure:** this is a single stage tendering procedure with no restriction on who can submit a tender
- **Competitive flexible procedure:** gives more freedom to design your own competitive tendering procedure as appropriate to the contract

All contract notices must be published on the central digital platform.

See the DfE guidance on buying for schools for further details on the processes.

### **Value for money/Aggregation**

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.

Purchases over £6,000 must be approved by the Trust CFO and in these cases early involvement is recommended to ensure expectations are clear and timelines are achievable.

All school purchases in excess of £6,000 (excluding VAT) will require pre-approval from the CFO (to confirm the correct process) and the Shared Services Finance Team (to confirm budget) before an order can be placed with the supplier.

Unless below the threshold for obtaining multiple quotations or Tenders (refer to RoFR) all procurement of goods, works, services or consultancy should be acquired by effective competition, including adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Competition promotes efficiency and effectiveness in expenditure. Awarding contracts based on value for money following competition contributes to the competitiveness of supplies.

The Trust has a duty to comply with the requirements of EU Procurement legislation, Academy Funding Agreements, Procurement Act 2023 and the Public Contract Regulations 2015. To do so the Shared Services Team will review all proposed purchases over £6,000 in the context of total Trust expenditure to come to a decision whether the potential requirement to aggregate is complementary or contrary to the requirement to show Value for Money.

The Shared Services Finance Team will review Academy procurement plans and where appropriate will consult with schools on the potential to develop a range of Trust wide or regional contracts to comply with the requirements around aggregation and VFM.

### **Financial Authority to Commit Expenditure**

Any process which involves committing the Trust or an Academy to expenditure must be approved in accordance with the scheme of delegation and RoFR. These documents confirm who has the authority and to what financial level.

Any member of staff placing a purchase order on behalf of the Trust or an Academy must be sure that they have the correct level of authority to do so in accordance with the scheme of delegation and RoFR and where required must obtain approval from a more senior member of staff with a higher approval limit if necessary.

The Trust operates a system of devolved financial authority under which Headteachers are responsible for the decision-making process and planning of purchasing decisions. In accordance with this Procurement policy for lower value purchases, the SCC Procurement Team may provide technical and professional support if requested, however where the value of purchases for schools or the Trust exceed the EU tender threshold, the SCC Procurement Team or equivalent service will manage the process on behalf of the Trust. In these cases, the Trust is still responsible for specifying requirements, evaluation criteria and committing funding.

No member of staff may approve purchases unless they have been given authority within the scheme of delegation to do so.

No employee is authorised to commit the Trust or an Academy to expenditure without first ensuring that there is adequate budget provision.

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.

## **Purchasing Thresholds**

There are two types of thresholds governing the procurement for the Trust and Academies. Firstly, authority to commit expenditure, which is covered in the scheme of delegation and secondly the procurement process which is governed by the anticipated lifecycle cost of the procurement.

The various transactional thresholds and procurement process required is outlined below (all net of VAT):

- **Below £6,000:** price comparison should be obtained.
- **£6,000 – EU tender threshold:** obtain three written quotations from suitable suppliers/contractors
- **Any expenditure over the EU tender threshold:** full competitive tendering arrangements must be applied.

Where the SCC or alternative Procurement Team 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.

Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous method (MEAT) then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file. However, if this is for any other reason approval must be sought from the CFO before confirming award or raising an order in accordance with the scheme of delegation.

## **Dispensations**

In limited circumstances a dispensation from the requirement to obtain alternative quotes may be granted. This may include authority to solicit a single quotation, to award a contract or place an order without having obtained the requisite number of tenders or quotations or to directly award a contract.

All dispensations require prior approval from the CFO before progressing and must not result in a breach of procurement legislation or be contrary to the Trust Scheme of Delegation.

Full details of the circumstances and reasons where a dispensation may be granted are included below.

All dispensation requests, whether approved or rejected will be reported to the Finance, Resources & Audit committee. Staff may be called upon to attend the committee to explain the reasons for requesting a dispensation.

Dispensations from the requirement for competitive quotations / tenders must not be used to avoid competition, or for administrative convenience, or to award fresh / further work to a supplier originally appointed through a competitive procedure.

All dispensations will be subject to obtaining and documenting appropriate evidence for single quotation / tender action, obtaining authorisation for such action in accordance with the approved Scheme of Delegation and never breaching current Procurement Act, Public Contract Regulations or the relevant OJEU thresholds.

Subject to approval as outlined in the Trust scheme of delegation, dispensations may be granted for the following reasons:

- Unforeseen emergency requirement
- The goods or services are only available from one source and there is no possibility of the Trust's requirements being met in any other way.
- An extension is required to a current contract to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the re-procurement would not be justification for a single tender)
- Where the seeking of tenders and subsequent contract award could cause significant operational difficulties and where any potential savings would be outweighed by those operational issues (which along with a VFM analysis must be documented) and only for use in circumstances to be approved in accordance with the scheme of delegation, under the specific advice of the CFO / Trust Business Manager in terms of compliance with the EU and UK legislation and subject to approval by the Chief Executive and subsequently reported to the Finance Resources & Audit Committee.

The Shared Services Finance Team may develop a schedule of dispensations for specific areas which Academy staff may use under certain circumstances; further information will be included in Procurement Procedure Guides

A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years.

## **Aggregation**

The Procurement Act and the Public Contract Regulations (2015) 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.

As schools manage their own budgets and purchasing decisions independently, seeking advice and support of the Trust CFO and SCC Procurement Team to procure goods and service on their behalf where necessary and appropriate, school expenditure in this instance does not aggregate across the Trust.

Should a school or the Shared Services Team identify that specific expenditure is reaching or has exceeded the current EU threshold then action should be taken to re-procure the goods/services in a compliant manner as a matter of urgency. The Shared Services finance team will review ½ termly reports from the PS Financials system to ensure that this is the case.

In appropriate circumstances the SCC Procurement team or equivalent may identify opportunities to establish regional or corporate contracts on behalf of schools. schools will be invited to participate, however in such cases the Shared Services finance team will work on the basis that this expenditure does aggregate and procure accordingly.

Examples of aggregation:

- Where the supply is of a repetitive nature, the total annual value of the supply will be considered.
- Where there is an existing supplier, the total value of the contracts in the current financial year will be considered.
- The value of a contract is calculated as the amount per annum multiplied by the number of years duration. This is known as the aggregated value of goods and services. For example, a 3-year lease contract at £25,000 per year has a contract value of £75,000.

## **Tenders**

Any expenditure over the EU tender thresholds, must be subject to tendering in accordance with the Procurement Act 2023. If the anticipated value is over the current threshold, then expenditure must also be in accordance with EU procurement legislation.

All tendering where the anticipated lifecycle costs are more than the EU tender thresholds, must be undertaken by the SCC or alternative Procurement team.

The procurement team 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, Dynamic purchasing systems, or bespoke tenders.

Prior to undertaking any transaction, a business case for the purchase must be produced and a Procurement Authorisation form completed. See Appendix 2 for details.

Once the purchase is approved, a tender pack needs to be completed. This is to contain information about the requirements and needs of the project, together with the information required from bidders. SCC can advise on producing a suitable pack. Each case will be bespoke, but could include:

- Information about the school/Trust
- Details of pricing
- Details of requirements and product characteristics
- Required timeline/schedule
- Evaluation criteria used to evaluate the tenders received, including weighting of each set of criteria.
- Draft terms and conditions

Tendering procedures may take up to six (6) months depending on lifecycle cost and compliance with legislation, failure to programme sufficient time for procurement will not be a reason to grant a dispensation.

All current and future tenders are advertised using the Trust website or alternative more appropriate means if necessary or legally required. SCC or alternative Procurement team are appointed to carry out tenders for Goods, Services and Works on behalf of the Trust and academies.

Any post tender bid clarification with suppliers will be led by the SCC or alternative Procurement team.

Any communication with the suppliers involved in the tender process will be facilitated by the SCC or alternative Procurement team.

Tenders are to be evaluated against the criteria and weighting stipulated in the original tender pack. SCC or the procurement team will advise suitable criteria, which may include:

- Price
- Financial stability of supplier
- Insurance cover
- Best match to specified requirement
- Quality control
- Guarantees
- References from current/previous customers
- Timescales

At least 2 people should independently evaluate the submitted tenders and their combined scores should be moderated to award the contract to the highest scoring bidder.

Once the tender process has been completed, approval of the procurement must be made via the Tender Acceptance form. See Appendix 3 for details.

### **Contract Agreement/Terms and Conditions**

Any agreement, contract or lease with a supplier which requires a signature by a member of Trust or Academy staff (not including general orders for goods and services) should be forwarded to the CFO for review prior to signature.

A signature on an agreement or contract, or even an email response indicates that the Trust or Academy accepts the suppliers Terms and Conditions which may not be favourable.

The Trust has a set of standard T&Cs which should be shared with all suppliers at procurement stage or in the absence of T&Cs provided by the supplier.

The process will be facilitated by the SCC or alternative Procurement team.

### **Ordering**

Official orders must be raised for all goods, works, services and/or consultancy required by the Trust and / or Academy using the PS Financials system, unless specifically exempted using the following process

Specific exemptions to the requirement to raise an official purchase order are limited to:

- Rent or business rates
- Utility costs
- Works and services executed under a contract (for example photocopiers)
- Staff expenses
- Purchasing card transactions

Details outlining the number of non-order invoices paid on the PS Financials system will be reported to the Finance Resources & Audit Committee and Academy Office Managers/Headteachers may be required to attend to explain any non-compliance.

In accordance with the Academy's Pecuniary Interest Policies, before raising any order, checks must be carried out against the Pecuniary Interest register to ensure that no one has declared a conflict of interest in relation to the purchase or the supplier/service provider has

been involved in the selection process. The CFO must be notified in advance of placing an order with a pecuniary interest so this can be raised and approved, where required, by the ESFA.

No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within the ROFR. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation and issued by the Shared Services Finance Team.

### **Supplier Management**

Purchase Orders, Contracts and payments should only be raised/made to suppliers which have been added to the PS Financials system by the Shared Services Finance team and authorised by the relevant person as per the RoFR.

All staff who may raise purchase orders for work should satisfy themselves that where required, contractors have appropriate DBS/CRB clearance before raising an order for work. The Trust has guidance for the safeguarding of pupils whilst contractors are on site which must be followed.

### **Delivery and invoice processing**

The School Office Manager must make appropriate arrangements for the delivery of goods to the Academy and Good Receive Note (GRN) the goods once they have been checked against the order. Any discrepancies should be raised with the supplier by the school and the Trust Finance Assistant notified so they can dispute the invoice.

All invoices should be sent to the Trust Finance Assistant. All invoices must be checked against the GRN and reconciled to the original order. The invoice will be recorded by the Trust Finance Assistant on PS Financials.

Unless a Purchasing card has been used to make a payment, all invoices will be paid by BACS. On rare occasions a cheque may be used but this must be authorised by the CFO.

The Trust's standard payment terms are 30 days following receipt of a correct invoice, unless alternative arrangements have been agreed at purchase order stage.

Payment should only be made on receipt of goods. Where services are being procured then payment for work in progress or agreed interim stages may be appropriate in accordance with the approved guidance and subject to sign off from the CFO.

### **Written records relating to Procurement**

Where verbal advice has been given by Procurement Service advisers, the school staff will request confirmation in writing. Where this has not been possible, the academy staff must promptly make a written record of the advice for future reference. These records will be updated by the Office Manager for all resulting actions taken in response to the advice.

A file of all active contracts will be maintained by the Shared Services Procurement team and sent out to school office managers for review, action, and updates ½ termly.

Full audit trails will be maintained for all procurement activities; financial records are to be complete, correct, and unambiguous. This includes the Office Manager maintaining records relating to quotations and management decisions; these records will be available for inspection by the Governing Committee/Finance Resources & Audit Committee upon request.

### **Acceptance of Gifts or Hospitality**

The Trust policy is not to accept any form of gift or hospitality from suppliers; full details regarding gifts & hospitality are included in the Gifts & Hospitality Policy on the Trust Policy SharePoint.

### **Leases**

Schools should not enter into any finance lease as this would be contravention of the requirements of the Academies Trust Handbook.

Finance lease agreements usually run for all, or a substantial proportion, of the equipment's estimated working life. Under a finance lease, the leasing company ("lessor") transfers all the risks and rewards of ownership of the equipment to the customer ("lessee"). You will not own the equipment at the end of the agreement.

Schools may enter operating leases; however, this is subject to the approval of the CFO.

Operating lease agreements typically have a shorter duration than the working life of the equipment. Under an operating lease, the leasing company ("lessor") retains the risks and rewards of ownership, and it will also retain an investment in the equipment being leased, known as the Residual Value. You will not own the equipment at the end of the agreement.

### **Monitoring and Audit**

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

Appendix 1 – 3 Quotes Sign Off Form



3 Quotes Sign-off (for Non FRA approval or Tender process)

Purchase	Quote 1	Quote 2	Quote 3
Supplier Name			
Cost	£	£	£
Details of goods			

Options:

Are quotes like for like?	Yes / No
Is this a one-off purchase?	Yes / No
Is this for a set period?	Yes / No
Is this a 1 Year set period?	Yes / No
If a longer set period, please provide details From:.....to.....	
Additional notes to support recommendation:	

Chosen Provider: Quote 1 / Quote 2 / Quote 3

Approved by: ..... Date: .....

Name: ..... Position: .....

Requisition Number: .....

Loaded on PSF By: ..... Date:.....

All quotes, this form and any other supporting documentation to be saved in the Procurement Folders for each school on Teams.

## Appendix 2 – Procurement Authorisation Form

For any projects over the EU tender thresholds, this form must be completed to ensure the scheme of delegation has been followed and value for money is achieved.

<b>Requested by:</b>	
<b>Date:</b>	
<b>School:</b>	
<b>Description of goods or services to be purchased and reason for purchase. If a contract, include the length of contract.</b>	
<b>Estimated total cost:</b>	£
<b>Funded by:</b>	<i>Eg GAG, reserves, grant etc</i>

<b>Decision:</b>	
<b>Authorised:</b>	
<b>Position:</b>	
<b>Date:</b>	

### Appendix 3 – Tender Acceptance Form

The Tender Acceptance form is to be used to record the decision-making process behind the acceptance of the tender and will therefore be available for audit scrutiny.

This form should be completed and submitted to the CFO who will arrange for the request to be considered in accordance with OMAT's scheme of delegation.

<b>Requested by:</b>		
<b>Date:</b>		
<b>School:</b>		
<b>Description of goods or services tendered</b>		
<b>Authorised amount</b>	£ as per the Procurement Authorisation form	
<b>Funded by:</b>	Eg GAG, reserves, grant etc	
<b>Outcome of tender</b>		
	<b>Name of Supplier</b>	<b>Price (exc VAT)</b>
<b>Tender 1</b>		
<b>Tender 2</b>		
<b>Tender 3</b>		
<b>Recommended supplier and details of how value for money has been achieved</b>		
<b>Tender Process</b>		
<p><i>Include information regarding company used to assist with procurement, selection criteria, deadlines, price vs quality. Attach as a separate document if required.</i></p>		

<b>Authorisation by FRA</b>	
<b>Name:</b>	
<b>Position:</b>	
<b>Date:</b>	