

BMAT PROCUREMENT POLICY

Approving Body	Trust
Date of Last Review	September 2024
Statutory (Y/N)	Y
Responsible Officer	BMAT CEO for and on behalf of the Trust

I. INTRODUCTION – PURPOSE, SCOPE AND GUIDING PRINCIPLES

1. This policy is required to ensure that the Procurement activity of the Trust is carried out in accordance with the strategy in place, with overarching principles of achieving best overall value for the Trust.

Purchasing decisions are not solely judged on obtaining goods or services for the lowest possible price, rather on value for money, taking into account the total cost to procure and the lifecycle of the goods or services.

In support of these objectives the Trust has procedures and processes in place to ensure:-

- Supplier are appropriately selected
- Goods and services are purchased only with proper authorisation
- Appropriate and compliant tender processes are used – where necessary
- Goods and services are received and correctly recorded
- Payments are only made for goods and services received

This policy applies to the all procurement of non-pay expenditure where stated in the current strategy.

2. BMAT is required to comply with the Academies Trust Handbook, funding agreements with the DfE, with relevant DfE guidance and with the Public Contracts Regulations 2006.

3. Scope:

- a. This Policy is compulsory for every member of BMAT staff who is responsible for purchasing, whether as an employee or contractor;
- b. This Policy applies to any contract which results in a payment being made by BMAT or one of its constituent schools.

4. Guiding Principles:

- a. More rigorous processes apply to higher value contracts and not all purchasing requires a competitive procurement process;
- b. All suppliers in competition will be treated equally, with transparency and without discrimination (e.g. all suppliers will be given the same information at the same time, including transparent timescales).

II. ROLES AND RESPONSIBILITY

The Procurement Team are responsible for enforcing governance related protocols, management of risk in relation to procurement activities and delivery of savings whilst obtaining the **best value for money**. This includes the following activities: -

- Management of the Procurement System, population of products and processing requisitions into orders
- Internal and external stakeholder consultation, to ensure the most authoritative opinion issued
- Mitigate contract risk during tendering process
- Standardisation where possible across high volume items e.g. paper, textbooks and stationery
- Selection of products and suppliers through formal quote and tendering processes
- Introduction of procurement systems which support the Procurement strategy and policy
- Building relationships with suppliers to ensure un-interrupted flow of goods and services

Please note: - The effectiveness and efficiency of Procurement depends greatly on the amount of advance notice of requirements. Therefore, the procurement team must receive adequate notification of potential purchases to provide for sufficient performance of the necessary procurement functions. All departments should advise Procurement of any requirements likely to arise from any new development as soon as this information is available.

The team are also responsible to provide assurance that they are aware of and will report any offence of fraud under the Fraud Act 2006 and the Bribery Act 2010. Defined as:

Fraud - *Any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.*

Bribery - *Giving (or offering) or receiving (or requesting) a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010)*

In line with the requirements of the Trust’s Finance Policy, all senior staff and others whose role may make them liable to have a conflict of interests, are required to declare annually any interests they have (including other employment) which may be in conflict with their Trust duties.

It is essential that a declaration of interests form is completed and counter-signed to ensure that no conflicts of interest have arisen. Failure to declare any interests may lead to disciplinary action, including dismissal and in certain circumstances, to prosecution.

III. DELEGATED AUTHORITY

From time to time, the following table will be updated by the BMAT Chief Operating Officer.

Transaction Type	Value	Authority
Virtual credit card	up to £1,000 per single transaction per day	Budget Holders (e.g. Heads of Department); <i>Incl. 1 from list below</i> BMAT School Principals; The BMAT Chief Operating Officer; The BMAT Chief Executive Officer.
Purchase Orders & Invoices	up to £10,000	Budget Holders (e.g. Heads of Department); +Senior Finance Officers; + BMAT School Principals; <i>In the absence of Principal 1 from list below</i> The BMAT Chief Operating Officer; The BMAT Chief Executive Officer.
Purchase Orders & Invoices	between £10,001 - £50,000	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals <i>Incl. 1 from list below</i> The BMAT Chief Operating Officer; The BMAT Chief Executive Officer.
Transactions £50,001 and above, excluding tendered contracts exam entry costs and business rates.	Above £50,001	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals <i>Incl. All approvers listed below</i> +The BMAT Chief Executive Officer

		+BMAT Chief Operating Officer +Finance & Risk Committee
Transactions £50,001 and above, tendered contracts, exam entry costs and business rates.	Above £50,001	Budget Holders (e.g. Heads of Department); + Senior Finance Officers; + BMAT School Principals <i>Incl. 1 from list below</i> The BMAT Chief Operating Officer; The BMAT Chief Executive Officer.

IV. PROCEDURES

5. **Exemption:** BMAT may divert from this Policy where a contract is required in cases of extreme urgency and business continuity for reasons not caused by BMAT. This exemption should only be relied upon with express written consent from the BMAT Chief Operating Officer and Chief Executive Officer.

- a. **BMAT recognises there may be instances where the use of the purchase order system is not practical. The full list of exemption types can be found in Appendix 1.**

6. Preliminaries:

- a. Budget holders should check with the BMAT Chief Operating Officer whether any other departments or schools within BMAT need to make the same purchase. If so, such spend should be included within the same contract.
- b. Budget holders should consider how the purchase is going to be sourced, for example, whether or not BMAT can use an existing framework agreement and whether or not another department or school within BMAT can provide the requirement without needing a procurement process.
- c. As a minimum requirement, budget holders should clearly set out why the goods, works or services are needed; what quantity is required; the maximum anticipated cost; and delivery or completion requirements.

7. Valuing a contract

- a. Contracts must be properly assessed for value and must not be divided into smaller contracts to avoid the application of the Public Contracts Regulations 2006.
- b. Contract value = the total value of the spend which is the subject of the procurement.
- c. Multiple departments' and/or schools' needs should be combined into one procurement if the needs are the same or similar.
- d. Where an exact spend over the lifetime of a contract is unknown, the average annual spend should be multiplied by the estimated duration of the contract.

8. Using BMAT virtual credit cards (low value, one off spends)

- a. BMAT virtual credit cards should only be used for low value, one off spend which cannot be procured through alternative means.
- b. BMAT virtual credit cards are not suitable to procure repeat items or higher value goods.
- c. The maximum spend for any one item on a BMAT virtual credit card is £1,000. Any amounts over £1,000 may only be made with prior written approval from the BMAT Chief Operating Officer.
- d. The maximum single transaction spend using the virtual credit card is limited to £1,000, prior written approval must be sought from the School Principal and BMAT Chief Operating Officer.
- e. Full receipts must be submitted in respect of any virtual credit card purchases.

9. For orders up to £10,000

- a. Framework agreements will be consulted in the first instance to buy goods, works or services for the school.
- b. No formal quotations are required but the person placing the order should be sure they have, as far as possible, obtained value for money.

10. For orders between £10,001 - £50,000

- a. Three quotes will be needed for transactions between £10,001 to £50,000.
- b. Framework agreements will be consulted in the first instance to buy goods, works or services for the school.

- c. Quotes may be taken from suppliers' written quotations or from catalogues, framework agreements and price lists. This must be done before a purchase order can be raised and processed.

11. For orders between £50,001-Public Contract Regulation threshold (PCR) *(appendix 2)*

- a. A business case should be produced by the budget holder/contract proposer to be considered by the BMAT Chief Operating Officer, who should seek advice from the BMAT Chief Executive Officer as appropriate.
- b. Approach A – The Lowest Price Approach
 - i. A minimum of three written quotations must be obtained before a purchase order or contract is issued.
 - ii. A specification of the purchase must be provided in advance which must include a statement that BMAT will purchase the lowest price contract, a description of the requirement(s), the quantity needed, the timescale for completion and the deadline for submitting the quotation.
- c. Approach B – Price and Quality Approach
 - i. A minimum of three written quotations must be obtained before a purchase order or contract is issued.
 - ii. A specification of the purchase must be provided in advance which must include a statement of what BMAT aims to achieve from the purchase including the criteria that will be used to evaluate quotes received and how those criteria will be weighted, the quantity needed, the timescale for completion and the deadline for submitting the quotation.

12. For orders above Public Contracts Regulations threshold *(appendix 2)*

- a. A PCR Compliant buying process will be used if deals for schools or framework agreements cannot meet the required needs
- b. A formal tender process must be followed and authorisation from the Finance and Risk Committee must be obtained.
- c. A business case must be presented for the approval of the BMAT Chief Operating Officer and the BMAT Chief Executive Officer, who should seek advice from the Finance and Risk Committee as appropriate.
- d. The Chief Operating Officer and Chief Executive Officer will prepare the tender documents in accordance to the needs of the Trust.

- e. The tender process will aim to procure goods and services through a framework agreement.
- f. If a framework agreement is not available an advertisement must be placed to seek expressions of interest from all interested bidders. Contract notices will be advertised using the UK e-notification service Find a Tender (FTS) [Find a Tender \(FTS\)](#)
The decision about where else to advertise will be taken on a case-by-case basis and will be proportionate. Advertising may include a post on the BMAT website, trade journals, newspapers.
- g. Advertisements must set out the submission requirements and provide a reasonable time for bidders to respond
- h. Bidders requesting more information should be sent a tender pack. This should contain the information about the requirement and needs, together with the information required from bidders. This will need to be bespoke in each case but will usually include:
 - i. Pricing details;
 - ii. Method statements;
 - iii. Product characteristics;
 - iv. The evaluation criteria to be used to evaluate the tenders received, including sub criteria and weightings that will be applied to select the best bidder(s); and
 - v. A draft contract.

13. Opening Tenders:

- a. Every quotation may be provided in hard copy, via post or on an approved tendering platform online. Hard copies should bear no external markings to identify the tenderer.
- b. BMAT will keep hard copy tenders secure until the time specified for all tenders to be opened.
- c. Hard copy quotations will be opened by the Trust & Communications Manager under the supervision of a Senior Finance Officer.

14. Evaluating Tenders:

- a. For all procurements, an assessment of the mix of price factors and non-price factors may be taken into account.
- b. The evaluation approach requires the use of evaluation criteria which are:
 - i. Pre-determined and listed in the invitation to tender;
 - ii. Strictly followed at all stages through the process;

- iii. Inclusive of price;
 - iv. Relevant and proportionate;
 - v. Capable of objective assessment;
 - vi. Weighted in accordance with the relative importance and weighting of the tenders; and
 - vii. Non-discriminating on the basis of the bidder's nationality or any other discriminatory measure.
- c. Where the evaluation approach is used, any contract must be awarded to the bidder which achieves the highest score in the objective assessment.
 - d. A minimum of two Trust executive members will evaluate the tenders and present recommendations to the Finance & Risk Committee for final approval.

15. Awarding Contracts:

- a. For all contracts, the outcome of the procurement must be recorded in writing and the BMAT Chief Operating Officer must be notified of the outcome of the procurement.
- b. A contract must only be signed by an authorised individual as set out in Section II of this Policy.

16. Dispensations

- a. 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.
- b. All dispensations require prior approval from the BMAT Chief Operating Officer, BMAT Chief Executive Officer, who should seek advice from the Finance and Risk Committee before progressing and must not result in a breach of procurement legislation or be contrary to the Trust Scheme of Delegation.
- c. Full details of the circumstances and reasons where a dispensation may be granted are included below.
- d. All dispensation requests, whether approved or rejected will be reported to the Finance and Risk Committee. Staff may be called upon to attend the Finance and Risk Committee meetings to explain the reasons for requesting a dispensation.

- e. 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.
- f. 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 Public Contract Regulations or the relevant PCR thresholds
- g. 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 in order to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the reprocurement 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 Chief Operating Officer in terms of compliance with the UK legislation and subject to approval by the Chief Executive Officer and subsequently reported to the Finance and Risk Committee
- h. A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least six years.

17. Audit Trail:

- a. The level of detail required will increase with the value of the procurement. For all purchases where the lowest cost is not adopted the reason for this must be documented. The written record should include, for example:
 - i. Who made the decision to procure, and details of the decision making process;
 - ii. Full minutes of any meetings at which the procurement was discussed;
 - iii. Who was responsible for evaluation of tenders, and details of the evaluation, if applicable;

- iv. Who was responsible for receiving and checking the goods or services and for authorising and making payment. The person responsible for the decision to procure must not be the same person who authorises payment; and
 - v. Details of the purchase itself, for example, what was purchased, from whom and for what price.
- b. In each case, the written record should include copies of all original documentation used during the procurement such as tender packs, quotes, contracts and invoices.

18. Conflicts of Interest:

- a. Any interest which may affect the outcome of a procurement process must be declared. This includes all trustees and governors as well as authorised employees as set out in Section II of this Policy.
- b. A record of all such declared conflicts of interest must be sent to the BMAT Chief Operating Officer who will determine what if any action can be taken to seek to remedy any such conflict of interest.
- c. No gifts or hospitality will be accepted by BMAT from any service provider as an inducement to award a contract to that supplier. This may be an offence under the provisions of the Bribery Act 2010 (refer to the [BMAT Finance Policy](#) for more information).

19. Receipt of Goods:

- a. On receipt of the order, the recipient will undertake a detailed check of the goods received against their order and any discrepancies or damage should be noted and advised to the finance office within 2 days of receipt of the goods.

20. Record Retention:

- a. Any documents such as supplier's quotes, sole supplier forms or emails which are attached to a requisition or order in the procurement system will be retained for a minimum six years.
- b. Any other records relating to a purchase e.g. delivery notes, tender documents etc must be retained for six years after the expiry of the purchase order or contract.

21. Sustainable Procurement:

- a. BMAT recognises its responsibility to carry out its procurement activities in an environmentally and socially responsible manner. In accordance with the statutory obligation under the Climate Change Act 2008 the Trust will incorporate environmental and social considerations into its product and service selection process.
- b. BMAT recognises that it has a responsibility to encourage suppliers and contractors to minimise negative environmental and social effects associated with the products and services they provide.

22. Legislative Compliance

All procurement undertaken on behalf of the Trust must comply with the requirement of all relevant and applicable legislation. This includes but is not limited to the following:-

- Public Contracts Regulations Act 2006 [Public Contracts Regulations Act 2006](#)
- Transfer of Undertakings (TUPE) [Transfer of Undertakings \(TUPE\)](#)
- Construction Industry Scheme [Construction Industry Scheme](#)
- Waste Electrical and Electronic Equipment (WEEE) [WEEE](#)
- Climate Change Act 2008 [Climate Change Act 2008](#)
- Environment Protection Act 1995 [Environment Protection Act 1995](#)
- Fraud Act 2006 [Fraud Act 2006](#)
- Bribery Act 2010 [Bribery Act 2010](#)
- Buying procedures and procurement law for schools [Procurement law for schools](#)

23. Savings

A “saving” is an outcome that derives from a Procurement activity. Outcomes are only savings if they are baseline and quantifiable. For instance, increased income, improved cash flow, reductions in organisational costs or something that the Trust’s stakeholders perceive as a real value proposition.

Savings can be defined as “Cost Avoidance”, “Cost Reduction” or “Intangible Savings” and can be either “non-recurring” or “recurring”. Recurrent savings are those that apply in more than one financial year. Non-recurring savings are one off activities and apply within the financial year they have been realised.

Cost reduction savings are calculated as

Old price MINUS New Price MULTIPLIED by the Baseline Volume

In the absence of an accurate 12-month forecast a 'baseline' volume will be determined to be the volume consumed during the preceding 12-month period to that in which the agreement was concluded.

Cost avoidance is a cost reduction that does not lower the cost of products/services when compared against historical levels, but rather which minimises or avoids entirely the negative impact to the trust's cost base that a requested price increase would otherwise have brought about.

Intangible savings are ones which cannot be measure by looking a one price versus another; these are the kinds of savings which are made by standardising on a single product/product range; typically these are savings in administration.

Appendix 1

Purchase Order Exemptions list

- Exam centre charges
- Catering supplies
- Supply Costs
- Telephone Costs
- Legal Fees
- Emergency call outs
- ParentPay Collection Charges
- FSM vouchers
- Utilities
- Fuelcard Charges
- DBS Processing Charges
- Lease Agreements
- Photocopying Charges
- BEST Costs
- Trips Costs
- Letting Fees
- Private Medical HealthCare

Appendix 2

Public Contracts Regulations (PCR) Thresholds

Below are the current PCR Thresholds excluding VAT

Goods	Services	Light Touch Regime	Works
£214,904	£214,904	£663,540	£5,372,609

These thresholds will be reviewed yearly to reflect any changes

[Gov. Procurement Thresholds](#)

Light Touch Regime [Light Touch Regime](#)