

Procurement Policy

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Procurement Policy

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1. Context

- 1.1 Harris Federation is a Multi Academy Trust setting standards of excellence and fulfilling high expectations in education. It aims to make a positive difference to young people through the high-quality education it provides. Harris Federation has established a centralised Procurement Team structure in a category management model.
- 1.2 This Policy outlines the key principles related to Procurement as a functional and important activity of Harris Federation. It is an outward facing document to demonstrate to Harris Federation's current and potential supplier base and its stakeholders that the organisation takes procurement activity seriously, fairly and objectively being mindful of the need to achieve value for money in a transparent manner.
- 1.3 This policy document looks at the key principles of procurement in the public, not-for-profit, sector, contextualised to the Federation's needs.
- 1.4 This document fills the gap between the Procurement Team's strategy and procurement manual. The strategy outlines how the Federation will meet its objectives for the year and documents its activities. The manual will outline all the Team's processes and procedures.

2. Introduction

- 2.1 The following key principles govern what the Federation's Procurement Team does, and how it operates:
 - **Compliance with EU Procurement Directives & UK Public Contract Regulations (PCR2015)**
 - **Achieving value for money (VFM)** – to achieve the right balance of cost, service, quality, timeliness and risk
 - **Control** – ensure adequate controls are in place and complied with
 - **Efficient and effective processes** – ensure that logical, consistent and easy to follow processes exist and are not unnecessarily bureaucratic, with scope for continuous improvement
- 2.2 The Seven Principles of Public Life:
 - **Selflessness** – We will act solely in terms of the public interest. We should not do so in order to gain financial or other benefits for ourselves, our family or our friends.
 - **Integrity** – We will not place ourselves under any financial or other obligation to outside individuals or organisations that might seek to influence us in the performance of our official duties.
 - **Objectivity** - In awarding contracts and undertaking procurement activities we will make choices on merit and VFM.
 - **Accountability** – We will be accountable for our decisions and actions to the public and must submit ourselves to whatever scrutiny is appropriate to our roles.



- **Openness** – We will be as open as possible about all the decisions and actions that we take. We will give reasons for our decisions and restrict information only when the wider public interest clearly demands it or when there are commerciality restrictions.
- **Honesty** - We have a duty to declare any private interests relating to our public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – We will promote and support these principles by leadership and example.

- 2.3 Procedural matters will be dealt with in the procurement manual (to be developed by December 2020).
- 2.4 The Team strives for high standards of performance and is expected to improve continually. This is outlined in a balanced scorecard at the end of this document.
- 2.5 The Head of Procurement will review this policy annually, along with the strategy for approval by the Federation Directors and Main Board. This review will ensure documentation is up-to-date and fit for purpose.
- 2.6 It is anticipated that the review’s outcome will be documented in an annual stewardship report on procurement which will be presented to the Federation’s Audit/Finance Committee. This report is likely to include the following depending on the information needs of the Committee:
- an analysis of cost savings
 - a look back at the work, challenges and achievements of the previous year
 - a look forward to the priorities for the coming year
 - a review of the Team structure, knowledge and cost of the Team (if relevant)
 - the outcome of any auditing of the Team and its processes and any instances where there has been a major infringement
 - a view on whether the scheme of delegation in relation to procurement activities is fit for purpose
 - a view on whether the procurement policy, strategy and processes are still adequate
 - an analysis of procurement trends, such as volume of contracts awarded by type and competition, savings achieved, etc
 - a summary of the Federation’s frameworks or call-off agreements which have been put in place
 - a summary of the Federation’s access to public sector buying organisations and purchasing consortium frameworks and a view on whether they are meeting our needs
 - a summary of feedback from our customers and suppliers.

3. Compliance with directives and regulations

- 3.1 The European Union’s Public Procurement Directives have been enshrined in UK law through the Public Contracts Regulations 2015. This means that they will apply even after the UK has exited from the European Union unless the UK Government make changes. As the Federation is spending public funds these regulations apply and will be translated into the practical procedures and processes to be documented in the procurement manual. The Procurement Team is familiar with the legislative and regulatory requirements, such as using specific procedures, adhering to strict timetables, requirements for advertising, and protocols for tendering and the award of frameworks and contracts including time provision for appeal/challenge (ie the standstill period).
- 3.2 Where the directives/regulations apply, a member of the Procurement Team should put a contract notice advertising the procurement in the Supplement of the Official Journal of the European Union (OJEU) if the total (and aggregated) value of a framework or contract is expected or has the potential

to exceed the procurement threshold which (as at 1st January 2020) stands at £189,330 for goods & services, and, £4,733,252 for works.

- 3.3 Requirements over this threshold can also be met by using EU-compliant frameworks, i.e. those which have previously been advertised in the OJEU. We are legally obliged to comply with EU Directives/UK Regulations governing public procurement, and the Procurement Team will ensure that we do or if, for whatever reason, we don't comply then we will alert the Internal Audit Manager and the Director of Compliance & Governance.
- 3.4 The Federation's Head of Procurement will ensure that the Team is updated on the implications of relevant case law through Team discussion and amendments to our procedures and processes which will be documented in our procurement manual.
- 3.5 In addition to the legislation and regulations noted above, we will also comply with our obligations under the Equality Act 2010.

4. Code of conduct

- 4.1 We observe public procurement ethics, and an audit trail is therefore essential. The Chartered Institute of Procurement & Supply has a [Code of Conduct](#) which the Procurement Team complies with. The basic test is "Could I defend this action in public?".
- 4.2 There are four key principles underpinning our high standard of ethical behaviour:
- staff do not allow (or foster any suspicion of) any conflict between official and private interests
 - staff are not influenced by any gift/consideration, or show favour or disfavour to any person or organisation
 - dealings with suppliers are always honest, fair and even-handed
 - the standards are promoted and supported by systems and procedures.
- 4.3 Procurement Team members will maintain the highest standard of integrity in all business relationships, by:
- rejecting any business practice which might be deemed improper
 - never using their authority or position for their own financial gain or that of friends or family
 - declaring to their line manager any personal interest that might affect, or be seen by others to affect, their impartiality in decision-making
 - ensuring that the information they give in the course of their work is accurate and not misleading
 - never breaching the confidentiality of information, they receive in a professional capacity
 - striving for genuine, fair and transparent competition
 - being truthful about their skills, experience and qualifications.
- 4.4 Our core values and behaviour include:
- fairness
 - honesty and openness
 - efficiency and effectiveness
 - professionalism.

4.5 The Procurement Team will ensure that we are fair and seen to be fair, to potential suppliers/contractors by:

- **competitive tendering:** treating all firms invited to bid equally, and to not give any information or relax conditions to one firm unless all of them have the same treatment
- **non-discriminatory:** staff must be honest, fair and impartial in dealing with suppliers and, in particular, not discriminate against the staff of contractors on any grounds. The legitimate interests of both the supplier and the Federation should be recognised in negotiating and administering contracts
- **avoiding casual contacts:** avoid casual enquiries from potential suppliers. All requests should be based on a serious intention to buy something unless there is a legitimate need to benchmark costs or undertake market engagement
- **being a good customer:** we must maintain a reputation as a good customer, so we should take all possible steps to make it as convenient as possible for suppliers to deal with us. We should deal with them promptly, courteously and professionally
- **aiming to build good working relationships/partnerships** with core, key and prominent suppliers/providers
- **preparing for meetings with representatives of suppliers:** the way we behave at meetings with outside organisations reflects on us. Staff should brief themselves fully on matters to be discussed at meetings. We should be punctual, take notes and record a file note if appropriate and necessary.

4.6 The purchases we make using the Federation's funds are under constant scrutiny. Expenditure is subject to internal audit review to ensure probity and propriety. We will retain all key purchasing documentation in electronic format and keep it secure in accordance with our retention policy. This is to make the audit trail clear.

4.7 We separate duties to make sure that the same individual cannot make a requisition, purchase and authorise payment for goods or services. This is embedded within Federation's purchase to pay procedures.

4.8 Additionally, our code of conduct requires that:

- those involved in the purchasing process make others aware of suppliers' anti-competitive behaviour, for example, evidence of cartels
- those involved in the purchasing process make others aware of any conflicts of interest as the need for impartiality is key to the integrity of the process
- we should not use suppliers who we have evidence exploit people unfairly
- we should not use suppliers who we have evidence disregard health and safety legislation
- we should not use suppliers who we have evidence damage the environment
- we should not use suppliers who we have evidence pirate or breach intellectual property laws
- we seek to minimise the environmental impact of our sourcing decisions
- any organisations working on our behalf are aware of and adhere to our code of conduct



5. Intellectual property, commercial information & personal data

- 5.1 It is important that Procurement staff protect intellectual property rights and commercial information from unauthorised access by third parties, or misuse by the parties bound by a contract. Our terms and conditions of contract will show what we require. The Procurement Team may suggest having a separate confidentiality agreement if the information that the supplier/contractor will have access to is highly sensitive.
- 5.2 Where a supplier or contractor will have access to Harris Federation personal data it will be regarded as a 'processor' as defined by the General Data Protection Regulation (GDPR) and the Data Protection Act 2018. In such cases it will be the responsibility of the Procurement Team to approach the Federation's Compliance Team for advice. Federation / Academy staff will be required to complete a data protection risk assessment as part of the process and a further Data Protection Impact Assessment (DPIA) might be deemed appropriate in certain cases. Once any personal data risk has been assessed, Procurement Team will arrange for a Third Party Data Processing Agreement to be drawn up and included with the contract award documentation for the supplier or contractor to sign and commit to.
- 5.3 Contract records should be retained for six years beyond contract expiry in conformance with the National Archives [policy](#). The Federation will look to retain records in electronic format via MS SharePoint in registers designated by academy and head office.

6. Supplier sourcing, contracting and achieving value for money

- 6.1 The Procurement Team will advertise Federation supply requirements where the procurement thresholds show competition is necessary. The Team will advertise on Contracts Finder using our eTendering portal, www.myTenders.co.uk so that competition is open. A summary of the Scheme of Delegation appended at Annex A outlines how we apply our procurement thresholds. If the anticipated contract value is above the EU procurement threshold, we will put a Contract Notice in the Supplement to the OJEU unless we can use an EU-compliant framework.
- 6.2 We will conduct a closed mini-competition, known under myTenders as a 'quick quote' if our requirement can be met through a pre-existing framework (one that might have been awarded by us or public sector buying organisation (PSBO) such as Crown Commercial Service or London University Purchasing Consortium). We prefer to use a mini competition against a framework approach as it means that the suppliers are pre-approved, maximum charge rates should be known and terms and conditions of engagement are pre-agreed and would protect our interests better than suppliers' own terms – thus using frameworks is our preferred route to market.
- 6.3 It is our procurement policy to award contracts on the basis of the bidder who has provided the most economically advantageous tender (MEAT). This is one where it is not only the cost that's important, but also consideration of issues such as capability, quality, delivery and added value. Additionally, it is procurement policy not to permit any deliberate disaggregation of a procurement need in order to circumvent the procurement thresholds.
- 6.4 Formal contracts should be documented and issued by the Procurement Team for all goods and services over £40,000 ex VAT. The signing of contracts should conform to the Federation's Scheme of Delegation Policy.
- 6.5 Where there's an issue concerning contractual terms & conditions whether our own or suppliers then Federation/Academy staff should refer these issues/concerns to the Head of Procurement for



advice/direction. The Head of Procurement will be able to seek formal commercial law advice if this is required.

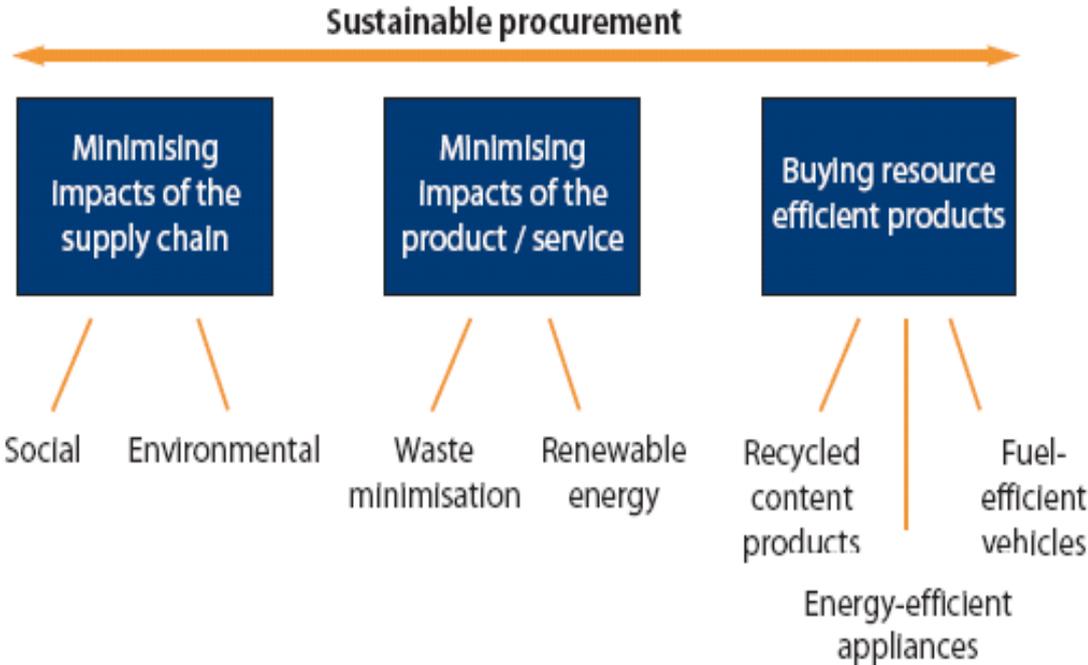
- 6.6 We have a responsibility to ensure that, when procuring goods, services, consultancy support and works from external providers, these providers have eliminated unlawful discrimination and promote equality of opportunity. We strive to deal with suppliers fairly and ethically.
- 6.7 We ensure that suppliers, contractors or service providers accept their legal duties in this area and take them seriously. We do this by:
 - including terms and conditions in contracts that require a contractor does not unlawfully discriminate and positively promotes equality and diversity in supplying and delivering goods, works or services and in employment.
 - for procurement exercises for appointing consultants or contracting services which will involve high levels of people interaction with Federation staff or pupils, the selection/award questionnaire and/or the Invitation to Tender documentation should include questions about equality and diversity for completion by the tenderers.
- 6.8 The Head of Procurement has discretion to determine which suppliers will have ‘preferred supplier’ status. For instance, those suppliers who have been awarded Federation-wide framework agreements and contracts or specific call-off agreements will be afforded this status. This status is normally as a result of a competitive tendering process or clear evidence of providing great value for money, for instance, through benchmarking.
- 6.9 In addition to formal contracting which the Federation’s central Procurement Team should be directly involved with there are other means of purchasing that are decentralised:
 - electronic purchase orders which must be approved before goods/services are ordered
 - Federation credit cards for unavoidable emergency needs and one-off purchases
 - Amazon business accounts for low value purchases.
- 6.10 It will be the responsibility of the Procurement Team’s procurement managers to gain a detailed insight into the supply market for their categories and to understand the supplier base, developments within the market, the nature of the supply of goods, services, etc within that market, an understanding of pricing models, and, details of the frameworks that support their categories.

7. Sustainability

- 7.1 Sustainable procurement is about avoiding depleting natural resources. Procurement should take account of environmental, social and economic factors when making purchasing decisions. It is about looking at what products are made of, where they have come from, and who has made them. We would need to ascertain if the purchase needs to be made at all.
- 7.2 We will encourage suppliers to remove packaging at the point of delivery to us. This eliminates waste and lets the supplier re-use the packaging. It is particularly relevant for IT equipment and other goods such as furniture.
- 7.3 We apply the principle of ‘whole life costing’ to promote sustainable procurement. This looks at all life-cycle costs (including disposal costs) of a product or service and makes sure they are minimised. Making procurement sustainable also involves challenging the repeat purchase demand and

examining business processes to be sure that a justified business need exists. The Procurement Team will ensure this challenge is made.

- 7.4 The Procurement Team will use sustainability criteria, for instance, the [Government Buying Standards](#), and will consider supplier policies for waste, transport, energy, procurement and staff awareness of environmental issues in its selection/award questionnaire and specification. It will also use the criteria in the tender evaluation and may ask suppliers to submit alternative goods or services that are more sustainable.
- 7.5 Where sustainability factors in the supply chain are particularly important, the Procurement Team will speak to our direct supplier to understand the sustainability risks and how they are managed and mitigated. We'll also need to understand the social and environmental impacts of making a particular purchase.
- 7.6 We will encourage our supply base to investigate and minimise the environmental impacts of supplying us, including resource use, waste, energy consumption and carbon emissions. We will also improve our understanding of the social considerations of our purchasing decisions, so we can become an environmentally and socially responsible purchaser.
- 7.7 The diagram below, sourced and reproduced from 'Sustainable Procurement – making it happen' by the Waste and Resources Action Programme (WRAP), usefully summarises how sustainable procurement can work in practice and how the Federation sees it:



8. Guidance and training

- 8.1 The Procurement Team have developed an intranet page, which is available to the whole Federation. It provides details and links to the following:
 - Latest communication message

- Federation-wide agreements and call-off arrangements
- Quick links to useful resources
- Guidance material
- Policies and procedures
- Reference material
- Templates

8.2 Two forms of in-house training are offered to Federation / Academy staff, subject to demand for places:

- **Introduction to Procurement Workshop** - 2 hours, delivered by the Head of Procurement, which outlines the following:
 - Procurement cycle
 - Tender process
 - Compliance
 - Value for money
 - Scheme of Delegation
 - Key responsibilities
 - Approval process
 - How to scope a requirement
 - The Invitation to Tender & route to market
 - Frameworks
 - Evaluating bids
 - Key components of a contract
 - Federation-wide deals, contracts and call-off agreements

- **Contract Management Workshop** – 3 hours, delivered jointly by an external training provider and co-handled by a Procurement Manager, which will outline the following:
 - Responsibilities of a contract manager
 - Supervising a contractor and monitoring performance
 - Managing risks and problems
 - Contract administration and finance
 - Best practice in contract management

9. Performance standards

- 9.1 The diagram appended at Annex B demonstrates the Procurement Team’s performance expectations, in the form of a high-level balanced scorecard, which if achieved and applied, will lead to continuous improvement. Evidence of this will become apparent via periodic audits and reviews. The Procurement Team are expected to achieve annualised cashable savings of 2.5 times the Team’s total salary and on-costs; this equates to over £0.5 million.
- 9.2 Additionally, the Head of Procurement will be subject to performance reviews, where he may be asked to provide evidence of compliance and where continuous improvement is being achieved. Savings will be quantified and documented monthly, and there is an audit trail for individual entries via tender evaluation reports. Other members of the Procurement Team will also be subject to performance reviews.
- 9.3 Procurement Team members regularly interact with academies and Head Office functions and the Federation’s suppliers and will learn from this so that there is continuous improvement. This will help the Team to better meet customer expectations and demonstrate professionalism and fairness to our suppliers.

Annex A – Scheme of Delegation Summary

Procurement Thresholds

Value over lifetime of goods/service	Responsible person	Commentary
Up to £2K	Finance Officer/ Budget Holder	No quotes necessary but VFM still needs to be achieved
£2K to £5K	<i>Premises Manager</i>	<i>No quotes necessary but VFM still needs to be achieved and Estates Manager to endorse</i>
£2K to £20K	Finance Officer/ Budget Holder	Minimum of two written quotes required to evidence VFM; preferred suppliers should be included
£20K to £40K	Finance Officer/ Budget Holder	Minimum of three written quotes required to evidence VFM; preferred suppliers should be included. Procurement Team can run formal tenders if requested
More than £40K	Academy/department to draw up a scope/specification	Formal tender process via the Procurement Team

Direct Award/Single Source (i.e. no competition)

This is where only one company/individual is asked to quote/tender for the work. It is discouraged, as a competitive process is more likely to achieve better value for money (VFM). However, a single source process may be justified in a few specific situations:

- The work relates to a recently competed contract, and the likely cost saving through tendering is clearly outweighed by the added value of continuity of supplier
- The expertise required is so specialist that it is only available from one source e.g. only one supplier has the required knowledge or owns the Intellectual Property needed. Other branding or sources of supply must be considered where possible.
- A tight deadline has been imposed by the Government or by new legislation which means there is insufficient time to compete the work. This must be due to unforeseeable circumstances that are beyond the control of the Federation.
- Exceptional VFM can be demonstrated by benchmarking cost
- There's a serious health & safety or safeguarding concern which is urgent
- Use of a framework agreement permits direct award.

The Procurement Team should be consulted for all direct award/single source requests over £2K. The obvious exception being 'call-offs' from Federation-wide deals which the Procurement Team have put in place.

Authority to Approve Purchase Orders on SAP Concur P2P System

Value over lifetime of goods/service	Responsible person
Up to £20K	The main budget approver, e.g., Principal or their sub-delegate
Over £20K	Finance Business Partner & Director of Finance

Authority to Execute Contracts

Value over lifetime of goods/service	Responsible person
Up to £40K	Principal, Federation Director or Head of Procurement
£40K to £250K	Endorsed by Principal or Federation Director but signed by Head of Procurement
Over £250K	Endorsed by Principal or Federation Director, and Head of Procurement, signed by CEO
Over £2M	Endorsed by Principal or Federation Director, Head of Procurement & CEO, approved by the Board and delegated authority given to the CEO to sign

Photocopier Leasing and Cost per Copy Charge Agreements

All must be endorsed by the Finance Business Partner and Principal/Director to confirm sufficient budget exists and all must be signed by the Head of Procurement.

Annex B – Balanced Scorecard

