

**The Stephenson Studio School Trust Procurement Policy**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Responsibility for this Policy</b>	<b>Status Changes</b>
1	March 2023	Gam Mahil	Procurement Manager	First time creation of this policy

## **1. Organisational Structure**

Established on the 1<sup>st</sup> of September 2011, The Stephenson Studio School Trust operates as a secondary comprehensive academy studio school. The Stephenson Studio School is an exempt charity and is sponsored by The SMB College Group. The Stephenson Studio School is responsible to the Education & Skills Funding Agency (ESFA) as principal regulator for Further Education Institutions in England that are exempt charities. The Stephenson Studio School executive board oversees the strategic development of The Studio School and ensures the effective use of resources and the general solvency of the School.

## **2. Purpose of the Policy**

The purpose of this policy is to ensure that all Procurement activities undertaken by The Stephenson Studio School is conducted sustainably, ethically and compliant with the relevant Procurement regulations and legislations.

## **3. What is covered by this Policy**

This policy sets how the Stephenson Studio School conducts its Procurement, the internal thresholds and how appropriate regulations and legislations are complied with.

## **4. Who is covered by this Policy**

All members of staff, contractors, business partners, and suppliers to the Stephenson Studio School must comply with this policy.

## **5. Breach of this Policy**

Any breach of this policy and its accompanying procedures by staff will be investigated in accordance with the Stephenson Studio School's disciplinary procedure. A serious breach may amount to gross misconduct and could, therefore result in dismissal.

## **6. Responsibility of this Policy**

The Procurement Manager has the overall responsibility for ensuring this policy is continuously reviewed to ensure best practices for the Stephenson Studio School. Management at all levels of the Studio School are accountable for ensuring their staff members understand and conform to this policy and are given any required training. All members of staff have a personal responsibility for the prevention of slavery and human trafficking including employees at all levels, the executive board, agency workers, volunteers, contractors, sub-contractors, suppliers, external consultants and business partners.

## **7. Definitions**

**Public contracts regulations** are the Public Contract Regulations 2015 that set out the legal framework for Public Procurement and applies to public authorities seeking to acquire goods, services or works.

**Public authority** is a body governed by public law established for the specific purpose of meeting needs in the general interest. The SMB College Group is a public authority and therefore the College Group must ensure compliance with the Public Contract's Regulations for all purchasing activity and procedures.

**CCS** is the Crown Commercial Service.

**Find a Tender (FTS)** is the public portal used by public buyers to advertise all high value contracts and by suppliers to access these opportunities.

**IR35 (Off payroll working)** covers the rules to make sure that workers, who would have been an employee if they were providing their services directly to client, pay broadly the same tax through their own limited company or another type of intermediary to the client.

**Procurement consortium** is a body that works to provide public sector bodies with value for money through compliant and trusted procurement routes by using the collective purchasing power of their members.

**Framework agreement** is an agreement between one or more contracting authorities and providers to establish terms governing contracts that may be awarded during the life of the agreement. The SMB College Group is a member of Eastern Shires Purchasing Organisation (ESPO) and Crescent Procurement Consortium (CPC), but may be able to access agreements through other organisations.

## **8. Public Contracts Regulations**

The regulations set out the procedures which must be followed before awarding a contract when its value exceeds the thresholds set by the Stephenson Studio School Trust.

Where the Public Contracts Regulations 2015 is not applicable the Stephenson Studio School must still assess the proposed Procurement activity in the context of the following principles:

- Transparency
- Equality of treatment
- Non-discrimination
- Proportionality

## **9. Routine Purchasing**

Budget holders are responsible for approving purchases from budgets within their control. Purchasing authority may be delegated to assistants, subject to details of this delegation being reported to the Finance department in accordance with this document.

The Finance Assistant shall maintain a register of authorised signatories and specimen signatures of budget-holders and assistants. Any changes to the authorities to sign must be notified to the Finance Assistant immediately.

Budget holders are not authorised to commit the School to expenditure without first ensuring sufficient funds are available within an authorised budget to meet the full purchase cost. It is the accountability of the budget holder to ensure that the funds available are not overspent.

Annual budgets will be approved by the Board of Trustees in line with the Academies Handbook.

A print detailing actual expenditure against budget will be supplied to each budget holder three weeks after the end of each month and budget holders are encouraged to keep their own records of orders placed, but not paid for.

The following three duties must not be performed by the same officer, unless the specific approval of the Head Teacher has been given and is logged by the Finance department: -

- Ordering of goods, works and services.
- Receiving of goods, works and service.
- Authorising the invoice for payment.

## **10. Procurement Thresholds**

The School requires all budget holders to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice, following the procurement process.

Routine purchases up to £1,000 can be authorised by budget holders. Orders over £1,000 must be authorised by the School's Head Teacher and must follow the detailed purchasing process contained herein. For orders up to £2,500 a supplier should be chosen from the list of approved suppliers maintained by the Finance department. 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 new supplier then the reasons for this decision must be discussed and agreed with the Finance Assistant.

For orders over £2,500, but less than £25,000 at least three written quotes should be obtained to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by budget holders for audit purposes. The Head Teacher has the authority to purchase goods over £2,500 without three written quotations, if by not placing the order immediately there will be a detrimental effect on the School or if the goods/services being purchased are specialised and three quotes therefore cannot be obtained.

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 formal tendering procedures with assistance from the Procurement Manager. A competitive tender means that invitations to tender are sent to at least 3 persons or tenders are directly invited by public advertisement.

Evidence of obtaining quotations must be retained for audit purposes. Scanned images or e-mails are acceptable. Copies of quotations for capital items should be provided to the authoriser of the purchase order at the time the commitment is made. In all instances if the product or service is available from an approved purchasing consortium, and the consortia rules are adhered to, then the need to obtain three competitive quotes or a tender are not required.

Where a product or service has been purchased and is an annual purchase, which has followed the process outlined above then the contract, may be renewed without going through the quotation and tender process again. The combined number of renewals should not exceed 5 years.

It is the responsibility of the Procurement Manager to maintain a list of approved purchasing consortiums.

In certain circumstances it will be necessary for the School to comply with the new UK Procurement legislations in relation to its requirements Compulsory Competitive Tendering which has replaced EU regulations as a result of the UK's exit from Europe.

Where the Procurement Manager conducts a tender activity for expenditure over £25,000, all suppliers selected will have undergone a robust supplier selection process. Where a public sector framework is used such as ESPO or CPC or the SMB Group's Multiquote Procurement portal all vetting of the suppliers is conducted by the Procurement consortium prior to utilising the framework.

For all Procurement under £25,000 conducted by staff across the Studio School, the responsibility of supplier selection resides with the requisitioner and the authorising budget holder. Once suppliers have been determined a new supplier form is sent out which covers a comprehensive set of questions to check the credibility of the supplier. Furthermore, a Creditsafe report is taken out on all suppliers for further due diligence evaluation.

If a contractor or consultant is being engaged, then an assessment of their employment status must be made before a contract is agreed.

## **11. UK Domestic Procurement Regulations**

The UK is no longer subject to EU regulations and now follows UK domestic legislation. From the 1st of January 2021, the UK were no longer subject to EU procurement regulations and therefore no longer follow rules outlined for OJEU tenders. Tenders will now be published on a new e-tendering portal, called Find a Tender Service (FTS) instead of on OJEU. In terms of public procurement, the UK is now a member of the World Trade Organisation's (WTO) Government Procurement Agreement (GPA). This allows for the UK to have equal rights to bid on public sector contracts that are proposed by EU members and/or those in agreement with the GPA, and vice versa.

With effect from 1st January 2022 (inclusive of VAT) the UK Procurement thresholds for Community Procurement Exercises are as below: -

- Service and Supplies Contracts (central government authorities) = £138,760
- Service and Supply Contracts (other public sector authorities) = £213,477
- Works Contracts = £5,336,937

The new thresholds are now expressed inclusive of VAT, not net of VAT, reflecting a change in practice resulting from the UK's independent membership of the WTO Government Procurement Agreement (GPA). This change means that the thresholds have, in effect been reduced compared to the previous thresholds under EU regulations.

Services procured under the new light touch regime have a threshold value of £663,540. The new thresholds apply to procurements conducted under the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016, the utilities Contracts Regulations 2016, and the Defence and Security Public Contracts Regulations 2011.

Tenders Electronic Daily (TED), the online procurement portal used by EU member states, is no longer the main platform used for e-tendering in the UK. TED, as a supplement to the OJEU, will be available for any contracts that were accepted before 2021- these will resume on TED/OJEU until their completion. Contracts accepted and not completed before 31 December 2020 are still subject to EU procurement rules and must publish contract updates on OJEU until completion. Once all contracts pre-2021 are completed, the OJEU and TED will no longer be necessary and cease to be used in the UK.

These figures are for the duration of the contract.

It is the responsibility of budget holders to identify any purchases likely to exceed the threshold noted above. This will need to be done well in advance in order to meet the legal requirements. The School is also required to submit to the funding body annually details of expenditure which exceeds the threshold.

## **12. Quotations and Tenders**

The Procurement Manager will support with the tendering process. Full consideration should be given to:

- Objective of project;
- Overall requirements;
- Capabilities required;
- Service requirements;
- Contract requirements.

It would 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.

If a restricted tender is to be used then an invitation to tender (ITT) must be issued. If an open tender is used an ITT may be issued in response to an initial enquiry. An ITT should include the following information:

- Introduction/background to the project;
- Scope and objectives of the project;
- Technical requirements;
- Implementation of the project;
- Terms and Conditions of tender;
- Form of response.

When it comes to scoring the supplier, the following aspects should be considered such as financial, technical/suitability and any other criteria the School deems appropriate to score the supplier.

The ITT should state the date and time by which the completed tender document should be received by the Stephenson Studio School Trust. 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 be accepted unless there are exceptional circumstances for missing the deadline date.

All tenders submitted should be opened at the same time and the tender details should be recorded. Two appropriate persons should be present for the opening of tenders. A separate record should be established to record the names of the suppliers submitting tenders and the amount tendered. This record must be signed by both people present at the tender opening.

The evaluation process should involve at least two people, the Procurement Manager and the internal requestor who identified the need. 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 immediately. Those involved in deciding 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 for contracts over £25,000 a report should be prepared for the Board of Trustees highlighting the relevant issues and recommending a decision, including where a waiver of this requirement has been granted.

Where required by the conditions attached to a specific grant from the DfE, the departments approval must be obtained before the acceptance of a tender. The accepted tender should be the one that is economically most advantageous to the Stephenson Studio School Trust. All relevant suppliers should then be informed of the decision.

### **13. Sustainable Procurement**

The Stephenson Studio School is committed to procuring goods, services or works that meet the sustainable Procurement objectives and promote value for money. This includes supporting environmental/sustainable obligations and to reduce inequality and ensure fair working practices.

Suppliers who wish to contract with the Studio School must demonstrate performance in the areas identified and any other areas the School sees of interest.

### **14. Specific Rules of Funding Bodies**

The above requirements relating to tendering and quotations may be subject to special rules imposed by funding bodies.

### **15. Goods and Services for Personal Use**

Official School purchase orders, notepaper or any other form purporting to come from the School must not be used to obtain goods or services for a member of staff's personal use, nor shall personal or private use be made of School contracts.

Personal use of School assets may only be permitted with prior approval of the Vice Principal of Resources.

## **16. Purchase Orders**

Orders for work, goods and services shall not be placed unless the expenditure to be incurred is in accordance with these regulations and agreed budgets.

Official orders shall be issued for all work, goods and services to be supplied to the School except for supplies of public utility services such as gas, electricity and water, for periodical payments such as rent and rates, for student accommodation and for petty cash purchases or such other exceptions as the Board of Trustees may approve.

Orders must be issued to the Supplier using official order forms generated from the finance system. The budget holder must then electronically authorise the order, after which it may be printed and sent to the supplier.

Official orders shall not be raised for any personal or private purchases, nor shall personal or private use be made of School contracts. All orders must specify the budget code, within the budget holder's area of responsibility, to which the expenditure is to be charged.

## **17. Receipt of Goods: Budget Holder's Responsibilities**

All goods shall be checked for quantity and/or weight and inspected for quality and specification. A delivery note shall be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

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. Goods received notes shall be retained for audit purposes.

All invoices should be sent to the Finance department. The Finance Assistant will enter the invoices onto the Finance System in preparation for the budget holder to authorise.

- a. Invoice posted to purchase register date;
- b. Goods/services received;
- c. Prices are correct;
- d. Reviewed by the Finance Assistant;
- e. Purchase order number.

Boxes (a) (d) (e) will be completed by the Finance Assistant during input. The budget holder or authorised signatory should ensure (b) (c) receive a detailed check against the order and the GRN before it is authorised. Budget holders must undertake these checks without undue delay and in any case within 7 days of the invoice being recorded. If a budget holder is pursuing a query with the supplier, the Finance department must be informed of the query and periodically kept up to date with progress. Payment will only be made against invoices that have been certified for payment by the appropriate budget holder, SMT member, Director or Head Teacher. The Finance Assistant will then input details of payments to be made to the purchase ledger and generate a BACS payment list for the required suppliers. The BACS payment list and the associated paperwork must be authorised in accordance with the mandate approved by The Board of Trustees. The Finance Assistant will process payment and ensure copies are maintained either electronically or through paper files.



## **18. Late Payment Rules**

The Late Payment of Debts (Interest) Act 1998 was introduced to give small businesses the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act, invoices must be certified for payment as soon as they are received by budget holders.