

St Joseph's College

PROCUREMENT POLICY

Date of Last Review:	October 20
Next Review Date:	October 21
Policy Available for Staff at:	Website
Policy Available for Parents at:	Main Office
Headteacher:	Ms M Roberts

Procurement Policy

Purchasing

St Joseph's College aims to achieve the best value for money from all purchases. This means acquiring all resources needed at the best price possible whilst ensuring the highest quality. A large proportion of purchases will be paid for with public funds and we need 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 St Joseph's College;
- **Accountability**, St Joseph's College is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by St Joseph's College are dealt with on a fair and equitable basis.

The key responsibilities of the Governing Board Resource Committee are to:

- Discuss and make recommendations concerning the advertisement of tenders
- Ensure compliance with EU regulations
- Outline procedures for the submission, receipt, opening and recording of tenders and quotations
- Identify circumstances when financial or technical evaluation is necessary
- Accept tenders
- Develop contract documentation and cancellation clauses in cases involving corruption or bribery
- Discuss and establish procedures for obtaining quotations and tenders where the estimated value of a purchase exceeds a predetermined sum
- Discuss and agree a sum above which all quotations and tenders should be reviewed
- Ensure that the school obtains best value for money from any purchases by testing the market before the school is committed to any expenditure
- Ensure compliance with the IR35 tax rules

Role of the Governing Board

- The Governing Board as a whole is expected to approve procedures recommended by the Resource Committee.
- Approve tenders recommended by the Resource Committee.

Setting up a Supplier

Before a new supplier is set up on the finance system, a search is made to ensure as much as is possible, that it is a bona fide company. The name and company details are entered in the finance system and the supplier is given a unique supplier code. When an official invoice is received, if the company bank details are detailed on it, they will be entered on the system. These bank details are then checked by another member of the finance team to ensure they have been inputted correctly. If a supplier changes their bank details, we ensure these changes are on an official invoice or on official letter headed paper signed by a person of authority.

Orders up to £250

Routine purchases up to £250 placed via the Resource 32000 Web Portal are authorised electronically, firstly by the budget holder and then by the Finance Manager as per scheme of delegation approved by the Full Governing Body. A quote or price must always be obtained before any order is placed. Manual orders are accepted for ad-hoc items and must be written on an official requisition form, (stocks of which are held in the Finance Office) and must bear the signature of the budget holder. Best Practice dictates that where possible 2 comparable quotes should be obtained for all purchases. A weekly report is issued to the Headteacher detailing all authorised orders.

Orders over £250 up to £3,000

Purchases of more than £250 up to £3,000 placed via the Resource 32000 Web Portal are authorised electronically, firstly by the budget holder, secondly by the Finance Manager and finally by the Headteacher (or in the absence of the Headteacher, the Deputy Head) as per scheme of delegation approved by the Full Governing Board. A quote or price must always be obtained before any order is placed. Manual orders are accepted for ad-hoc items and must be written on an official requisition form, (stocks of which are held in the Finance Office) and must bear the signature of the budget holder. Best Practice dictates that where possible 2 comparable quotes should be obtained for all purchases. A weekly report is issued to the Headteacher detailing all authorised orders.

Orders over £3,000 but less than £10,000

A minimum of 3 written quotations should be obtained for all orders between £3,000 and £10,000 to identify the best source of the goods/services and must be approved by the Resource Committee or Chair of Resource in the absence of a meeting.

Written details of quotations obtained should be attached to the purchase order and filed for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made. Where it is likely that multiple orders are needed which total over £3,000, a preferred bidder will be chosen annually based on price, quality, reliability and availability.

Orders over £10,000 but less than £50,000

A minimum of 3 written quotations must be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the Finance Manager for audit purposes and to demonstrate good value for money.

All goods/services ordered with a value between £10,000 and £50,000 or for a series of contracts which in total value between £10,000 and £50,000 must be approved by the Resource Committee for approval and recommendation of authorisation to the Governing Board. In the absence of a meeting of the Governing Board, the Chair of Governors may authorise the recommendation of the Resource Committee.

Orders over £50,000

All orders over £50,000 up to the EU procurement threshold must be subject to formal tendering procedures.

Purchases over the EU procurement threshold may fall under EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds is available in the Academy Financial Procedures Manual.

EU Thresholds from January 2020 (Renewed every 2 years)		
Contracting Body	Supplies and Services	Works
Central Government Bodies (Schedule 1 entities)	£122,976	£4,733,252

All orders must be delivered to St Joseph's College.

Forms of Tenders

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

● **Open Tender:** This is where all potential suppliers are invited to tender. The Estates Manager must discuss and agree with the Finance Manager how best to advertise for suppliers e.g. general press, 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.

● **Restricted Tender:** 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 St Joseph's College's requirements,
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

● **Negotiated Tender:** 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 or unacceptable tenders,
- only one or very few suppliers are available,
- extreme urgency exists,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

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.

Invitation to Tender

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 in response to an initial enquiry.

An invitation to tender should include the following:

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

Tendering - aspects to Consider

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.
- 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?

Technical/Suitability

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

Other Considerations

- Pre sales demonstrations
- 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.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by St Joseph's College. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. At least three persons should be present for the opening of tenders. This should be the Finance Manager, the Deputy Head and one other Manager. A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by all people present at the tender opening.

Approval of tenders

All tenders recommended by the Resource Committee need to be approved by the Governing Board.

Tendering Procedures

The evaluation process should involve at least three 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.

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.

Full records should be kept of all criteria used for evaluation and a report should be prepared for the Resource Committee highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the EFA, the department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

Business Charge Cards

The Governing Board has delegated the operation of business charge cards to the Headteacher and Finance Manager.

- The business charge cards are issued by Lloyds bank. Lloyds Bank will not issue a generic card to St Joseph's College; they must be issued in the name of the senior manager.
- The monthly spend limit for all cards collectively is £24,000.
- All orders must be delivered to St Joseph's college address.
- The business card must not be used for personal expenditure in any circumstances.
- Cash must not be withdrawn using this card.
- Supporting receipts and transaction details will be maintained for all use of the charge card and authorised in accordance with the procurement procedures of the academy.
- Transactions are entered as soon as possible into the Resource 32000 finance system and reconciled monthly against the statement, in accordance with academy procedures.
- Card balances are repaid in full every month by direct debit.

Purchase Dispute

In the event of a short delivery of goods or wrong items received, or even where no goods have been received, the budget holder notifies the finance department who will contact the supplier to notify them of the issue. If the order is on terms of credit the invoice will be put on hold on the system and will not be paid until the issue is resolved.

If the order has been paid by the Business charge card, and if, after notifying the supplier the issue still isn't resolved, then a query will be made by the Finance Manager to the Business Card provider Lloyds Bank to assist in resolving the issue.

Scheme of Delegation

Delegated Duty	Value	Delegated Authority	Method
Ordering Goods and Services (raising requisitions)	Up to £250	Finance Manager	Orders must be placed electronically or on an official order form
	£250 to £3,000	Headteacher	
	£3,000 - £10,000	Headteacher & Chair of Resource or Resource Committee	Three written quotes
	£10,000 - £50,000	Governing Board	Formal Tendering Process including advertising in OJEU if appropriate

Signatories for Cheques	Any	Two signatories from: Headteacher Deputy Headteacher Finance Manager	
Approval for cashing a Petty Cash Cheque	Up to £500	Headteacher	Accompanied by receipts to the value of the cheque.
Approval for cashing a cheque	Up to £100	Headteacher	Written authorisation
	Over £100	Chair of Governors, Chair of Resource Committee or Vice Chairs	Written approval
Signatories for lease agreements	Any	Two signatories from: Headteacher Deputy Headteacher Finance Manager	Three written quotes and approval from the Resource Committee
Signatories for EFA grant claims and EFA returns	Any	One or Two signatories (as required by EFA) from: Headteacher Finance Manager Nominated Governor	
Disposal of Assets	Up to £10,000	Headteacher & Chair of Resource/Resource Committee	
	£10,000 to £20,000	As Above, plus Governing Board	
	Over £20,000	As above plus EFA approval for disposal of assets funded with more than £20,000 of EFA grant.	
Write-off of bad debts	Up to £1,000	Governing Board	
	Over £1,000	As above plus EFA approval	
Purchase or sale of freehold property	Any	EFA approval	
Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	EFA approval required	

Register of business interests

The school maintains a register of business interests of all school staff with financial responsibilities and Governors based on the guidance in the Academies Financial Handbook 2017-18:

It is vital that staff act, and are seen to act, impartially. All staff and Governors are therefore required to complete a declaration of their business interests. Declarations should include all business and pecuniary (monetary) interests such as directorships, shareholdings and other appointments of influence within a business or other organisation. They should also include interests of related persons such as parent, spouse, child, cohabitee and business partner where influence could be exerted by that person over a governor or a member of staff. Details of any relevant pecuniary interest will be available for view on the academy website.

Academy staff are public servants and as such must not use public monies or official business for personal benefit. Staff should avoid obtaining goods and services that include elements of private use or accepting excessive hospitality from prospective suppliers.

The register is retained by the Finance Manager and will be available for public inspection on request. It is the responsibility of each member of staff with significant financial responsibility to notify the Finance Manager of any business or personal interest they have which requires inclusion in the register.

- Staff and Governors will be required to complete a new form each year.
- Staff will be reminded of their obligation to declare any interests annually.
- Staff are expected to be mindful of the potential need to declare interest at the start of meetings, e.g. SLT and Governors meetings. Any member of staff who has an interest will be excluded from any decisions regarding the company or personnel involved.