



**ST TERESA**  
*of* **CALCUTTA**  
Catholic Academy Trust

# Procurement Policy

## Document Control

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## **1.0 Policy statement**

1.1 This policy sets out how the trust will manage its procurement to ensure compliance with relevant legislation and demonstrate effective stewardship of public funds, as well as setting out the Trust's Procurement principles.

1.2 Procurement is the process whereby the Trust manages the acquisition of goods, services and works. The procurement process spans a life cycle from identification of need and resources, consideration of options, through selection of suppliers, purchasing, contract management and disposal.

## **2.0 Scope and purpose**

2.1 This policy supports the financial governance arrangements for the Trust. It provides clear rules for all staff to ensure all procurement activity is undertaken in an open, transparent, fair and competitive manner. Compliance with these orders will ensure that value for money is achieved and will give the public confidence that the Trust is meeting its fiduciary responsibilities. Failure to comply with the requirements of this policy could result in disciplinary proceedings.

2.2 In line with the Academies Financial Handbook, any procurement transaction which is considered novel, contentious or repercussive must be referred to the ESFA for prior approval.

2.2 This policy should be read in conjunction with other Trust policies:

- Financial Regulations;
- Financial Scheme of Delegation; and
- Conflict of Interest Policy

2.3 This Policy is applicable to all purchasing activity regardless of value and there is a duty on all staff involved in any stage of the procurement process to apply the key principle of best practice procurement to achieve value for money (VfM). This should be achieved through competition, unless there are compelling reasons to the contrary.

2.4 The public procurement regime has changed in the UK following the expiry of the Brexit transition period at the end of December 2020. The UK Government's Green Paper on Transforming Public Procurement, suggests contracting authorities and prospective suppliers should expect major reforms to be proposed. Procurement (including framework agreements) commenced before the end of the transition period on 31 December 2020, will continue to be bound by EU procurement law as transposed into UK law.

2.5 The main change brought about by the EU Exit Regulations, is that notices for tenders, are required to be published on the new UK e-notification service called Find a Tender (FTS) instead of in OJEU. This went live 1st January 2021.

2.6 Procurement thresholds remain the same as they were before the end of the transition period given that these thresholds are set under the WTO's Agreement on Government Procurement, which the UK has joined as an independent member. The Trust would generally use framework agreements for larger contracts, so there will be no change in procurement activity pending the government issuing further guidance on public procurement.



2.7 Appendix 1 sets out a number of common terms and definitions used in Procurement.

2.8 Transactional aspects of the process, such as raising a purchase order are covered in the Trust Financial Regulations.

### 3.0 Trust Procurement Principles

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

- **Transparency and non-discrimination**

In all purchasing activity the Trust must act in a transparent and proportionate manner, and ensure that all contractors, suppliers and service providers are treated equally and without discrimination.

- **Probity**

Must be demonstrable, in that all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or bribery involved in any dealings of the trust;

- **Accountability**

The trust is publicly accountable for all expenditure and for the conduct of its affairs; and

- **Value for Money (VfM)**

The National Audit Office (NAO) uses three criteria to assess the value for money of public spending i.e. the optimal use of resources to achieve the intended outcomes:

#### Table 1 – NAO VfM Definition

**Economy:** minimising the cost of resources used or required (inputs) – **spending less;**

**Efficiency:** the relationship between the output from goods or services and the resources to produce them – **spending well;** and

**Effectiveness:** the relationship between the intended and actual results of public spending (outcomes) – **spending wisely.**

3.2 Unless below the threshold for obtaining written quotations or tenders, all procurement of goods, services or works should be acquired by effective competition (including publication of the contract opportunity), unless there are convincing and justifiable reasons to the contrary.

3.3 The Trust seeks to ensure that there are effective methods of procurement to drive value and increase transparency throughout the procurement process. Whilst budget decisions are devolved to Headteachers, there is an intention to move to Trust-wide contracts for common goods and services.

3.4 Public sector organisations have the responsibility of ensuring that the products they are procuring are sourced in a responsible and sustainable way, and that the workers involved in the creation of these goods are making them in a safe and fair environment. When a public sector



organisation is deciding on suppliers to work with, environmental and social impacts should also always be taken into consideration. The use of frameworks for the Trust is an effective way of ensuring that this responsibility has been covered off.

3.5 Social value is important to the Trust. As custodians of public money and members of our local communities, the Trust seeks to ensure that there are added benefits to the community through expenditure, by ensuring that local businesses are made aware of tender opportunities.

3.6 As part the annual budget setting process; schools are required to complete a school level annual procurement plan detailing key purchases for the year with a lifecycle cost in excess of £5,000. This will allow for a Trust annual procurement plan setting out key tender activity and milestones to be developed. The plan will include the use of the contract list to plan the requirement for future tenders; on-going reviews of contracts, strategic areas of development, and any policy and procedural developments required. The use of purchase cards and online providers will be reviewed to establish whether common goods should be purchased in a different way

3.7 The Annual Plan will enable the development of Trust-wide contracts; which will ensure that the Trust does not breach aggregated spend rules and will avoid other inefficiencies that arise from only considering procurement at a school level. By introducing Trust-wide contracts, this will rationalise suppliers, deliver savings and value for money by moving to more effective longer contract terms rather than annual SLA's and preferred suppliers, along with use of appropriate public sector or DfE frameworks.

3.8 The practice of renewing annual contracts is not permissible unless specific provision has been made within the original procurement process for contract extensions. To avoid the inefficiencies of re-procuring services annually, the annual procurement plan will look to develop multi-year contracts.

#### **4.0 Public Contract Value and Aggregation**

4.1 For the purpose of thresholds, the estimated value of a contract must include all contractual considerations over the lifetime of the contract, excluding VAT. This includes any contractual costs e.g. delivery, service/maintenance, and even the value of potential options to renew or extend the contract. The estimated value is also subject to aggregation.

4.2 Schools manage their own budgets and purchasing decisions independently, seeking advice and support, where necessary and appropriate, school expenditure in this instance may not always aggregate across the Trust. The rules around aggregation are complicated and it is always better to err on the side of caution and aggregate as procurement thresholds (both internal and external) apply to the value of the aggregate spend.

4.3 The principle is that 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. Aggregate values may be calculated by one of the following methods:

- the estimated value of separate contracts for meeting a single requirement; or
- the total value of goods and services purchased during the last financial year; or



- the estimated total value of all contracts/orders expected to be placed in the next financial year, or during the term of the contract if that is longer; or
- where contracts have no definite duration, 48 x the monthly value.

**Table 1 – Examples of when aggregation rules apply**

<b>Example</b>	<b>Outcome</b>
A single item of equipment costing £55,500 would be subject to a competitive tender process undertaken by the central finance team	This is a 'single requirement' and the aggregation rule would not apply, even if other schools separately determine that they have a need for similar equipment in the same year
Equipment of a similar type, from the same supplier and part of the same grant/project, individually costing a few hundred or thousand pounds	This would be subject to the aggregation rule and the appropriate purchasing route for the aggregated value.
General stationery or IT consumables, average order value e.g. £60	This would be subject to the aggregation rule as the overall spend across the Trust as a whole is above £50,000. This is an area where a Trust-wide contract through a framework is required

4.4 Procurement should not be artificially broken down into multiple small orders to circumvent authorisation levels or the requirement to obtain further written quotes or tenders. The Trust has a duty to comply with the requirements of UK Procurement legislation and Academy Funding Agreements. In order to ensure compliance, supplier spend reports will be reviewed on a quarterly basis.

## 5.0 Quotation and Tender thresholds

5.1 There are two types of threshold governing the procurement for the Trust. Authority to commit expenditure, which is covered in the Financial Scheme of Delegation and the procurement process which is governed by the anticipated lifecycle cost of the procurement. Appendix 2 shows a flowchart of the thresholds.

5.2 The transactional thresholds and procurement process are outlined in Table 1 below and are based on the amount for the duration of the contract:

**Table 2 – Quotation and tender thresholds**

<b>Value</b>	<b>Process</b>
Less than £5,000	<b>A minimum of one quote</b> (by e-mail, catalogue or price list) must be obtained in advance from a reputable supplier. The rationale for selecting the provider must be given.
£5,000 - £49,999	<b>Three formal written quotations</b> (in writing or by e-mail) must be obtained in advance from reputable suppliers. The rationale for selecting the provider must be given.
<b>Value</b>	<b>Process</b>



£50,000 - £99,999	<b>To be put out to tender</b> , advertised on the trust website and approved by the AO and CFO;
£100,000 - £189,330	<b>To be put out to tender</b> , advertised on the trust website, and approved by 2 Directors, the AO and the CFO; and
£189,330 and above *	<b>UK e-notification service procedure</b> or use of UK compliant framework.

\* Current Public Procurement Threshold

5.3 Where quotations are obtained, the following rules should be applied:

- No formal advertising of quotations under £50,000 is required.
- Where possible local suppliers should be made aware of the opportunity to quote.
- The award criteria will either be the most economically advantageous tender (MEAT) or the lowest price.
- If the award is to a new supplier, a Supplier Request Form should be completed and a purchase order should be raised to place the order.
- All quotation documentation to be retained within the school for three years or the life of the contract, whichever is the longer.

## 6.0 Exemptions

6.1 In limited circumstances an exemption 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 exemptions must be approved by the CFO before progressing and must not result in a breach of procurement legislation or be contrary to the Financial Scheme of Delegation.

6.2 All exemption requests (approved and unapproved) will be reported to the Finance & Resources Committee.

6.3 The only circumstances that will be considered are:

- a) Where it can be evidenced that only one supplier is able to undertake the work or service or supply of goods for technical or security reasons or because of exclusive rights;
- b) An extension is required to a current contract to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the re-procurement would not be justification for an exemption);
- c) The goods or services are required so urgently that competition is impractical (a genuine unforeseeable operational need arises that poses a risk to a school). Failure to take action within appropriate timescales does not constitute grounds for an urgency exemption;
- d) Supply of goods, services or works where it can be evidenced that there is no valid commercial reason to obtain quotations or tenders; or
- e) 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)

6.4 The Exemption Request Form shown as at Appendix 2 should be used for all such requests. These will be kept on file for three years. This should set out the background, the rule being



exempted, the reason the exemption is required, how value for money will be demonstrated and the legal or financial risks or implications.

6.5 Exemptions from competitive quotations/tenders must not be used to avoid competition, for administrative convenience, or to award fresh/further work to a supplier originally appointed through a competitive procedure.

## **7.0 Tenders**

7.1 Any expenditure over £50,000 must be subject to tendering in accordance with Trust requirements and UK Public Contracts Regulations 2015. If the anticipated value is over the current threshold, then also in accordance with UK procurement legislation.

7.2 Bids for goods, services or works in excess of £50,000 should be made against a pre-prepared specification. The specification must identify the goods, works or services to be supplied in sufficient detail to allow suppliers to respond on an equal basis. The specification must detail which elements are considered essential and which elements are considered desirable.

7.3 The central finance team will select and manage the most appropriate procurement process in accordance with the anticipated value, any potential aggregation and trust tendering guidelines which are compliant with current procurement legislation. This may include the use of frameworks, or bespoke tenders.

7.4 Tendering procedures may take up to six months depending on lifecycle and compliance with legislation. Failure to allow sufficient time for procurement will not be a reason to grant a dispensation.

7.5 All current and future tenders with a value of £50,000 or more are advertised using the Trust website (and a more appropriate method as necessary or legally required).

7.6 It is the responsibility of the central finance team to carry out tenders for goods, services and works on behalf of the Trust. This will be in conjunction with stakeholders.

## **8.0 Selection Criteria for Tenders**

8.1 The aim of any procurement exercise should be to achieve Value for Money. The Trust has a standard approach to defining the price and quantity ratio for the selection criteria. The optimum combination of whole life cost and quantity will be determined with the requestor in conjunction with the central finance team.

8.2 Indicative ranges of price/quality ratios for various types of project are given below in Table 3 and a different cost/quantity ratio will only be considered in exceptional circumstances.

8.3 The proposed selection criteria must be approved by the Finance and Resources Committee in advance of the invitation to tender.





**Table 3 – Risk and Value Matrix**

**Risk and Value Matrix**

Risk	High	<p><b>Bottleneck (Ratio Range 40:60 to 10:90)</b></p> <ul style="list-style-type: none"> <li>• Few Sources of Supply and alternatives available</li> <li>• Complex specifications</li> <li>• If supply fails, impact on organisation could be significant.</li> </ul> <p>E.g. Specialist educational supplies</p>	<p><b>Strategic (Ratio Range 60:40 to 50:50 to 40:60)</b></p> <ul style="list-style-type: none"> <li>• Strategic to Operations</li> <li>• Limited Supply Base</li> <li>• High Value Spend Area</li> <li>• Specification may be complex</li> </ul> <p>E.g. ICT infrastructure</p>
	Low	<p><b>Routine (Ratio Range 90:10 to 80:20)</b></p> <ul style="list-style-type: none"> <li>• Low Value</li> <li>• Many Existing Alternatives</li> <li>• Standard specification</li> <li>• Low value to switch suppliers</li> </ul> <p>E.g. Stationery</p>	<p><b>Leverage (Ratio Range 70:30 to 60:40)</b></p> <ul style="list-style-type: none"> <li>• High spend area</li> <li>• Many Sources of Supply</li> <li>• “Buying Power”</li> </ul> <p>E.g. Temp Staff</p>
		Low	High
Value £			

8.4 By determining the selection criteria in advance, this also ensures that all suppliers are treated equally and that they have the same availability of access to specifications, plans, staff time, facilities etc.

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

8.7 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 **must** be the only point at which commitment is made.

**9.0 Forms of Tenders**

9.1 There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.
- **Restricted Tender:** 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 is such that only specific suppliers will be able to supply; and
  - the costs of publicity/advertising outweigh the benefits of open tendering.



• **Negotiated Tender:** The terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- the above methods have resulted in either no or unacceptable tenders;
- only one or very few suppliers are available.

9.2 An Invitation to Tender (ITT) must be issued if a restricted tender process is being used. Although it is good practice to use for all tenders.

9.3 An ITT should include the following:

- introduction/background to the requirement;
- scope and objectives, including technical requirements;
- implementation; and
- terms and conditions of tender and form of response

## **10.0 Tender Acceptance Procedures**

10.1 Only tenders that are received before the stated deadline will be considered. The Trust supports the use of email as the standard system for the invitation and receipt of tenders.

10.2 The opening of tenders shall be done as follows:

- Tenders shall not be opened before the appointed time and must be opened at the same time
- They shall be opened by not less than two persons, including at least one who will not be involved in the direct management of the contract;
- The appropriate tender details shall be recorded on the Tender Opening Records form which shall be ruled off (to prevent the addition of further entries) and then signed by each member of the tender opening panel; and
- Once the tenders have been opened they must be circulated only to those directly involved in tender evaluation and contract letting activities.

10.3 A record of all tenders received and all the tender documentation or an audit trail of the electronic submission must be kept for three years.

10.4 If a tender is received after the deadline has passed it will not be accepted unless the circumstances cannot be attributed to the tenderer.

10.5 If a tender appears to contain a mistake or discrepancy which may affect the tender figures, the tenderer must be given the opportunity to confirm, withdraw or correct the offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). Details of this must also be recorded. Tender documents should state the method for dealing with errors.

10.6 Where a significant change occurs to the specification during the course of the tendering process, that process should be stopped and, ordinarily, it will be expected that the entire process should be restarted.

## **11.0 Evaluation of quotations and tenders**

11.1 The evaluation of quotations for all goods, works and services should be based on the principle of best overall value for money (covering cost, quality and effectiveness). The evaluation process must be objective, systematic, thorough and fair.



11.2 The evaluation of tender submissions must be carried out by an evaluation panel based on the most economically advantageous tender or the lowest price. Wherever possible, the most economically advantageous tender should be used as the award criteria.

11.3 The tender documents must state the award criteria that will be used. Where the award criteria is the most economically advantageous tender, the tender documents must list the evaluation criteria along with the score or importance that is attached to each of them. The evaluation panel must contain the appropriate stakeholders and cover all the skills required to consider the tender bids fairly, transparently and consistently.

11.4 Other aspects that the evaluation panel may consider are:

- **Financial** – compare like for like e.g. a lower price means a reduced service or lower quality. Care should be taken to ensure that the tender price is the total price and that there are no extra costs - and whether there is any scope for negotiation.
- **Technical/Suitability – such as the** qualifications and relevant experience of the contractor; descriptions of technical and service facilities; certificates of quality/conformity with standards and quality control procedures; references from past customers.
- **Other Considerations** - pre-sales demonstrations, after sales service; and 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 examine the audited accounts.

## 12.0 Form of Contract

12.1 A contract is an agreement between two parties for the supply of goods, works and/or services. This includes formal written contracts, leases and purchase orders.

12.2 Any agreement, contract or lease with a supplier which requires a signature by a member of trust (excluding general orders for goods and services), should be forwarded to the central finance team for review prior to signature.

12.3 A signature on an agreement or contract, or even an email response indicates that the trust accepts the supplier's terms and conditions which may not be favourable – so should always be checked.

12.4 Contracts must be in writing, and signed by the persons authorised by the Scheme of Financial Delegation.

12.5 Electronic signatures may be used. The types of electronic signatures that can be accepted are:

- a) A person typing his or her name into a contract or into an email containing the terms of the contract;
- b) A person electronically pasting his or her signature (e.g. in the form of an image) into an electronic (i.e. soft copy) version of the contract in the appropriate place (e.g. next to the relevant party's signature block);
- c) A person accessing a contract through a web-based e-signature platform and clicking to have his or her name in a typed or handwriting font automatically inserted into the contract in the appropriate place (e.g. next to the relevant party's signature block); or



- d) A person using a finger, light pen or stylus and a touchscreen to write his or her name electronically in the appropriate place (e.g. next to the relevant party's signature block) in the contract.

12.6 Each contract must state that the contractor cannot assign (transfer) any part of the contract without written permission from the Trust.

12.7 Proposed payment arrangements under a contract and payments in advance must be agreed by the CFO before the contract is signed. Contracts with a value of more than £50,000 must provide for the contractor to pay damages if they fail to meet the terms of the contract. This provision should be in all contracts where possible.

### **13.0 Variations and cancellations to contracts**

13.1 Contract variations during the term of the contract will be undertaken through the evaluation of the terms and conditions of the variation and approval as appropriate. Prior to any contract variation being approved, the full cost, timing and other implications should be identified and agreed with the contractor. Variations which increase expenditure must have funding secured and approved prior to agreement.

13.2 Should one party wish to novate a contract to a third party, approval to do so should be given in advance by the Finance and Resources Committee. The central finance team will undertake a qualification questionnaire on the party to whom the contract will transfer, to identify any particular risks that the novation may present to the Trust, and take any necessary action as a result.

13.5 Other than at the natural expiry of an agreed term, no contract should be cancelled without having due regard to legal advice as to whether this is within the contractual terms and conditions.

### **14.0 Extensions of contracts**

14.1 Any contract which provides for (an) extension(s) may be extended in accordance with its terms, subject to performance and value of money considerations. A contract should not be extended without seeking approval from the CFO.

14.2 Where the terms of the contract do not expressly provide for an extension, an exemption will be required and is subject to approval by the Finance and Resources Committee. These should only be extended in exceptional circumstances.

### **15.0 Contracts Register, Management and Monitoring**

15.1 The central finance team will maintain a central register of all contracts let with a value in excess of 25,000. This which will record details of the procurement process followed, supporting documentation (ie copies of written quotes), details of the winning bidder, price, and the duration of the contract.

15.2 Contract monitoring should continue throughout the lifetime of any contract (to ensure that best value for money is maintained in the quality and standard of all goods, works and services supplied) and in the review of proposals to change or vary any feature of any contract during its lifetime.



15.3 The lead contract officer must ensure that systems are in place to manage and monitor contracts at regular review meetings with the supplier in respect of:

- Compliance with specification and contract;
- Performance;
- Cost;
- User satisfaction; and
- Risk management.

15.4 Reports on performance for contracts over £25,000 must be provided at regular intervals to the CFO.

15.5 The Contracts Register, contracts due to be let and contract performance reports will be reported to the Finance and Resources Committee on a regular basis. This will allow for the procurement route for contracts due to be let; to be agreed in advance of the tender process.

15.6 An annual report on Procurement will be submitted to the Risk and Audit Committee, this report will give details on the Trust's arrangements to secure value for money through its procurement activities.

## **16.0 Other Matters**

16.1 The Trust policy is not to accept any form of gift or hospitality from suppliers.

16.2 The Trust should not enter into any finance lease as this would be a contravention of the requirements of the Academies Financial Handbook. Schools may enter into operating leases subject to approval from the CFO.

16.3 The Freedom of Information Act 2000 gives the public and potential suppliers the right to request certain information regarding Trust purchasing. All such requests should be referred to the CFO.

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

16.5 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 the Trust IT services and will comply with the Trust Safeguarding and ICT Security policies.

16.6 When procuring any goods, services or works, staff 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.

16.7 All services, supply and works procured by the trust must comply with the relevant UK Health and Safety legislation in force at the time the items are procured.



16.8 Tender documentation should be retained centrally for a minimum of five years from the date of the end of the contract.

## **Appendix 1 – Terms and Definitions**

<b>Assignment</b>	The transfer of rights held by one party (the assignor) to another party (the assignee).
<b>Contract</b>	A legally abiding agreement (including purchase orders, leases and service level agreements) to acquire, purchase or sell goods, services or building works.
<b>Declaration of Interest</b>	Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared.
<b>Framework Agreement</b>	A contract set up by a public sector organisation for some or any public sector organisations to use. It will specify the terms and conditions under which purchases can be made throughout the term of the agreement.
<b>Goods</b>	Physical items that can be purchased (for example, food and equipment).
<b>Lease</b>	A contract which allows one party to use the property or other assets belonging to another party for a specified period in exchange for payment.
<b>MEAT</b>	Most Economically Advantageous Tender means that tender which when taking into account a number of criteria including but not limited to price, quality, delivery, technical merit, compatibility, functionality and overall cost effectiveness affords the Trust the most economically advantageous solution
<b>Novation</b>	An act of either replacing an obligation to perform with a new obligation or replacing a party to the agreement with a new party. Novation creates a new contract and is valid only with the consent of all parties to the original agreement.
<b>Novel, Contentious and Repercussive</b>	<p>Novel transactions are those of which the Trust has no experience, or are outside its range of normal business.</p> <p>Contentious transactions are those that might cause criticism of the Trust by Parliament, the public or the media.</p> <p>Repercussive transactions are those likely to cause pressure on other trusts to take a similar approach and hence have wider financial implications or a contract may be repercussive due to excessive lifecycle.</p>
<b>Option to Extend Contract</b>	An agreement with the opportunity to increase the length of time specified in the contract at the end of the original term (for example, a two year contract with the option to extend for a further two years).



<b>Purchasing Consortium</b>	Where two or more public sector bodies join together for the purpose of procuring goods, works or services at a better price than could be obtained if each purchased them alone.
<b>Purchase Order</b>	An agreement between two parties for the supply of goods, works and/or services. In legal terms it is classed as a form of contract.
<b>Quotation</b>	A document that a vendor or service provider gives to a customer to describe specific goods, works and services that can be provided and their cost.
<b>Select List</b>	A list of suppliers for a specific contract where the pool from which realistic or competitive bids is limited.
<b>Sensitive Issues</b>	Any issues that arise from procurement activities which may have a potential reputational risk for the Trust must be reported to the Board of Directors before any decision can be made.
<b>Services</b>	The performance of specific duties, work or professional activities for a fee (for example, the maintenance of equipment and consultancy).
<b>Standing List</b>	A list of suitable contractors or suppliers for a particular type of work, goods or services.
<b>Tender</b>	A formal sealed bid, written or electronic offer to carry out work, supply goods or buy assets at a stated fixed price. It will usually contain detailed information on requirements and terms associated with a potential contract.
<b>Works</b>	Infrastructure projects to construct, improve, demolish, repair or maintain buildings.



## Appendix 2 – Exemption Request Form



### PROCUREMENT EXEMPTION REQUEST FORM

1	<b>Background as to why the request is being made</b>	
2	<b>Rule being exempted – put a tick in the relevant box</b>	
	Less than required number of quotes for value of contract	
	Renewal of annual contract where the terms do not allow	
	Not undertaking a competitive process	
3	<b>Reason for the exemption request – put a x in the relevant box</b>	
	Where it can be evidenced that only one supplier is able to undertake the work or service or supply of goods for technical or security reasons or because of exclusive rights	
	An extension is required to a current contract to allow sufficient time to complete a competitive tendering exercise (but failure to have planned the re-procurement would not be justification for an exemption)	
	The goods or services are required so urgently that competition is impractical (a genuine unforeseeable operational need arises that poses a risk to a school). Failure to take action within appropriate timescales does not constitute grounds for an urgency exemption	
	Supply of goods, services or works where it can be evidenced that there is no valid commercial reason to obtain quotations or tenders	
	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)	
4	How Value for Money will be demonstrated if this contract is exempted from a competitive procurement process	
5	Detail any legal implications or financial risks	
Submitted by (name and school):		
Date submitted:		

Rationale and Decision of the CFO	
Date:	
Date reported to FAR Committee	

#### Notes

1. Requests should not be made due to a failure of allowing sufficient time for the process
2. The CFO reserves the right to refer any request which may be contentious to the AO and/or the Finance and Resources Committee for advice and a decision

