



Langley Park Learning Trust

LPLT Procurement Policy

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1. Background

The Academies Financial Handbook sets out a few requirements of academy trusts, to safeguard how public funds are used. This includes the requirement to have a competitive tendering policy. The Trust has set **budgets** and **financial internal limits of authority** and is due to have updated documents in place by September 2021, which outline who can approve spend and at what level. However, this policy sets out additional controls around purchasing. The trust also wants to ensure there are effective internal controls in place for financial management, processes are transparent and efficient as well as being compliant with **Bribery Act** and **Public Contracts Regulations 2015**.

The purpose of the procurement policy is to outline principles and procedures that are fair, open, and transparent. Under the Academies and Financial Handbook, the Trust must ensure public funds are used in the way that it was intended and that there is probity in the use of the public funds. A well-planned procurement process will ensure our schools/Trust:

- Get value for money
- Follow post Brexit UK procurement law (see below)

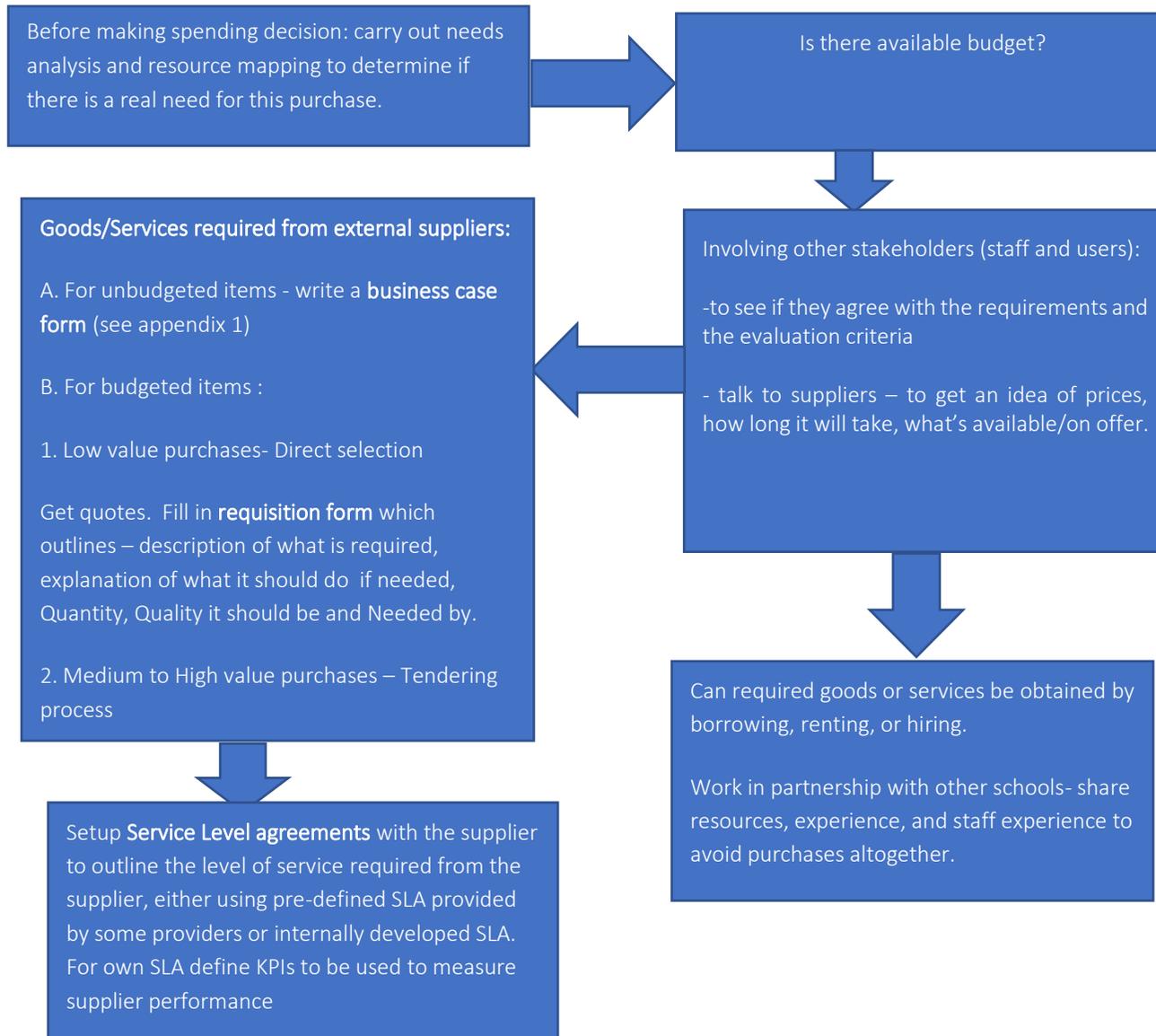
Poor procurement decisions, on the other hand, and a failure to comply with procurement legislation, could create serious problems such as:

- Legal challenges from suppliers.
- Contracts being cancelled.
- Financial penalties.
- Adverse effects on the school's or Trust's reputation.

All procurements should be subject to a degree of competition unless there are exceptional circumstances which are listed below under obtaining quotes section.

2. Identifying the need

To minimise on the spot or ad hoc purchasing and to ensure procurement is planned, linked in with schools/Trust development plan and strategy it is important to plan and **write out a specification**.



3. Getting 'Best Price'

Getting 'Best Price' will help the individual schools and the trust to realise ways to ensure savings in our existing budget. This can be done by applying the following strategies:

- Check trade journals, catalogues, magazines, internet search to obtain best price.
- Devise a list of preferred suppliers – based on price, reputation, and service. Share and review this list with other schools.
- Ask/share previous buying experience with colleagues from other schools within the trust.
- Obtain at least three quotes or tender for contracts for work/services required.
- Always take up discounts where on offer and look out for loyalty or reward schemes.
- Improve your purchasing power – link up with other schools within the trust and perhaps do bulk order if it will mean better terms can be gained from the supplier.
- Linking with others Trusts to get comparison prices and experience with previous purchases/suppliers. Work with other MATs looking to obtain similar goods or services and aggregating these to produce leverage in the market and reduce procurement costs. This could also cut out the effort in managing multiple contracts.
- Use DfE approved framework service to buy goods/services from suppliers who have already been through full competitive tender process, to get value for money and comply with procurement law (OJEU). The framework also provides guidance on the buying process.
- Please note that price is not the only determining factor when making purchasing decisions.

4. Obtaining Quotes & limits for tenders

The quotation process entails requesting for a price from a supplier for the cost of delivery of service or goods. Quotes required:

Amount	Process
Up to £5k	<ul style="list-style-type: none"> choice is based on best value for money - no quotes are required
<p>More than £5k but under £10k (Low value contracts)</p> <p>And</p> <p>£10k - £40k (Medium value contracts)</p>	<ul style="list-style-type: none"> 3 quotes required, written quotes from supplier (unless it is impractical to do so in which case telephone quotes will suffice. All telephone quotes obtained should then be written on the back of the requisition form so that the person placing the order can use it to compare the suppliers)
> £40k - £189,330 (High value contracts)	<ul style="list-style-type: none"> Advertise a contract and invite suppliers to bid
>£189,330 (High value contracts)	<ul style="list-style-type: none"> Run EU compliant buying process The Thresholds for these are: <ul style="list-style-type: none"> Goods and most services £189,330 Services £4733,252 Light touch regime (for some services for education) £663,540 (see link for list of services covered by light touch regime)

Note: The thresholds for tendering high value contracts above £189,330 have been updated following Brexit. Any of these thresholds could change schools should consult the Academies Financial Handbook or Director of Finance.

There might be instances where it is not possible to get required 3 quotations in which case attached reasons for this exception should be recorded on the invoice presented for payment. This could be:

- Where there is an immediate or urgent emergency maintenance work to be done.
- where market for similar work had recently been tested.
- where there are limited suppliers who supplies/delivers service.
- Where there is a need to maintain continuity of service.

For contracts coming to an end and for new contracts especially for long term contracts it is important that contracts are not signed until quotes are obtained to assess value for money.

The Trust will adhere to the rules on related party transactions, as set out in the Academies Financial Handbook, if it is considering buying goods or services from someone who is directly connected to the trust. If this cannot be avoided, then the quotes can be obtained by one person but someone from a different department/trust must assess the suitability of that supplier and their quote.

5. Ensuring Value for Money in decision making

The Academies Financial Handbook defines Value for Money as:

“achieving the best possible educational and wider societal outcomes through economical, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.”

Any decisions to buy goods and services must go through a thorough process to ensure:

- We encourage competition between suppliers so we can source most favourable terms and price.
- The requisition approvers challenge any bids/quotes that are presented to them.
- There is a review and comparison of your school against others within and outside the trust – potentially using the DfE benchmarking website [schools-financial-efficiency-financial-benchmarking](#)
- The Trust periodically seeks day rates for repairs and maintenance work from a range of contractors to ensure value for money is achieved for these jobs. Premises staff will keep a preferred supplier list based on this value for money check, supplier relationships and quality of work which can be shared with the schools annually. In the case of premises work, similar jobs are grouped together to ensure we can get value for money or discounts.

6. Tendering process

A tender is required when a supplier is requested to provide their services/goods for a price along with terms and conditions to respond back to the requirement of the project/service. For large contracts (as set out above i.e. more than £40k for the entire project) and for any unbudgeted spent/draw down on reserves a formal process should be followed which will be as follows:

- i. If expert or external supplier is required start looking into suppliers who can help with this process and gather information on their services, costs, terms, and conditions etc.
- ii. Consider who should be involved – within budgeted spend – SGB can approve; unbudgeted spend reviewed by executive team before approval by trustees is sought.
- iii. Write a business case- use the form and submitted to executive team at central trust for consideration before trustee approval is sought.

Once a decision to tender for a contract is reached a competitive process should be applied.

1. Write up Invitation to Tender (ITT):

- Decide on award criteria, scoring system and weighting to assess suppliers' bids to include in the ITT.
- Alert this to all the suppliers on the chosen framework or through use of external tender company.

2. Expression of interest questionnaire (EOI)

- For internally managed frameworks where there is a lot of interest – set an expression of interest questionnaire (EOI) which asks potential suppliers to provide information on company's financial stability, track record, relevant experience, and capacity to deliver service.
- Set deadline for delivery of this information. Late submissions are rejected and no changes to tender details are allowed after fixed date for receipt

4. Award contract

- Notify the successful contractor and let all unsuccessful companies know.
- 10-day voluntary waiting period then contract can be signed with the new supplier.

5. Mobilisation

Start working with new supplier and old supplier to ensure smooth handover. Considerations can be around TUPE, operational plans to put in place.

3. Evaluating Tenders

Important to be seen to be fair and treating all suppliers equally.

Consider the following when in evaluating tender:

- Feedback from existing customers
- Financial status
- Overall price and offer including any profit share arrangements.
- Unit price for parts of the product/service.
- Technical ability and experience of supplier
- Panel to try out service where applicable

7. Managing Contracts

All those involved in managing contracts must:

- Maintain an effective supplier relationship to manage the contracts. Contact with account managers and working with them on any issues faced along the way.
- Keep all documentation relating to suppliers on file – for quotes, correspondence, and contracts.
- Use variation agreements where necessary if it becomes necessary to vary the existing contract. Changes must be reviewed and considered and agreed by designated person under finance scheme of delegation on behalf of the school/Trust with the supplier.
- For on-going contracts, regularly review supplier performance through meetings, noting any agreements reached with suppliers.
- Start preparing for the next contract period well before the end of an existing contract.
- If it is necessary to end the contract, the end terms are reviewed in good time and an exit strategy agreed with the supplier.
- Capture **related party transactions** (where any procurement deal that involves someone connected to Trust, needs to be transparent, allowed by articles of association and done for no more than on cost of the goods or service). Staff in posts with budgetary responsibilities should complete the relevant register of interest and ensure their entry is always up to date. Pecuniary interest forms are overseen school governing bodies (for school staff) and the Trust centrally (for Trustees, Governors, Heads and Executive Leaders in the central team). All committee and trust board meetings ask for any declaration of interest from its members, School governing bodies and Trustees. See appendix 2 Pecuniary interest form.

8. Financial limits and authority

There should be clear descriptions of the roles and responsibilities of those involved in procurement. The Financial Handbook will have a section under finance scheme of delegation which will cover the delegated limits and authority for approval. This document is currently being updated and will be available from September 2021.

Prior approvals should be obtained from School Governing Body/Trustees where limits for expenditure approval are above delegated amounts for Head Teacher and budget holders.

9. Purchase order process

After obtaining quotes purchase order process must be adhered to as follows:

- i. Requisitioner raises request for order, which is solely for purpose of work and not used for private reasons. Requisitioner is the budget holder who can request spend up to the limits delegated to them.

Currently this is paper based as our existing accounting system does not offer the option to have electronic purchasing module. Each school should list and review annually their preferred supplier list. During the year they should continuously seek to update and replace suppliers with new suppliers who meet the criteria for best price. The requisitioner should use preferred supplier list collated and updated by a finance administrator. The person requesting spend (known as requisitioner) raises an internal requisition using requisition order forms available at schools.

- ii. Form is signed by authorised approver. This paper-based requisition form is signed and submitted to finance to place the order with the supplier. Purchase order number is given to the requisitioner for their record. At this point a record of the commitment is created on the financial system.

Once we migrate to our new accounting system from September 2021, we will have requisitioners, purchase order administrators, approvers setup within the system and this will be done via email submission of the relevant documents and approvals being done at directly from the system. The audit trail will then show what has been created, when it was created, approved, purchase order created, approved etc.

10. Credit card process

Credit cards have been issued to Head Teachers and the Finance Managers/School Business Managers. One card is given to the Head Teacher and the other card is issued to Finance Managers/School Business Managers. Head Teachers each have a limit of £500 with £100 per transaction limit without pre-approval. Any amounts above this limit must be signed off by the CEO.

SBM/Finance managers have cards with a higher limit as this card will be used for the school level expenditure. Pre-approval before spending must be obtained using credit card spend request forms. Copies of receipts/documents/invoices are retained by the Finance personnel when credit cards are used for purchases. At the end of the month credit card statement are received. These statements are checked, receipts/back up documents/credit card request form pre-approved by

Head Teacher should be attached. The statement expenditure is then processed by the school's finance personnel and must be sent on to the trust finance assistant.

11. Staff expenses

In cases where a staff member has incurred expenses using their personal funds, they must seek reimbursement back from their school/trust. It is preferred that they use other options available to them to pay for school/trust related expenditure where possible – such as getting supplier to invoices, pay for via trust/school credit card etc. Pre-approval is sought before someone incurs costs from their line manager. Staff expenses claim form must be filled in when reclaiming costs and any back up documents/receipts attached to the form. The form must be signed by their line manager.

12. Receipt of goods

Upon receipt of goods, the requestor will check thoroughly the delivery note/work status and quality of work and check this against their original requisition order. If any discrepancies (damaged goods/poor quality goods/services) they will mark this on the form through the system in the future but for now notify Finance personnel, so the invoices are not paid or are part paid. If all is in order and the requisitioner can mark the order as complete and date the receipt of goods/services so finance can pay the invoice.

13. Returning goods

Any unsatisfactory orders (damaged goods, poor quality service etc) should be notified to finance so they can notify the supplier. Goods should be returned immediately, and any proof of return notes securely held on file. Finance Assistants in the schools and central trust should chase supplier for a credit note to cancel any invoices that were issued.

14. Invoices

Invoices must be regularly checked for price discrepancies and to challenge any perceived inconsistencies as part of managing the contract. After receipting of goods and confirmation of completion of service to the required level the approved purchase order can be matched to an invoice. If there is a slight difference between the purchase order and invoice value it is reviewed and signed off by designated person mentioned in the financial scheme of delegation for each school. Invoices without pre-approved purchase orders are reviewed and signed off by the designated person mentioned in the financial scheme of delegation as per their

amounts they can sign off. Finance Assistants check supplier bank details for any suppliers not paid in the last three months as well as update any notification for change of bank details on supplier invoices.

15. Payments

Bacs payments are the preferred method of payments to suppliers. Finance Assistants prepare payment runs. Bacs run reports are cross checked against each invoice on the payment run by the Finance Managers/SBM/Directors at Trust level. Spot checks of bank details against invoices are done by the Finance managers/SBMs/Director of Finance. Payment run reports are signed off by Head Teachers for each school and by Directors at Trust level as per finance scheme of delegation.

APPENDIX

TABLE	
Business Case Form	Appendix 1
Pecuniary Interest Form	Appendix 2

Appendix 1: LPLT Business Case Form

Project Title:	
Business Case completed by:	
School	
Date completed:	

PROBLEM STATEMENT	
A.	What is Item/service is requiring attention?
B.	What impact is this currently having? Include details of any costs if relevant.
PROJECT OVERVIEW	
C.	What is the recommended solution/project?

D.	What benefits will the project bring? Include details of any return of investment.
E.	If funding from reserves is required? How much is required and include details of any return of investment
F.	How will the project be managed? Factor any internal support required to support the project if relevant and Include details and cost of any external project management services.
COST BENEFIT ANALYSIS	
G.	Estimated total cost of project (excl VAT)
H.	Estimated timeframe for project completion
I.	Details of Quotes received so far.

I.	What alternative options are available (inc costs)?
TRUSTEE COMMENTS AND APPROVAL DECISION	

[Appendix 2: LPLT Pecuniary Interest Form](#)

Declaration of Pecuniary and Personal Interest

Pecuniary Interests	<i>Start Date</i>	<i>Please provide details of the interest</i>
Current employment (to include name of company / school.)		
Businesses - of which I am a partner or sole proprietor.		
Company directorships – details of all companies of which I am a director / trustee.		

Charity trusteeships – details of all companies of which I am a trustee.				
Membership of professional bodies, membership organisations, unions, public bodies or special interest groups of which I am a member and/or have a position of general control or management.				
Any other conflict.				
Personal Interests	<i>Name</i>	<i>Relationship to me</i>	<i>Organisation</i>	<i>Nature of the Interest</i>
Family/close connections to governor/trustee (to include child/ren at the school and family members that are governors at other schools.)				
Company directorships or charity trusteeships of family/close connections to governor.				
Other School(s) where I am a Governor	<i>Name of school</i>	<i>Start Date</i>	<i>End date</i>	<i>Position held</i>

Name: Langley Park Learning Trust – Executive Leaders

I declare that I hold the following pecuniary and personal interests: Pecuniary and personal interests are defined as an interest that a person has in a matter because of a reasonable likelihood or expectation of financial gain or loss to you, to any members of your immediate or extended family (including partners, sisters, brothers, cousins,

nephews, nieces etc.) or other individuals known to you e.g. neighbours who may exert an influence. If there are no interests, record NONE, in the relevant space. If in doubt, declare.

To the best of my knowledge the information supplied above is correct and complete. I understand that it is my responsibility to declare any conflict of interest / loyalty, business or personal that relates directly or indirectly, to myself or any relation in any contract, proposed contract or other matter when present at a meeting at the school where such contract or matter comes under consideration. I understand that I must withdraw from any meeting during the discussion of such contract or matter and must not vote in respect of it. I agree to keep this declaration up-to-date whilst I hold any position that requires it, and to renew it each year. I understand that these details will, to ensure statutory compliance, be published on the school's website.

Signed: _____ Print
Name: _____ Date: _____