



# Procurement Policy

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Approved by the UTC Board 7<sup>th</sup> February  
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## Policy Statement

It is the UTC's policy to ensure that any spend of public money, regardless of value, is carried out in a transparent and non-discriminatory way and in compliance with the Public Contracts Regulations and Bribery Act.

As a publicly funded organisation, Engineering UTC Northern Lincolnshire in accordance with procurement legislation is a 'Contracting Authority'. Subsequently any procurement activity is regulated by the UK Public contracts regulations and EU procurement law. Procurement activity must be carried out in a transparent and non-discriminatory manner.

This policy sets out how the UTC will manage its procurement to ensure compliance with relevant legislation, it does not provide guidance on how to procure, this is covered in a range of technical procurement procedure guides which must be followed by UTC staff alike, failure to comply with this policy and/or follow the procurement procedure guides could result in a breach of legislation, fines and litigation, claims for damages and loss of reputation.

The policy is mindful of the requirements of the Academy Trust Handbook, particularly around the requirements of Trustees to comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements

The Academy Trust Handbook 2022 reinforces the following procurement controls, and Trustees and staff are fully committed to these principles: -

"The Academy Trust must ensure that:

- spending has been for the purpose intended and there is probity in the use of public funds
- spending decisions represent value for money
- internal delegation levels exist and are applied within the UTC
- a competitive tendering policy is in place and applied, and
- the procurement rules and thresholds in the Public Contracts Regulations 2015 and Find a Tender Service are observed.
- relevant professional advice is obtained where appropriate"

## INDEX

## Section

1. Introduction
2. General Principles
3. What is Procurement
4. Find a Tender Service
5. Value for Money
6. Financial Authority to Commit Expenditure
7. Purchasing Thresholds
8. Tendering Procedures
9. Dispensations
10. Raising Orders
11. Procurement Cards
12. Supplier Management
13. Competition
14. Contract Agreement/Terms and Conditions
15. Payment and Payments Terms
16. Aggregation
17. Reporting Requirements
18. Contracts Register
19. Equal Treatment of Suppliers
20. The Bribery Act 2010
21. Acceptance of Gifts and Hospitality
22. Confidentiality
23. Information Security/GDPR
24. Leases
25. Payment in Advance
26. Health and Safety
27. Separation of Duties
28. Retention of Documents
29. Monitoring and Audit

## 1 Introduction

The purpose of this document is to make the UTC Procurement policy clear and signpost staff undertaking procurement activity to appropriate procedural guidance.

This policy should be read in conjunction with:

The Financial Management Policy;

The Scheme of Delegation

Anti-Fraud and Bribery Policy

Whistleblowing Policy

The UTC Procurement Policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or Academy based.

All procurement within the UTC shall be carried out in such a way to ensure compliance with legal requirements, including, the 2015 Public Contracts Regulations, EU Procurement legislation, UTC financial regulations, The Academy Trust Handbook, Charities Commission advice, the UTC Scheme of Delegation and any other requirements of the DfE or ESFA or company law.

This policy is intended to reflect and support the aims of the UTC by working with staff and suppliers to optimise value for money in the procurement of works, goods and services. It aims to balance efficiency against risk factors in achieving value for money whilst promoting compliance and sustainability.

The Procurement Policy and associated procurement procedure guides/templates will be reviewed at least every two years or whenever required by a change in legislation.

There is a duty on all staff who may be involved in any stage of the procurement process to apply the key principles of best practice procurement to achieve appropriate governance, Value for Money and suitable quality of goods and services to meet our business needs. To satisfy this requirement the UTC has provided appropriate procedure guides and templates which must be used.

## 2 General Principles

When purchasing and contracting for goods and services, the UTC must always demonstrate compliance with procurement legislation and the proper and effective use of public funds. Purchasing procedures should also ensure that the goods, services and works procured are for the correct quantity and quality, arrive on time and achieve best value. The following general principles must therefore be adhered to:

- Transparency and Non-Discrimination, in all purchasing activity the UTC must ensure that all contractors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and proportionate manner. Procurement procedures must not be undertaken in a manner which artificially narrows competition, favours or disadvantages any contractor, supplier or service provider, nor should any Trustee or member of staff benefit financially from any procurement exercise.;
- Probity; it must be demonstrable that all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption involved in any dealings of the UTC;

- Accountability; the UTC is publicly accountable for its expenditure and for the conduct of its affairs;
- Value for Money; the achievement of value for money underpins the appropriate use of all public funds, therefore as well as striving to achieve the best price possible for all purchases, consideration should also be given to other factors such as quality, suitability, availability, reliability of the supplier, terms available etc.

### **3 What is Procurement?**

Procurement is the process whereby goods, services and works are acquired. The procurement process spans a life cycle from identification of need and resources, through selection of suppliers, purchasing, contract management and disposal. Purchasing is the transactional process of buying the goods/services and is just one part of Procurement.

### **4 Find a Tender Service**

As the UK is no longer a member of the EU the UTC, along with other public bodies, must use the Find a Tender service which has been introduced to comply with European Procurement Directives.

Contracting authorities have legal obligations under the Regulations to publish certain notices in relation to public procurements. For procurements which are launched after 23:00 on 31 December 2020, you will be required to publish notices relating to those procurements on FTS instead of OJEU/TED.

### **5 Value for Money**

Value for money is the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement. This is rarely possible with the lowest price alone. To ensure that all purchases obtain optimum Value for Money, a range of procurement procedure guides and templates outlining the steps to be taken for varying levels of procurement are available. All purchases must be made in accordance with these guides, except in exceptional circumstances where a dispensation may be granted.

Unless below the threshold for obtaining multiple quotations or tenders (see Financial Management Policy for current levels) all procurement of goods, works, services or consultancy should be acquired by effective competition, including adequate publication of the contract opportunity, unless there are convincing and justifiable reasons to the contrary. Competition promotes efficiency and effectiveness in expenditure. Awarding contracts on the basis of value for money following competition contributes to the competitiveness of supplies.

The UTC has a duty to comply with the requirements of the public contracts regulations 2015 and Academy Funding Agreements, in order to do so the Chief Finance Officer/Accounting Officer will review all proposed purchases over £5,000 in the context of total UTC expenditure to come to a decision whether the potential requirement to aggregate is complementary or contrary to the requirement to show Value for Money.

### **6 Financial Authority to Commit Expenditure**

Any process which involves committing the UTC to expenditure must be approved in accordance with the Scheme of Delegation/Financial Management Policy. These documents confirm who has the authority and to what financial level.

Any member of staff placing a purchase order on behalf of the UTC must be sure that they have the correct level of authority to do so in accordance with the Scheme of Delegation and where

required must obtain approval from a more senior member of staff with a higher approval limit if necessary.

No member of staff may approve purchases unless they have been given authority within the Scheme of Delegation to do so.

No employee is authorised to commit the UTC to expenditure without first ensuring that there is adequate budget provision.

Schemes of work should not be artificially broken down into smaller orders to phase the issue of purchase orders and thereby circumvent either authorisation levels or the requirement to obtain further quotes/tenders.

## **7 Purchasing Thresholds**

There are two types of threshold governing the procurement for the UTC. Firstly authority to commit expenditure, which is covered in the Scheme of Delegation/Financial Management Policy and secondly, the procurement process which is governed by the anticipated lifecycle cost of the procurement.

The various transactional thresholds and procurement process required is covered in detail in the associated procurement process guides which must be followed, however they are outlined briefly below:

### **Orders up to £5,000**

In purchasing all goods and services, budget holders should ensure that they review the use of existing resources and consider the cost, quality, reliability and availability. Fixed prices should be obtained for all purchases before orders are placed. Value for money should be demonstrated and a single written quote should be obtained.

### **Orders over £5,000 but less than £25,000**

Three written quotations should be obtained for all orders between £5,000 and £24,999 to identify the best source of the goods/services. Written details of quotations obtained should be attached to the order placed and available for audit purposes. Telephone quotes are acceptable if these are documented and evidenced and confirmation of quotes has been received before a purchase decision is made.

### **Orders over £25,000 but less than £189,330**

All expenditure over £25,000 must be subject to formal tendering procedures, detailed below, and will be managed by the Chief Finance Officer.

### **Find a Tender Service**

Purchases over £181,330 for supplies and services or £4,733,252 for works contracts (threshold from 1 January 2020) may fall under Find a Tender rules which requires advertising Find a Tender. When the ENLUTC is likely to award such contracts further legal guidance should be sought.

Procurement above Find a Tender Thresholds must be carried out in accordance with the **Public Contract Regulations 2015**.

For purchases above the threshold a procurement plan identifying the key tasks, responsibilities and authorisation routes must be approved by the Board of Trustees before the procurement commences and progress will be monitored and reported to Trustees throughout the process.

Where this is a procurement that is not from an existing framework this process is likely to draw on external procurement, technical and legal advice

## 8 Tendering Procedures (below Find a Tender Thresholds)

Staff will refer to and follow the additional DfE guidance <https://www.gov.uk/guidance/buyingforschools>

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below. The UTC must seek tenders on the most appropriate basis.

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Chief Financial Officer how best to advertise for suppliers e.g. general press, trade journals or to identify all potential suppliers and contact directly if practical.

**Restricted Tender:** The UTC will normally invite at least four bidders. 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 the UTC's requirements
- the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

### Preparation for Tender

Full consideration should be given to:

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

The award criteria which are to be applied in evaluating tenders must be recorded in writing before the tenders are invited and must be stated in the documents sent to suppliers. 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 will normally be issued to at least three suppliers, and should include the following:

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

## **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 commission a credit report.

## **Tender Acceptance Procedures**

The invitation to tender should state the date and time by which the completed tender document should be received by the UTC. 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, unless the Chief Financial Officer and Chair satisfied that the tender was posted or dispatched on time but that delivery was prevented by an event beyond the control of the tenderer and that other tenders have not been opened.

## **Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded. Tenders should be opened in the presence of the Chief Executive Officer/Chief Financial Officer/Chair (any two).

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 both people present at the tender opening.

## **Tendering Evaluation Procedures**

The evaluation process should involve at least two 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 for contracts and a report should be prepared for the Board highlighting the relevant issues and recommending a decision.

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

### **Non-competitive tenders (applies to purchases under Find my tender limits only)**

Instances of purchases that do not comply with the competitive purchasing requirements, for reasons such as sole supplier, specialist services etc. will require documenting and reporting for approval through the appropriate route depending on the value of the contract.

Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous method (MEAT) then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file. However, if this is for any other reason approval must be sought before confirming award or raising an order in accordance with the Scheme of Delegation.

## **9. Dispensations**

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.

All dispensations require prior approval from the Chief Executive Officer before progressing and must not result in a breach of procurement legislation or be contrary to the UTC Scheme of Delegation.

Full details of the circumstances and reasons where a dispensation may be granted are included below.

All dispensation requests, whether approved or rejected will be reported to the Finance and Risk Committee. Staff may be called upon to attend the Committee to explain the reasons for requesting a dispensation.

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.

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 OJEU thresholds.

Subject to approval as outlined in the UTC 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 UTC'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 re-procurement 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 Finance Officer in terms of compliance with the EU and UK legislation and subject to approval by the Chief Executive and subsequently reported to the Finance and Risk Committee.

The Chief Finance Officer/Accounting Officer may develop a schedule of dispensations for specific areas which staff may use under certain circumstances.

A record of the reason(s) for the seeking and granting/declining of dispensations will be kept for at least three years.

## **10 Raising Orders**

Following the raising of a requisition which must be approved in accordance with the Scheme of Delegation, (to enable the Finance Team to raise an order) official orders must be raised for all goods, works, services and/or consultancy required by the UTC using the CIVICA system, unless specifically exempted. The procurement procedure guidance documents the purchasing process and must contain adequate controls to ensure that:

- Official orders are raised in respect of all goods, services and works required by the UTC, except for those specifically exempted.
- Only goods, services and works required by the UTC are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the UTC's funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

Specific exemptions to the requirement to raise an official purchase order are limited to:

- Rent or business rates
- Utility costs
- Works and services executed under a contract
- Petty cash purchases
- Purchasing card transactions
- Purchasing catering supplies (food and drink only)

Details outlining the number of non-order invoices paid on the CIVICA system will be reported to the Finance and Risk Committee and Academy staff may be required to attend in order to explain any non-compliance.

In accordance with the UTC avoidance of gain/conflicts of interest policy, before raising any order checks must be carried out to ensure that no one who has declared a conflict of interest in relation to the purchase or the supplier/service provider has been involved in the selection process.

No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within these Financial Regulations. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation and issued by the Finance Team/ as appropriate.

## **11 Procurement Cards**

The UTC recognises the benefits of procurement cards as an alternative means of paying for goods and services. The advantages include reduced paperwork, reduced administration time and costs, opportunity to make online purchases and seek discounts from suppliers on the basis that they receive immediate payment.

Procurement cards are particularly suitable for high volume, low value purchases, booking off site visits and for site staff to order building materials etc.

The same procurement principles apply to the use of the procurement card as to any other form of procurement.

## **12 Supplier Management**

Purchase Orders, Contracts and Payments should only be raised/made to suppliers which have passed UTC review procedures and have been added to the CIVICA system. All existing suppliers will be reviewed on a three-year cycle.

All staff who may raise purchase orders for work should satisfy themselves that where required, contractors have appropriate DBS clearance before raising an order for work. The UTC has issued guidance for the safeguarding of pupils whilst contractors are on site which must be followed.

## **13 Competition**

Subject to the thresholds in section 7, competition should be proportionate to the level of expenditure, complexity and risk. To minimise procurement costs for the UTC and suppliers, avoid doubt and ensure compliance with legislation, best practice and UTC Financial Management Policy, procedure documents and templates for procurement at all levels have been provided which must be followed.

Care should be taken to specify accurately the goods/services required in a way which is unambiguous, offers equality, removes barriers to participation by SME's, and self- employed people without discriminating against others.

Any minimum standards should be proportionate to the contract and not discriminatory other than where legally required.

When estimating the value of a contract, unless it is a one-off cost, the actual cost of the works, goods or services must be for the whole life costs and include any on-going costs. If the whole life is unknown then four years should be the baseline. Once the whole life cost has been estimated the appropriate procurement procedure should be followed.

## **14 Contract Agreement/Terms and Conditions**

Any agreement, contract or lease with a supplier which requires a signature by a member of UTC staff (not including general orders for goods and services) should be forwarded to the Chief Finance Officer for review prior to signature.

A signature on an agreement or contract, or even an email response indicates that the UTC accepts the suppliers Terms and Conditions which may not be favourable.

Following the identification of the most favourable offer for the UTC, whether by best value, quotation or tender, consistent with the thresholds identified above, contracts may only be awarded by those officers to whom the UTC Board has delegated such authority within the approved Scheme of Delegation. The required authority to accept other than the lowest quotation or tender is also included within the Scheme of Delegation.

## **15 Payment and Payment Terms**

Unless a Purchasing card has been used to make a payment, all invoices from suppliers should be entered on to the CIVICA system once approved and then paid by BACS.

The UTCs standard payment terms are 30 days following receipt of a correct invoice, unless alternative arrangements have been agreed at purchase order stage.

Where purchases are made using established frameworks, the payment and other terms and conditions are likely to be those of the framework. Before purchasing from any framework, it should be confirmed that it is permissible for the UTC to use the framework.

Payment should only be made on receipt of goods.

## **16 Aggregation**

EU legislation sets out how and when multiple orders and contract values for the same type of work should be added together for the purposes of deciding what procurement process is applicable.

Should the UTC identify that specific expenditure is reaching or has exceeded the current EU threshold then action should be taken to re-procure the goods/services in a compliant manner as a matter of urgency. The Chief Finance Officer will review ½ termly reports from the CIVICA system to ensure that this is the case.

## **17 Reporting Requirements**

Contracts over £10,000 (excluding VAT) should be reported to the Finance and Risk Committee.

## **18 Contracts Register**

A contracts register detailing all procurement activity undertaken will be maintained by the Chief Finance Officer, which records all related documentation, details of the winning bidder, price, and duration of contract/renewal terms.

## **19 Equal Treatment of Suppliers**

One of the key principles of procurement legislation is that all suppliers are treated equally in any competitive process regardless of value. They should have the same availability of access to specifications, plans, UTC staff time, facilities etc.

Evaluation criteria should be decided in advance and made available in full to suppliers to show they will be treated fairly.

All bidders are entitled to be debriefed at the end of a process and informed of the winning bidder.

Any discussions and or correspondence prior to the conclusion of procurements should be on a “without commitment” basis and this phrase should be clearly stated on any such correspondence. The contract offer or purchase order should be the only point at which commitment is made.

## **20 The Bribery Act 2010**

All staff should also be aware of The Bribery Act 2010, which came into force in April 2011. The UTC, its employees and contractors/bidders are all covered by the Act. To meet our obligations under the Act, the UTC has an Anti-bribery and Corruption Policy and all employees involved in procurement should be familiar with the policy.

## **21 Acceptance of Gifts or Hospitality**

The UTC policy is not to accept any form of gift or hospitality from suppliers; full details are included in the Anti-bribery and Corruption Policy.

## **22 Confidentiality (FOI)**

The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding Academy and UTC purchasing. All such requests should be handled in accordance with the UTC policy and subsequently referred to the Chief Finance Officer.

As part of the process for providing quotations and tenders the UTC requires all bidders to identify confidential information which they would not want the UTC to disclose in response to a freedom of information request.

## **23 Information Security/GDPR**

All suppliers or third parties that require access to the UTC or Academy information systems as part of the service they provide must comply with the requirements of GDPR.

Staff responsible for agreeing maintenance and support contracts where access is required must ensure that prior to the contracts being signed the supplier / third party meets the requirements of GDPR and will comply with the UTC safeguarding and security policies.

In the event of the contract being transferred or terminated appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked where appropriate to demonstrate their compliance with the policies.

## **24 Leases**

The UTC should not enter into any finance lease as this would be contravention of the requirements of the Academies Financial Handbook.

The UTC may enter into operating leases; however, this is subject to the approval of the Chief Finance Officer and Chief Executive Officer.

## **25 Payment in Advance**

With the exception of some software licenses, payment should not be made in advance of receipt of goods, services, works or consultancy. If a supplier requests payment in advance then this should be discussed with the Chief Finance Officer.

## **26 Health and Safety**

When procuring any goods, services or works employees must ensure that checks are made to confirm that suppliers are suitably experienced and qualified to undertake the work required.

Where building or maintenance works is planned, suitable risk assessments and/or method statements must be in place.

All services, supply and works procured by the UTC must comply with the relevant UK and European health and safety legislation in force at the time the items are procured.

Where required by legislation, products must comply with the relevant UK and European Laws on the design, supply and operation of products.

## **27 Separation of Duties**

There must be adequate separation of duties to ensure that the process of ordering goods, services and works, checking receipt/completion and authorising payment is not the responsibility of one person.

Where the Chief Finance Officer undertakes any tendering exercise, either on behalf of an Academy or for the UTC, the receipt and custody of tenders prior to opening must be separated from the specification, selection and evaluation. Contract awards subject to tendering will be subject to approval of the procurement procedure undertaken and in accordance with the Scheme of Delegation.

## **28 Retention of Documents**

Tender or quotation documentation should be retained for a minimum of five years from the date of the end of the contract. Documentation may be retained electronically rather than in hard copy, however it must be readily accessible for audit or other purposes if required.

Invoices (either electronic or paper) should be retained for six years plus the current year for HMRC purposes.

## **29 Monitoring and Audit**

The UTC is subject to scrutiny by internal and external auditors as well as the ESFA and other government departments/organisations. It is the responsibility of everyone involved in the purchasing process to ensure that they comply with current policies, procedures, guidance and legislation.