

LT2 Procurement Policy Overview

Key Features

- The Procurement Policy is not new; it simply gives further details to the Scheme of Delegation already in existence to ensure the correct procedures are followed
- The Procurement Policy covers the setting up of new contracts. Purchasing of goods or services from existing suppliers can continue: these contracts will be reviewed for VFM under the Contract Review
- Schools are still responsible for identifying the need for procurement of goods or services and for running the procurement process (regardless of value) as per the LT2 Procurement Policy which should be read by those procuring goods or services (also anyone involved in procurement should also complete the register of interests)
- It will be rare for the trust to run the procurement process, the thresholds relate to the levels where the trust has to be involved in the procurement decision making
- Attention is particularly drawn to Section 4 of the Procurement Policy which covers the general requirements of conduct in the procurement of goods or services
- Use the DfE Buying for Schools as the first port of call for advice and training on the procurement process
- Although schools are still responsible for procurement, there are trigger points (thresholds) where the trust need to be involved in the decision making for the procurement (which would also cover the decision of provision of services in house versus external procurement)
- Above a specific threshold, the trust may take over the procurement process especially if the contract would be of benefit both schools in the trust (for example, the ability to streamline services or leverage the purchasing power of the trust). A discussion would take place with the school to decide who is best place to run the process and the time involved
- As a general rule, the trust would expect to be involved in the major services/ goods that a school would usually procure i.e. catering, cleaning, energy, IT hardware and infrastructure, pupil management systems, insurance, finance system, contracted educational support services (previously SLAs provided by the local authority)
- It is essential that the trust is kept informed of all procurement decisions through regular the meetings with the Chief Financial Officer (CFO) in line with good practice
- It is also essential that the school retains all evidence of the process (e.g. keep quotes etc) for audit purposes
- The contracts which fall within the Trust remit will change over time as the schools grow and more contracts fall above the threshold.

Contract Value

The involvement of the trust in procurement decisions will depend on the total value of the proposed goods/services to be procured. Attention is drawn to Section 4.4 of the Procurement Policy for further details. Please note the contract value is net of VAT.

Contract Value of Services

This can be difficult to evaluate especially if a rolling annual contract is entered into (not advisable). The total value of a service contract would usually be the number of years in the contract x annual cost. If no contract length is proposed, then for the purposes of the trust involvement in the procurement process, assume a typical contract length of 4 years. e.g. grounds maintenance contractor is sought quoting £7,000 p.a. Trust threshold for this procurement = $4 \times £7,000 = £28,000$.

Goods

This would be the total value of the proposed purchases over the expected duration of the contract (or use 4 years as a default).

e.g. exercise books bought each term at a cost of £4,000 – total cost in year £12,000. Contract Value (threshold) = $4 \times £12,000 = £48,000$.

Summary of Procurement Pathways in LT2 Procurement Policy

School identifies need for goods/services



Produces specification



Gets Initial Quotes



Threshold 1
Contract value up to £1k

Purchaser to produce a short rationale to justify the spending

Report to CFO at regular finance meeting of all procurement decisions in month.

Threshold 2
Contract Value up to £10k

Request further quotes (3 required) or benchmark costs to ensure VFM

Procure Goods/Services

Threshold 3
Contract Value £10k-£40k

Discuss proposal with CFO/CEO and agree procurement route and budget cover

Need in one school only

Possible joint need across trust

Threshold 4 Contract Value >£40k
Threshold 5 >£OJEU threshold

Trust to oversee procurement process

- T3 - Competitive Tendering Process with at least 4 tenderers
- T4 - relevant OJEU tendering process

N.B. Some aspects of *process may be ran by trust* but primary responsibility for process still lies with school

