

PLASHET SCHOOL



Working together to promote & celebrate achievement

Procurement Policy

Revised and applicable from 25th Feb 2020

Signed:

A handwritten signature in black ink, appearing to read 'Irene Papadopoulos'. The signature is written in a cursive style with a long horizontal stroke at the end.

Chair of Governors

1. Introduction

Plashet School is accountable as a public body, for its expenditure and the conduct of its financial affairs. As such, the school Governing Board must demonstrate value for money in its purchasing decisions, ensuring quality, fitness for purpose and delivery against price in all purchases of works, equipment, goods and services.

Furthermore, all public sector procurement must comply with UK and European law. This policy sets out parameters for decision-making on major items of expenditure, to ensure that the Governing Board:

- meet EU public regulations;
- follow the Newham Guidance to Procurement in Schools (2011);
- obtain best value for money;
- can demonstrate transparency and fairness.

To achieve these aims, appropriate tendering procedures will be followed where the expenditure exceeds thresholds. These procedures are set out at the end of this document **(see Appendix 1)**.

2. Role of the Finance Department

The role in relation to procurement is to:

- discuss and make recommendations concerning the tender advertisement;
- outline procedures for the submission, receipt, opening and recording of tenders and quotations;
- identify circumstances when financial or technical evaluation is necessary;
- formally accept tenders;
- authorise expenditure and/or make recommendations to the Governing Board, in accordance with agreed thresholds;
- ensure good procurement practice is followed and, where appropriate, compliance with EU regulations;
- be responsible for the regular review and updating of the procurement policy, including changes to EU regulations and thresholds;
- balance time spent on procurement to ensure that the greater the amount of money spent, the tighter will be the controls;
- ensure there is a clear separation of duties so the decision maker is not the same person for authorising the purchase.

3. Role of Governing Board

The Governing Board must:

- discuss and establish procedures for obtaining quotations and tenders where the estimated value of a purchase exceeds a predetermined sum;
- ensure the school obtains value for money by testing the market (where appropriate) before the school commits to significant expenditure.
- authorise expenditure above agreed thresholds in advance of any procurement.

4. EU Regulations

The aim of the Regulations is to ensure that public funds are applied in accordance with principles of fairness and transparency. The Regulations apply when a school enters into a contract for the procurement of works, goods or services where the annual expenditure will exceed EU thresholds. Where this is the case, a full tender process must be carried out, advertising in OJEU and following EU regulations.

4.1 Categories of procurement

Public procurement regulations cover three categories of spending as follows:-

- goods such as stationery and equipment;
- works such as building work, extensions, refurbishments or repairs;
- services such as catering, cleaning, IT installations and maintenance.

4.2 EU Thresholds

The thresholds (net of VAT) from January 2018 are shown below.

Supplies	Services	Works
£181,302	£181,302	£4,551,413

Values are the total contract value, excluding VAT, of the lifetime of the contract and not the annual value. These thresholds are updated every two years.

5. Thresholds below EU limits

The Department for Education (DfE) has suggested procurement thresholds below the EU limits that have been adopted in the Newham procurement guidance (2011).

Values	Category	Requirements
Below £10,000	Low value	Statement of Requirement and three written quotes or use framework except for small spends below £5,000 where one quote will be sufficient.
£10,000-£40,000	Medium value	Specification and three written quotes or use framework. For building works of this value, OneSource should ideally be involved, especially if of a technical nature.
Above £40,000 but below the EU threshold	High value	Use OneSource (Capital Strategy) for building works or a framework for purchases. If framework is not used, specification, advertise requirement, tender, evaluate and notify suppliers of decision

The School Business Manager is responsible for ensuring knowledge of the Regulations and the thresholds prior to embarking upon any procurement exercise.

The school will approach OneSource for building projects in excess of £10,000 and will ensure that SP012 guidance is followed.

For building works and repairs below £10,000, contractors will be selected from Constructionline who maintain an approved list of contractors. Should the school wish to use a company who are not on Constructionline; the school will ensure that at a minimum, the criteria for the selected contractor will reach the same standard. This will ensure appropriate governance and security when instructing suppliers.

A written risk assessment will be carried out where the spend exceeds £10,000 to identify what potentially could go wrong together with solutions to mitigate risk.

The school will document and evaluate potential suppliers and document the reason for selection that will be held on file.

6. Thresholds above the EU limits

The school will use OneSource for all procurement projects in excess of the EU limits, as the school does not have the expertise in house.

7. Tendering

Tendering is a formal procedure in which suppliers are invited to submit a sealed bid to a purchaser. Their bid is then evaluated together with others received against specified criteria. This section sets out established good practice for tendering to be followed for any formal tendering exercise. The school will generally use professional companies or OneSource to carry out tendering.

7.1 Tendering procedures. There are four types of tendering procedure:

- open;
- restricted;
- negotiated;
- competitive dialogue.

A description and when each should be used are shown in **Appendix 1**.

7.2 Tendering process

A timetable will be set for the competitive tendering exercise; if the total contract value, excluding VAT, of the lifetime of the contract, exceeds the EU threshold, the tender will need to be advertised in OJEU and the process can take three to four months. A specification will be drawn up detailing the requirements for the contract, which should be output or outcome-based wherever possible.

If an Open Tender is used, an Invitation to Tender (ITT) may be issued in response to an enquiry. Where the Restricted or Competitive Dialogue procedures are used, an ITT must be issued and the school will:-

- advertise for Expressions of Interest and log those received;
- issue a Pre-Qualification Questionnaire to ensure that tenderers meet minimum criteria (e.g. technical, financial, health and safety);
- shortlist potential suppliers and issue an Invitation to Tender;

- evaluate responses according to agreed criteria;
- select and notify the preferred bidder;
- notify unsuccessful tenderers and offer a debrief where appropriate.

An Invitation to Tender should include the following:-

- a letter of invitation with instructions to tenderers;
- a pre-addressed referenced label for tenderers to submit with their response;
- 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.

8. Anti-bribery measures

The Governing Board takes its responsibilities under the Bribery Act 2010 seriously and is committed to ensuring compliance and probity in its procurement of goods and services. The school has in place a confidential mechanism for staff and others to report concerns over potential bribery, as outlined in its Whistle-blowing policy with an appointed school governor responsible for whistle blowing.

9. Document Retention.

The school will formally record and retain details and documents pertaining to all purchases in accordance with legal requirements as set out in **Appendix 2**.

Details of contracts, with review and expiry dates are held on a contracts register.

10. Declarations of Interest

The school will maintain a register of pecuniary interests to demonstrate that staff who are involved in spending public money do not benefit from any decisions made about how money is being spent. This will be completed annually. For any high value works, staff involved with the financial decision, making process will also declare any interests with any company or supplier involved.

11. Policy review

This policy was agreed by the Governing Board, Head Teacher and Staff at Plashet School on 25th February 2020 and will be reviewed annually or when the UK/EU regulations change and the thresholds are amended.

It is to be anticipated that exiting the EU will require the Government to establish new UK thresholds and regulations to replace current EU elements referenced in this policy.

Signed:

Chair of Governors

Appendix 1

Tendering procedures

Open Tender:

Is where all potential suppliers are invited to tender. This allows for maximum competition and is commonly used when the market for the goods or services in question is known to be limited. The school can advertise for suppliers via general press, trade journals, or can identify all potential suppliers and contact them directly if practical.

Restricted Tender:

Is where certain suppliers are specifically invited to tender. Restricted tenders are appropriate where either:-

- i) a large number of suppliers would come forward;
- ii) the nature of the goods are such that only specific suppliers can be expected to supply the school's requirements;
- iii) the costs of publicity/advertising are likely to outweigh the potential benefits of open tendering, or
- iv) there is a need to maintain a balance between the contract value and administrative costs.

Negotiated Tender:

The school may negotiate the terms of the contract with one or more suppliers of their choice. This is appropriate in specific circumstances where either:

- i) open and restricted tendering has resulted in either no or unacceptable tenders;
- ii) only one or very few suppliers are available and therefore direct negotiation will prove more effective with each supplier than attempting an open or even a restricted tender;
- iii) extreme urgency exists, or
- iv) additional deliveries by the existing supplier are justified.

Instances of negotiated tenders should be reported to the next meeting of the Governing Board where necessary, with the reasons for deciding to negotiate. Wider use of the Negotiated Tender procedure may be permitted in future if the EU adopts the new directives.

Competitive Dialogue:

Under the current regulations, this procedure is intended to be used only for complex projects and contracts and the rationale for using Competitive Dialogue should be clearly documented.

Appendix 2

Document Retention

Description	Disposal (maximum period)
Specification	Six years from end of contract
Evaluation criteria	Six years from end of contract
Invitation to tender	Six years from end of contract
Unsuccessful tender documents	One year after date of last paper
Successful tender document	Six years from award of contract
Commissioning letter	One year from end of contract
Signed contract	Six years from end of contract
Reports from contractors	Two years from end of contract
Schedules of works	Two years from end of contract
Records of complaints	Six years from end of contract
Disputes over payment	Six years from end of contract
Final accounts	Six years from end of contract
Changes to requirements	Six years from end of contract
Forms of variation	Six years from end of contract
Extensions to contract	Six years from end of contract