Ormiston Academies Trust

Procurement policy

Policy version control

|  |  |
| --- | --- |
| Policy type | Mandatory |
| Author | Trevor Armstrong, Commercial Procurement Manager |
| Approved by | James Miller, Director of Estates and IT Executive Committee |
| F&C Committee approved | 20 June 2023 |
| Release date | June 2023 |
| Review | Policies will be reviewed in line with OAT's internal policy schedule and/or updated when new legislation comes into force |
| Description of changes | * Emphasis that Procurement activity above the EU Threshold must be conducted by the Procurement Team (3.3). * Further clarifications/details regarding Operation Leases (3.5). * Direct Award Contracts (DACs) – further clarifications and refinements to make the process clearer. Removal of the ‘waiver’ term and emphasis on the necessity and legitimacy of DACs with appropriate justifications (section 8). * OAT Safeguarding and leasing policies added to the ‘related policies’ list (section 12). * Streamlining compliance requirements to reflect feedback and the removal of approval inconsistencies. Redefinition of the context requiring Feasibility Cases (Appendix 1). * Changes to the Procurement Team - addition of a Regional Commercial Procurement Manager (Appendix 3). * Reference, and definition of a Justified Direct Award Contract (JDAC) option (Appendix 5). |

Contents

[Scope 3](#_Toc138757060)

[1. Purpose 3](#_Toc138757061)

[2. Legal and regulatory framework 3](#_Toc138757062)

[Policy Statement 4](#_Toc138757063)

[3. Colleague Responsibilities 4](#_Toc138757064)

[4. Procurement Team Responsibilities 5](#_Toc138757065)

[5. Environmental, Social, Equality and Diversity Considerations 5](#_Toc138757066)

[6. Transparency 5](#_Toc138757067)

[7. Contract Management 6](#_Toc138757068)

[8. Direct Award Contracts (DACs) 6](#_Toc138757069)

[9. Performance Measures 7](#_Toc138757070)

[10. Education & Communication 8](#_Toc138757071)

[11. Monitor & Review 8](#_Toc138757072)

[12. Associated documents policies and procedures 8](#_Toc138757073)

[Appendix 1 10](#_Toc138757074)

[Colleague compliance requirements 10](#_Toc138757075)

[Appendix 2 14](#_Toc138757076)

[Feasibility Cases and Procurement Business Cases 14](#_Toc138757077)

[Appendix 3 17](#_Toc138757078)

[The OAT Procurement Team 17](#_Toc138757079)

[Appendix 4 18](#_Toc138757080)

[Contract Signatories 18](#_Toc138757081)

[Appendix 5 19](#_Toc138757082)

[Procurement decision flowchart 19](#_Toc138757083)

# Scope

## Purpose

* 1. This document sets out OAT’s policy towards procurement.

## Legal and regulatory framework

* 1. This policy ensures OAT Head Office and Academy Staff follow the correct procurement process to meet internal governance rules, statutory and legal requirements and ensures compliance with the Public Contracts Regulations (PCR 2015).
  2. This policy will also:
     1. Ensure probity and compliance with the directives governed by The Public Contracts Regulations 2015, United Kingdom Legislation, and OAT strategy and procedures.
     2. Source high quality goods, services and works using best practice procurement methods.
     3. Ensure OAT colleagues are fair, open, and transparent in the treatment of suppliers, acting impartially in relation to supplier selection, tender evaluation and contract award to ensure protection from claims of fraud, corruption and collusion.
     4. Ensure that when selecting any supplier, appropriate terms and conditions are utilised and they have the technical and professional ability to provide the goods, services or works.
     5. Ensure that goods, services, and works are procured that represent and achieve value for money and demonstrate good value for our customers and in a manner consistent with this policy.
     6. Embed social value considerations into procurement activity. Help generate benefits to society and the economy including local communities where procurement activity allows.
     7. Help promote environmental and sustainable options where appropriate and proportionate, during and after procurement activity.
     8. Continue to maximise the use of e-procurement in procurement and contract activities.

# Policy Statement

## Colleague Responsibilities

* 1. This policy provides the high-level framework for procurement activities and forms part of the OAT governance arrangements, in that it runs in parallel with the financial regulations and scheme of delegation. This policy relates to all colleagues within the Trust.
  2. Only colleagues with relevant signing authority are permitted to commit expenditure to third parties. All colleagues and those who are specifically engaged in procurement activities are required to familiarise themselves with the content of this policy and any other related documents, including procedures, strategy and delegations of authority and comply with them.
  3. All procurement activity planned with a contract value above the thresholds set under the European Public Contracts Directive must be conducted via the Procurement Team. For any above EU threshold procurement activity not conducted via the Procurement Team, prior approval must be sought from the relevant Executive Director and National Finance Director
  4. This policy sets out the importance to all colleagues, prior to undertaking any procurement process, of considering how any goods, services or works that are procured might improve economic, social, and environmental well-being.
  5. Colleagues should note that agreeing to commence an operating lease as part of the award of a contract (e.g., Multi-Function Devices, Mini-bus lease) requires the approval of the CEO under the current financial delegations using OAT’s ‘Legal Consent’ form in addition to the procurement requirements of this policy. Any additional period(s) of extension to the term of the original agreement require an updated form with the CEO’s updated approval.
  6. Colleagues should ensure that, where available, centrally procured OAT contracts and/or framework agreements are utilised. These contracts/frameworks have already been market tested and are compliant with EU and UK legislation, saving Academies time and providing a value-for-money solution.
  7. Colleagues should minimise the time and cost of procurement activity by using OAT current contracts and/or framework agreements or, in the absence of these, conduct value for money evaluations on procurement consortia framework agreements, collaborative framework agreements and partnerships that operate locally, sector wide or nationally, when available.
  8. Colleagues must ensure any contract entered which is more than 3 months in length is added to the Contracts Register which is administered by the Procurement Team. An electronic signed record must be sent to the Procurement Team. This record must include the contract annual value, commencement date, initial expiry date, maximum expiry date (including extensions), senior contract owner, Key Performance Indicators (KPI’s), Operational Contract Manager and any Social or Environmental considerations (See Contract Register Template - Non Central Contracts.xlsx (sharepoint.com) ).
  9. Members of the OAT Head Office Procurement Team can offer advice to help colleagues make use of Contracts or framework agreements in key category areas.
  10. In the absence of a suitable OAT Contract or Framework agreement, colleagues must strictly adhere to the Compliance Requirements set out in Appendix 1. Guidelines for producing a procurement business case are set out in Appendix 2.

## Procurement Team Responsibilities

* 1. Members of the Procurement Team (see Appendix 3) will collaborate with other registered providers and purchasing consortia where it is in the best interest of our customers, our community, and/or our business to do so.
  2. All procurement activity planned with a contract value above the thresholds set under the European Public Contracts Directive will be conducted via the Procurement Team. For any above EU threshold procurement activity not conducted via the Procurement Team, prior approval must be sought from the relevant Executive Director and National Finance Director.
  3. Head Office Procurement will keep electronic copies of the procurement contracts in the Contracts Register. These will only be made available to those who need to use them for the business of OAT, but otherwise kept confidential.

## Environmental, Social, Equality and Diversity Considerations

* 1. The specifications and evaluation criteria must reflect OAT’s corporate values and consider OAT’s environment policy.
  2. All procurement exercises above the EU Threshold (currently £177,897 for Supplies and Services and £4,447,447 for Works) will evaluate each bidders’ environmental sustainability. Each applicable procurement exercise will ask the bidder to confirm and attach their current Environmental Policy and provide information regarding their current Carbon emissions.
  3. Colleagues must ensure that small and medium enterprises (SMEs) and third sector organisations within the local business community are encouraged to do business with OAT.
  4. Colleagues must ensure that all procurement activities consider OAT equality and diversity policy and is sensitive to cultural differences.
  5. Colleagues must ensure all procurement activity considers social impact and OAT’s social values.

## Transparency

* 1. All contractual relationships must be documented in writing and be based on OAT standard terms and conditions. Where this is not possible, advice must be sought from the Procurement Team in the first instance. An electronic copy of all resulting contracts must be passed to the Procurement Team using the template available at Contract Register Template - Non Central Contracts.xlsx. This information must be centrally retained by the Procurement Team for audit purposes.
  2. OAT colleagues must not endorse any products or services. Individual requests received for endorsement must be referred to the Procurement Team in the first instance.
  3. Conflicts of interest can arise through outside activities, relationships or other engagements that might adversely affect a colleague’s or contractor’s objectivity, transparency, or credibility. Colleagues are required to declare any conflict of interest to the Procurement Team and the Head of Governance prior to undertaking any procurement activity. Failure to do so may result in disciplinary action. Please refer to the OAT Business & Pecuniary Interests policy.

## Contract Management

* 1. Colleagues executing a contract must ensure arrangements are in place to manage its delivery including specific performance measures. Where possible, these will be referenced in the tender documents or the resulting contract. Failure to measure performance will affect the effectiveness of the contract and potentially impact our ability to apply performance clauses written into the contract should they need to be activated.
  2. Only contracts which specifically state an extension is available may be extended. Any contract which does not include an agreed extension period must be completed in accordance with the terms and the requirement put out to market for competition. To extend a contract where it is not written into the contract is construed as a Direct Award Contract under EU rules and can lead to legal challenges (see section 8 of this policy).
  3. Colleagues must ensure any contract entered which is more than 3 months in length is added to the Contracts Register. An electronic signed record must be sent to the Procurement Team. This record must include the contract annual value, commencement date, initial expiry date, maximum expiry date (including extensions), senior contract owner, Key Performance Indicators (KPI’s), Operational Contract Manager and any Social or Environmental considerations (See Contract Register Template - Non Central Contracts.xlsx (sharepoint.com) ).

## Direct Award Contracts (DACs)

* 1. Direct Award Contracts (otherwise known as Single Tender Actions – STA’s or ‘sole sources of supply’) are where only one company/individual is *capable of providing* particular goods, services or works requirements.

Whilst a competitive process is more likely to achieve better value for money (VFM), there are legitimate and compliant scenarios in which only one supplier can provide the goods, services or works required, however, the requester must be satisfied that the direct award is justified, will achieve value for money and will not result in OAT artificially narrowing the parameters of the procurement or becoming overly reliant on the supplier.

A Direct Award or single source process may be justified in a few specific situations:

* + 1. 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. Please note: this clause cannot be used to justify a disproportionate addition to the value of the works completed originally i.e., the additional cost of the works required cannot be more than 50% of the original value of the works, in keeping with procurement best practice.
    2. Exclusive rights - the good, service or work 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.
    3. 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 Awarding Authority.
    4. Exceptional VFM can be demonstrated by benchmarking cost.
    5. There's a serious health & safety, safeguarding or some other overriding public interest concern.
    6. Where use of a framework agreement permits direct-award.
    7. Competition is absent for technical reasons and no reasonable alternative or substitute exists e.g. because there is only one supplier with the requisite expertise.
  1. The following are example categories of contracts awarded on the basis of an exclusive right which are exempt from this policy. They do not normally require the generation of a Direct Award business case. These examples tend to feature incomparable sources which are transacted on a direct ‘business-to-business’ payment basis outside of the purchase order/invoicing process/system:
     1. The acquisition or rental, by whatever financial means, of land or buildings (Please note this does not include any Works contracts).
     2. Employment contracts.
     3. public contracts between public sector entities, which satisfy a range of conditions.
     4. Criminal record checks.
     5. Professional body memberships.
     6. Local Authority (Council) payments.
     7. Subscriptions to journals.
     8. TV licensing.
     9. Unique work of art or artistic performance.
     10. Training Courses (individual only).
     11. LGPS fund payments.
  2. Use of a Direct Award Process for expenditure >£5k requires a specific approval process using a Direct-Award Business Case. Further details of this process is contained in Appendix 2 (points 2 – 5).

## Performance Measures

* 1. The Procurement Team will provide EU and other annual statistical returns to the UK Government Departments.
  2. Reports on procurement activity, value added and progress against the prioritised tender programme will be provided to the Executive Team and to the Finance & Capital Committee on a termly basis or as often as they require.
  3. Procurement will provide reports as required on cashable and non-cashable savings. In addition, any added value benefits or efficiencies will also be highlighted.
  4. Academies will from time to time be asked to provide statistical data on procurement activity to help respond to regulator body questions and/or support new centrally procured projects.

## Education & Communication

* 1. The Procurement policy will be updated in line with OAT's internal policy schedule and/or updated when new legislation comes into force and promoted via the [Procurement Webpage](https://ormistonacademiestrust.sharepoint.com/sites/procurement).
  2. This site contains high level corporate information as well as useful guidance regarding contract management, procurement procedures, routes to market and a range of templates to assist OAT colleagues with the procurement process.

## Monitor & Review

* 1. This policy will be monitored by the OAT Executive Board and reviewed in line with OAT's internal policy schedule and/or updated when new legislation comes into force. As part of the internal audit work undertaken each year, spot checks will be carried out to ensure that the correct process, in line with this policy, is being followed.
  2. This policy will be updated from time to time to reflect legislation, market, and business changes. Feedback from colleagues and stakeholders will form part of the review process and will influence the development and content of this policy.
  3. The National Finance Director –will be responsible for colleague awareness of this policy and ensuring that its objectives are met. In addition, all Executive Directors will ensure that their teams comply with this policy.

## Associated documents policies and procedures

* 1. The Public Contracts Regulations 2015
  2. OJEU (Official Journal of the European Union)
  3. General Data Protection Regulation 2016 and Data Protection Act 2018
  4. Bribery Act 2010
  5. Equality Act 2010
  6. The Social Value Act 2012
  7. Staff code of conduct
  8. Gifts and hospitality policy
  9. eSafety and eSecurity policy
  10. Data protection and freedom of information policy
  11. Modern slavery statement
  12. Annual declaration of interest form
  13. Business & pecuniary interests policy
  14. Financial scheme of delegation
  15. OAT Environmental Policy
  16. OAT Safeguarding Policy
  17. OAT Leasing Policy

## Appendix 1

### Colleague compliance requirements

Total Contract Value (TCV) is the total estimated expenditure (net of VAT) for the entire term of the contract including any extension periods and the net of any forecast credits or revenue received e.g. profit sharing arrangements, if applicable.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Level** | **Contract Value & Authority1** | **Feasibility Case2 required?** | **Pre-Procurement Approval Required?** | **Quotations/ Tenders Required?** | **Pre-Award Approval of a Procurement Business Case3 /Award Report Required?** |
| 1 | **Up to £5,000**  Academies: Academy Finance Lead/Director (or equivalent)  Head Office: Budget holder and Finance Manager | No, colleagues with relevant signing authority must be satisfied those purchases represent good VFM and that a contract is not already in place. | No | Best value principles must be applied even to current suppliers. No requirement for written quotes unless there is good reason to request a quote from the wider market. | No |
| 2 | **£5,000 to £10,000**  Academies: Principal, Academy Finance Lead/Director (or equivalent)  Head Office: Budget holder and Finance Manager | No, colleagues with relevant signing authority must be satisfied that those purchases represent good VFM and that a contract is not already in place | No | Evidence of an invitation to quote to a minimum of 3 suppliers. | No, unless the exception referenced is triggered (see Appendix 2, point 2) in which case a Business Case with appropriate justifications requires approval by colleagues with the relevant signing authority to confirm VFM. |
| 3 | **£10,000 to £50,000**  Academies: Principal, Academy Finance Lead/Director (or equivalent) and OAT Head of Academies Finance.  Head Office: Applicable OAT National Director | No, colleagues with relevant signing authority must be satisfied that those purchases represent good VFM and that a contract is not already in place.  HO Procurement team advice is available on request. | No | Evidence of an invitation to quote to a minimum of 3 suppliers. | Yes, a Procurement Business Case derived from the responses received from the invitation to quote and approved by colleagues with  the relevant signing authority to confirm VFM |
| 4 | **£50,000 to EU Threshold**  (Currently £177,897 for Supplies & Services and £4,447,447 for Works)  Academies: Principal, Finance Lead/Director (or equivalent) & the applicable OAT Head of Academies Finance & National Director.  Head Office: Applicable OAT National Director | Yes, if the requirements are potentially novel, repercussive and/or contentious4.  If the Invitation to Tender (ITT) requirements cannot be met, see Appendix 2, point 4.  HO Procurement Team advice must be sought before proceeding with the procurement or finalising the Feasibility Case (if required).  The relevant signing authorities must be satisfied the envisaged procurement is justified and that an appropriate contract is not already in place. | Yes, if the requirements are potentially novel, repercussive and/or contentious4 before the Invitation to Tender (ITT) is issued, if applicable. | Invitation to tender (ITT) to a minimum of 4 suppliers. | Yes, a Procurement Business Case derived from responses received from the invitation to tender (ITT) and approved by colleagues with the relevant signing authority to confirm VFM. |
| 5 | **EU Threshold and above**  (Currently £177,897 for Supplies & Services and £4,447,447 for Works)  Academies and Head Office: Applicable OAT National Director (for pre-procurement approval, if required) OAT Executive, Finance and Capital Committee (Award Report) | Yes, if the requirements are potentially novel, repercussive and/or contentious4.  If the Invitation to Tender (ITT) requirements cannot be met, see Appendix 2, point 5.  HO Procurement Team advice must be sought before proceeding with the procurement or finalising the Feasibility Case (if required).  The relevant signing authorities must be satisfied the envisaged procurement is justified and that an appropriate contract is not already in place. | Yes, if the requirements are potentially novel, repercussive and/or contentious4 before the Invitation to Tender (ITT) is issued, if applicable. | EU Procurement Rules / The Public Contracts Regulations 2015 apply | Yes, the Award Report created by the OAT Procurement Team and submitted for the approval of the OAT Executive and OAT Finance and Capital Committee (subset of OAT Trustees). |

1 Contract value is established using the full contract term including extension periods. Authority denotes the approval required at the Academy and/or Head Office level, as applicable.

2 See the Feasibility Case Template information and hyperlink in Appendix 2

3 Required by exception at the £5,000 to £10,000 level and mandatory at the £10,000 to £50,000 and £50,000 to EU Threshold levels. See the Procurement Business Case Template information and hyperlink in Appendix 2

4 Novel transactions are those of which the Academy Trust has no experience or are outside its range of normal business. Contentious transactions are those that might cause criticism of the Trust by Parliament, the public or the media. Repercussive transactions are those likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications.

## Appendix 2

### Feasibility Cases and Procurement Business Cases

1. The purpose of the feasibility case is to demonstrate the overarching need and viability of a proposed £50k plus procurement **if the requirements are potentially novel, repercussive and/or contentious (see definition below)** whether or not competition is possible e.g. outsourcing a requirement that was previously done in-house or using public money for something which could be considered by some to be beneficial, but high risk from a public perception viewpoint. The creation, review and approval of the Feasibility case must happen ***prior to the commencement*** of any associated procurement activities.

**Novel** transactions are those of which the Academy Trust has no experience or are outside its range of normal business. **Contentious** transactions are those that might cause criticism of the Trust by Parliament, the public or the media. **Repercussive** transactions are those likely to cause pressure on other Trusts to take a similar approach and hence have wider financial implications.

The Feasibility Case, when required, will be typically based on commercial estimates from market research or benchmarking activity and should clearly identify and manage any associated risks by ensuring that all relevant issues have been satisfactorily considered.

If the required Feasibility Case is approved, the next stage in the procurement process can commence, in keeping with compliance requirements. Once the procurement process has concluded ***actual*** commercial and contractual information derived from the procurement process is used to revise and enhance the current Feasibility Case into an appropriate Procurement Business case or Direct Award Contract (DAC) Business Case; demonstrating the benefits and satisfactorily mitigating the risks identified in the Feasibility Case, with a clear recommendation for the review and approval of the designated approvers.

If the relevant Direct Award/Procurement Business Case is approved, the requester can only now proceed to enter into a contract with the successful bidder and raise any subsequent Purchase Orders associated with the Contract.

Feasibility/Business cases should use the templates available in the ‘Business/Feasibility Case Templates’ section of the ‘Template’ area in the Procurement Webpage - see [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) - or Contact the [Procurement Team](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/About-Us.aspx).

1. **Expenditure outside of an established contract between £5k and £10k**: Business cases need only be provided if competition is not possible e.g. a Direct Award Contract (DAC) is justifiably required (see the Direct Award Business Case Template in the [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) section of the Procurement home page) . In the event of the Direct Award Contract being sought, the related *Academy* Direct Award Business Case requires approval by: (1) Academy Finance Lead/Director (or equivalent), (2) Principal, (3) Procurement Team and (4) OAT Head of Academies Finance/Finance Director Operations.   
   A *Head Office* Direct Award Business Case requires approval by: (1) Functional Budget Holder and (2) Procurement Team.

NB: a summary of DAC requests will be maintained by the Commercial Procurement Team and termly monitoring will be carried out by the Executive.

1. **Expenditure outside of an established contract between £10k and £50k:** A ***mandatory*** business case is required whether or not competition is possible. In the event of the Direct Award Contract (DAC) being sought, the related *Academy* Direct Award Business Case requires approval by: (1) Academy Finance Lead/Director (or equivalent), (2) Principal, (3) Procurement Team and (4) OAT Head of Academies Finance/Finance Director Operations.   
   A *Head Office* Direct Award Business Case requires approval by: (1) Functional Budget Holder, (2) Procurement Team and (3) OAT National Director (if different to approver '1').   
     
   NB: a summary of DACs will be maintained by the Commercial Procurement Team and termly monitoring will be carried out by the Executive.
2. **Expenditure over £50k but less than the EU Threshold (currently £177,897 for Supplies and Services and £4,447,447 for Works)**

If an Invitation To Tender (ITT) is viable, procurement team advice must be sought at least six months in advance of the envisaged commencement of the associated Contract to assist planning. An initial feasibility case (see the Feasibility Case Template in the [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) section of the Procurement home page) will be required if the requirements are potentially novel, repercussive and/or contentious before the tender exercise can commence (see the definition in no 1 above).

After the tender exercise has concluded, a Procurement Business Case (conveying tendered outcomes and a suggested recommendation for award which demonstrates VFM), is required. For *Academy* requests, the procurement business case needs approval by (1) Academy Finance Lead/Director (or equivalent), (2) Principal, (3) OAT Head of Academies Finance/Finance Director Operations and (4) OAT National Director of Finance.

For *Head Office* requests the procurement business case approval needs approval by (1) OAT Budget Holder/Head of Section and (2) OAT CFO (or if the CFO is involved in the process, the CEO). These procurement business case approvals allows the requester to proceed with the award of the contract – see ‘Business Case Template – Procurement’ in the [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) section of the Procurement home page.

If an ITT is not viable e.g. a Direct Award Contract (DAC) is justifiably required, the requester must produce a Direct Award Business Case to explain the justification for not following the usual ITT process (see the Direct Award Business Case Template in the [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) section of the Procurement home page). For *Academy* requests, this Direct Award Business Case requires approved by (1) Academy Finance Lead/Director (or equivalent), (2) Principal, (3) Procurement Team, (4) OAT Head of Academies Finance/Finance Director Operations and (5) OAT National Director of Finance prior to entering any potential contract.

For *Head Office* requests, the Direct Award Business Case needs approval by (1) OAT Functional Budget Holder/Head of Section and (2) Procurement Team and (3) OAT National Director (if different to approver '1') (4) OAT CFO (or if CFO involved in the process, CEO) NB: a summary of DACs will be maintained by the Commercial Procurement Team and termly monitoring will be carried out by the Executive.

1. **Expenditure at or above the EU Threshold** (currently £177,897 for Supplies and Services and £4,447,447 for Works)

If an Invitation To Tender (ITT) is viable, procurement team advice must be sought at least one year in advance of the envisaged commencement of the associated Contract to assist planning. An initial feasibility case will be required if the requirements are potentially novel, repercussive and/or contentious (see definition above) ***before the tender exercise can commence****.* The procurement team will normally issue the invitation to tender (ITT) associated with this level of expenditure.

After the tender exercise has concluded, the procurement team will normally create an Award Report for the approval of the OAT Executive and OAT Finance and Capital Committee (subset of OAT Trustees).

If an ITT is not viable e.g. a Direct Award Contract (DAC) is justifiably required, the requester must produce a Direct Award Business Case to explain the justification for not following the usual ITT process (see the Direct Award Business Case Template in the [Templates](https://ormistonacademiestrust.sharepoint.com/sites/procurement/SitePages/Templates.aspx) section of the Procurement home page).

For *Academy* requests, this Direct Award Business Case requires approved by (1) Academy Finance Lead/Director (or equivalent), (2) Principal, (3) Procurement Team, (4) OAT Head of Academies Finance/Finance Director Operations and (5) OAT National Director of Finance ***prior to entering any potential contract****.*

For *Head Office* requests, the Direct Award Business Case needs approval by (1) OAT Functional Budget Holder/Head of Section, (2) Procurement Team, (3) OAT CFO (or if CFO involved in the process, CEO) and (4) Finance & Capital Committee (Trustee subset).

NB: a summary of DACs will be maintained by the Commercial Procurement Team and termly monitoring will be carried out by the Executive.

## Appendix 3

### The OAT Procurement Team

Advice and guidance are available on request for procurements over £10k estimated total contract value where an existing OAT contract needs to be considered and/or an invitation to quote from a minimum of 3 Suppliers is required.

For procurements over £50k estimated total contract value the HO Procurement Team must be contacted for guidance on:

* any applicable feasibility cases or tender award reports,
* Advice, planning and scheduling of the procurement process.
* Contract Terms & Conditions and
* Ongoing contract management and Supplier relationship management

|  |  |  |
| --- | --- | --- |
| **Procurement Team contact** | | |
| Trevor Armstrong | [trevor.armstrong@ormistonacademies.co.uk](https://ormistonacademiestrust.sharepoint.com/sites/OATEstatesandTechnology2/Shared%20Documents/Procurement/Procurement%20Website/Source%20Info/RFQ%20etc%20templates/Business%20Case%20Template%20-%20no%20deviation%20from%20Procurement%20Policy%20v1.docx) | Commercial Procurement Manager |
| Sheona Grant | sheona.grant@ormistonacademies.co.uk | Regional Commercial Procurement Manager |

## Appendix 4

### Contract Signatories

Most OAT Contracts which have been formally tendered, do not require a physical signature on a Contract, but rather the formal Trust confirmation of the Contract/Framework Award, for a legally binding Contract or Framework to be formed.

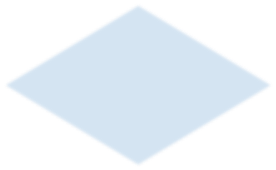
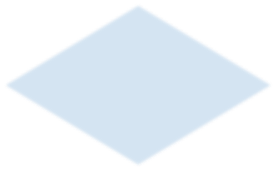
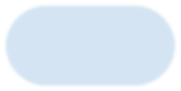
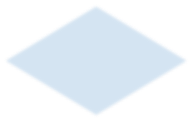
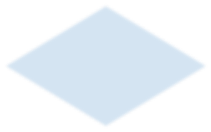
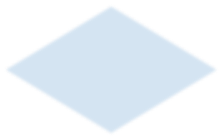
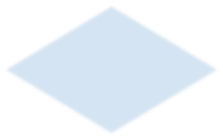
If, however, a physical signature is needed to initiate the forming of a Contract, Framework or Leasing Agreement on behalf of the Trust, the following shall apply:

|  |  |  |
| --- | --- | --- |
| **Award Type** | **Expenditure Level** | **Required Signatory** |
| Framework | Up to £10,000 | Academy Finance Lead/Director (or equivalent) |
| Framework | £10,000 to £50,000 | Head of Finance or OAT Head of Academies Finance |
| Framework | £50,000 to EU Threshold (currently  £177,897 for Supplies and Services and £4,447,447 for Works) | National Director of Finance |
| Framework | >EU Threshold (currently £177,897 for Supplies and Services and  £4,447,447 for Works) and over | OAT CEO/Trustee |
| Contract | Up to £10,000 | Academy Finance Lead/Director (or equivalent) |
| Contract | £10,000 to £50,000 | Head of Finance or OAT Head of Academies Finance |
| Contract | £50,000 to EU Threshold (currently  £177,897 for Supplies and Services and £4,447,447 for Works) | National Director of Finance |
| Contract | >EU Threshold (currently £177,897 for Supplies and Services and  £4,447,447 for Works) and over | OAT CEO/Trustee |
| All Leasing Agreements/Contracts | Any value | OAT CEO |



## Appendix 5

### Procurement decision flowchart



***Existing Procurement Route?***

**Follow the Purchase**

**Order process**

**Up to £5k**

**>£5k and <£10k**

**>£10k and <£50k**

**>£50k and <£EU**

**>£EU**

***Contract Value (£)***

***Over the life of***

***Life of the Contract***

**Multiple Sources of**

**Supply?**

***Sources?***

**Yes**

**No**

**Unsuccessful – Repeat or consider DAC/JDAC\***

**Follow Quotation/Tender Process in Appendix 1 of the Procurement Policy**

**Rejected**

**Draft a Business Case**

**using a Direct Award**

**Contract**

**(DAC) Justification**

**Approved**

***Procurement Process***

**Successful**

**What is the total value of the requirement over its life (Net of VAT)?**

**Follow the Framework Process (direct award or mini-**

**comp)**

**Follow the Contract**

**Ordering Process**

**No**

**Yes, an OAT or other**

**public sector Framework**

**Yes, an OAT Contract**

**Follow the Purchase Order process**

**Follow the Purchase**

**Order process**

**Follow the Contract Award, Implementation and Ordering process specified within the Contract**

**End**

**End**

**End**

\*A Justified Direct Award Contract (JDAC) is when a Direct Award contract for a specific requirement with a supplier of choice is permitted when an above EU threshold tender for the same specific requirement has not resulted in any suitable bids. Whilst this is an option specifically reserved for above EU threshold procurements, good practice would suggest that the same logic can apply to lower levels of expenditure which have been made widely available through a tendering process.

Procurement policy