

St. Brigid's School

DENBIGHSHIRE SCHOOLS  
PURCHASING RULES

## FOREWORD

These purchasing rules have been produced to provide advice and guidance to assist schools in becoming more informed purchasers of goods and services. These rules also aim to:

- Protect you, the governors and staff of the school, when you make decisions on buying goods and services;
- Ensure that you, the governors and staff of the school, can demonstrate that you have obtained value for money when buying goods and services and that you have done so in a clear and open manner, using absolute probity in spending public money; and
- Demonstrate that Denbighshire County Council has the proper protection and controls in place for making sure schools provide value for money when buying goods and services and that Head Teachers and Governors must follow these rules when considering entering into contracts and placing orders.

There is also some specific guidance on what should be included in a contract and it also covers the operational aspects of a contract throughout its lifespan.

The Welsh Government has far reaching plans to reduce waste, protect the natural environment, tackle climate change, reduce carbon emissions and promote sustainability. Procuring goods and services has a key role to play in this plan, and just as schools encourage pupils to respect their environment, a governing body similarly has a role to ensure sustainability is reflected in their school ethos and day to day operations.

The procurement activity the school carries out may also bring opportunities for 'Community Benefits' for local communities and these rules encourage this consideration.

The Council lets corporate contracts, covering a wide range of common goods and services, which are available for schools to use. All schools are encouraged to make best use of these arrangements as they generally offer good value and obviate the need to conduct time consuming and costly tender exercises. The Council's Strategic Procurement Unit is a dedicated resource and schools have access to this additional procurement advice from this team. Useful contact details are set out in Appendix C.

We hope that Head Teachers and Governors will welcome this document and adopt it; in order to develop and improve purchasing performance within their school. If you are in any doubt about keeping to these procedures please contact your School Business Manager or the Strategic Procurement Unit.

We are grateful to the Working Group consisting of School Business Managers from Ysgol Tir Morfa Rhyl; the Ruthin and Prestatyn School Clusters; and Denbighshire County Council legal and procurement officers for developing this streamlined user friendly document.

Karen Evans, Head of Education & Inclusion .....

Jackie Walley, Head of Customers and Education Support .....

Paul McGrady, Head of Finance and Assets



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## General

- These Purchasing Rules apply to all contracts with other organisations for the supply of goods and services using money from budgets delegated to a school. The rules comply with legal obligations to conduct procurement in accordance with the Public Contract Regulations 2006 and relevant legislation, but also take into consideration devolved government policy and best practice.
- Head Teachers and school leaders, school business managers, bursars, back office staff and governing bodies in all schools should familiarise themselves with these rules.
- A copy of these Purchasing Rules should be made accessible to the public and to suppliers by placing them on the Schools website, if available.
- Denbighshire County Council shall continually review these Schools Purchasing Rules and shall undertake a formal review every five years.

## Definitions and terminology

- ‘Community Benefits’ means considering any wider social or economic issues that could be taken into account when conducting any procurement activity, such as opening up opportunities for SMEs, ensuring fair conditions exist in the supply chain, promotion and training for economically inactive people, contributing to the local community in terms of education initiatives or community engagement.
- ‘Contract’ is a legally binding agreement between two or more legal persons (e.g. a company or a sole trader)
- ‘Central Contract Register’ means a register with a list of all contractual arrangements that the school enters into and kept for six years from the date the contract ends.
- ‘OJEU’ means the Official Journal of the European Union.
- ‘Pecuniary Interest’ is where a member of staff or governor has an interest in a person or business that could benefit from a procurement process.
- ‘Quotation’ means a written offer for supply without needing to use the formal procedures of tendering.
- ‘PCR 2006’ means the Public Contract Regulations 2006.
- ‘PSSVA 2012’ means the Public Sector Social Value Act 2012.

- ‘Responsible Officer’ means any person properly authorised to carry out any purchasing activity on behalf of the school in accordance with the Scheme of Delegation.
- ‘SLA’ means Service Level Agreement.
- ‘Scheme of Delegation’ means the formal delegated authority to act in a particular way given to individual school governors or sub-committees, school staff or council officers by the Governing Body.
- ‘Supply’ includes buying, leasing, hiring or any form of credit arrangement.
- ‘Suppliers’ includes unincorporated associations, organisations, partnerships, limited companies, limited liability partnerships or sole traders providing the works, goods or services.
- ‘Tendering’ means a formal procedure for getting written offers (tenders) for supply.
- ‘Value’ means the actual or estimated value of a contract.
- ‘Works’ means building, construction, repair, renovation, improvement works to buildings.
- ‘You’ includes ‘yours’ and is defined as the Governing Body.

### **Governing Body and School Staff Duties**

- Under Denbighshire County Council’s Fair Funding Scheme of Delegation and the Schools Finance Manual, the Governing Body of the school is responsible for procurement and subsequent contracts covered by these Purchasing Rules. Unless the Council has stated otherwise, the Governing Body may delegate its responsibilities to committees, the Head Teacher or other school staff. As such, when these Purchasing Rules refer to ‘you’ it includes those committees and staff to whom you have delegated any of your responsibilities.
- To help you prepare a Scheme of Delegation, guidance on which areas you could delegate are available from your School Business Manager. You must review the Scheme regularly to make sure that the delegations are still appropriate to the needs of the school.
- While the Governing Body will make decisions about contractual matters, putting these into practice such as placing orders or seeking tenders, will be responsibility of the Head Teacher or members of school staff authorised by you in your Scheme of Delegation.

- Every purchase that is made by the school must comply with these Rules and you will see that the purchasing will fall into the obligation to seek a quote or to conduct a tender, depending on the value of the service or goods being bought. In some circumstances even if a matter is below the tender threshold, you can still follow a tender exercise if you wish and the circumstances are proportionate to the work involved. A failure to follow these rules may result in disciplinary action being taken.
- Where the Council has in place a Corporate Purchasing Agreement, or on the advice of the Council's Procurement Unit, a valid Framework Agreement or Approved List is in place, the Responsible Officer shall consider whether to access these, as opposed to seeking quotes or tenders. The obligation to pay VAT if the School does not purchase via the Council will also have a bearing on the proposed procurement route.
- Schools, as public bodies, are required to comply with the EU Directive on procurement therefore in following these rules you are more likely to be compliant with the law. Any specific advice on this area can be obtained from the Council's Strategic Procurement Unit.
- School staff, Council officers and the Governing Body members shall always:
  - a) seek value for money
  - b) show no undue favour to any contractor, nor discriminate against any contractor;
  - c) ensure that all procurement is in accordance with the highest standards of propriety and proper practice,
  - d) do nothing that contravenes EU or domestic law.
  - e) not accept from contractors or potential contractors any gifts or hospitality unless this has been approved by the Governing Body.
  - f) comply with the Declaration of Interests paragraph 2 of these Schools Purchasing Rules.

## **1. Legal Requirements**

- 1.1** Every contract the school makes must comply with:
- a) all relevant statutory or other legal requirements which in the case of procurement includes European Community law;
  - b) these Purchasing Rules for Schools;
  - c) the Denbighshire County Council scheme on delegated budgets;
  - d) your school's own Scheme of Delegation.

- 1.2** All schools are required to advertise on the Sell2Wales website (which will automatically place the advert in the Official Journal of the European Union) where the predetermined value of the contract is £172,514 (between 1<sup>st</sup> January 2014 and 31<sup>st</sup> December 2016). These Schools Purchasing Rules go further than this requirement, and require your school to channel any single procurement activity over £25,001 via the Council's Strategic Procurement Unit in accordance with paragraph 8 of these Rules where the Council's own contract procedure rules will be followed in relation to tender opening, evaluation and feedback to suppliers will be followed in order to ensure the Governing Body comply with procurement legislation.
- 1.3** You must have written evidence of every contract, which should be retained for 6 years under retention guidelines.
- 1.4** In legal terms, a contract can arise from a spoken arrangement just as much as from a written document. For contracts made across the counter and paid for at the time, for example buying items using petty cash or a school credit card, the written evidence will normally be the trader's or till receipt.
- 1.5** The decision to seek more than one quote will depend on the value of the goods or services. In this regard all schools shall follow paragraphs 6, 7 or 8 depending on value.

## **2. Declarations of Interest**

- 2.1** No member of the Governing Body, school staff or council officer shall improperly use their position to obtain any personal benefit from any contract entered into.
- 2.2** The following shall declare any interests which may affect the procurement or contract process:

  - a) All individuals who play an influential role in any aspect of the procurement process, even if this falls within the Schools Scheme of Delegation.
  - b) External contractors

- 2.3** This interest shall be declared to the Governing Body at its next meeting, or in urgent circumstances the Chair of the Governing Body who shall decide on whether the personal interest requires steps to be put in place to limit or exclude the individuals' role in the procurement.
- 2.4** The Governing Body shall keep a register of declarations indicating the name of the individual making the declaration and the nature of the interest and the Governing Body's decision on that individual's involvement in the process.

### **3. Joint or Consortium Purchasing**

- 3.1** Where schools are purchasing together i.e. 'collaborative purchasing', whether in localised clusters or otherwise, in order to utilise economies of scale and obtain efficiencies; the value of the goods or services being procured shall be the total price of all the schools within the group over the life of the contract. This should be calculated by multiplying the total annual value x the length of the contract; if you are in doubt you must contact the Corporate Procurement Unit.

### **4. Exemptions from getting quotations or tenders**

- 4.1** Exemptions are where paragraphs 6, 7 and 8 of these Schools Purchasing Rules do not apply to certain contracts and the requirement to seek market competition is suspended provided a justification can be demonstrated in accordance with 4.4. The duty to obtain value for money will, however, always remain.
- 4.2** Where an exemption from seeking quotes or tenders is sought by the Responsible Officer the Exemption Form at Appendix A shall be taken to a Governing Body meeting for approval and appropriately recorded before any contract is entered into, subject to 4.3
- 4.3** Where it is not possible, for extreme reasons such as emergencies, to wait for the full Governing Body meeting, an Exemption can be granted by the Chair of Governors and in their absence the Vice Chair, who shall consider and sign off the Exemption Form. The decision shall be reported to the Governing Body at its next meeting. If due to the urgency and neither the

Chair or Vice Chair are available, the Head Teacher may grant the exemption.

**4.4** In order to justify an exemption the completed Exemption Form will need to demonstrate that one or more of the following reasons applies:

- a) Extreme urgency brought about by events unforeseeable by the School which may involve danger to life or health or serious damage to property, if the goods, work or services are needed more urgently than would be possible if the tender or quotation procedure were followed.
- b) Additional works or services or goods are required which do not exceed 50% of the value of the original contract, and are required but which due to unforeseen circumstances, were not included in the original contract and are strictly necessary for the completion of the contract; or for technical or economic reasons, cannot be carried out separately.
- c) New works or services which constitute a repetition of existing works or services are required which were carried out under the original contract and the date of award of that original contract is within 3 years and the original advert stated that a new contract may be awarded by negotiation.
- d) The goods required are a partial replacement or addition to existing goods or installations and obtaining them from another contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance.
- e) For the purchase of supplies on particularly advantageous terms from a supplier which is winding up its business activities, or from the receivers/liquidators/administrators of an insolvent company/bankrupt individual; an arrangement with creditors or a similar procedure.
- f) The engagement of actors or performers.
- g) The delay in conducting a quotation or tendering process would create or increase danger to life or limb.
- h) The works/goods/services can be provided only by a particular contractor for reasons that are technical, artistic, or connected with the protection of exclusive rights.

## **5. Procurement Planning**

- 5.1** Before commencing the procurement, the Responsible Officer shall estimate and record the total monetary value of a proposed contract, over the full duration of the contract, net of VAT.
- 5.2** Where the total contract price is not stipulated, the contract value shall be estimated as follows:
- a) Fixed term service contracts of up to 48 months: total cost over the term.
  - b) Service contracts or contracts for hire of goods, for an indefinite, uncertain or fixed term of more than 48 months: the monthly cost multiplied by 48.
- 5.3** A contract cannot be artificially divided into two or more separate contracts, nor a valuation method selected with the intention of avoiding these Schools Purchasing Rules. Contracts shall be packaged to ensure best service delivery, competition and value for money.
- 5.4** If the goods or services to be provided by lease or hire, the value of the contract is the capitalised value of the goods or services provided i.e. the amount you pay each month over the total number of years of the contract.
- 5.5** If the Responsible Officer makes pre tender enquiries, no information shall be disclosed to one contractor which is not disclosed to all others; no contractor shall be led to believe that the information they offer or their bid will lead to them being invited to tender or quote, or awarded any contract. A written record of all discussions with contractors shall be kept by the Responsible Officer.
- 5.6** The Responsible Officer shall consider whether there are any TUPE or employment issues that may be triggered. Entering into new contractual arrangements or changing existing arrangements can give rise to TUPE implications. You must contact the Council's HR advisor to ensure that any relevant TUPE arrangements are in place before starting the procurement process. This will ensure that the correct information is included. At the end of a contract there is likely to be a further TUPE transfer therefore the contract should contain conditions to ensure that employee information is

made available in a timely fashion to the new provider, if they are successful.

- 5.7** The Responsible Officer shall consult with the Governing Body on the opportunity to achieve Community Benefits from a quotes or tendering exercise, in order to deliver a social, economic or environmental return on investment where this could realistically be achieved. Examples could be pupils in Post 16 units assisting landscape contractors on school grounds in order to gain work experience, providing adequate oversight is provided by the school and health and safety issues are met. Seek advice on obtaining 'Community Benefits' from the Council's Procurement Unit and consider how you can obtain 'added value' from your purchasing. Do not be afraid of being innovative or creative; contractors are often keen to raise their profile in the local community from such activities.

## **6. Quotations and Tendering**

### **Contracts valued at less than £10,000**

- 6.1** The Responsible Officer shall check whether a Corporate Purchasing Arrangement or, in the case of works, an Approved List, is in use for the particular purchasing need. If the Responsible Officer is however satisfied that better value for money can be achieved by quote or tender, in the case of Services or Goods, then there shall be no obligation to use the Corporate Purchasing Arrangement. In respect of 'Works', these shall be purchased via the Approved Lists.
- 6.2** Where practical, competition is required for contracts with an estimated value of less than £10,000. The Responsible Officer shall obtain a minimum of one request for quotation subject always to the obligation of seeking value for money at all times in accordance with the Governing Body and School Staff Duties set out on page 5 and 6.
- 6.3** The request for a quotation shall state that a 'Quote' is required and not an 'Estimate' and shall be made by written submission via the school email or on headed school paper.
- 6.4** The request shall state that all quotes shall be received in writing.

- 6.5 The Responsible Officer shall (unless the value of the purchase is disproportionate or impracticable) in the Request include a Specification and Terms and Conditions. The Responsible Officer should be very aware of accepting the Contractors own Terms and Conditions, which may contain onerous conditions for termination of the contract and in some cases are rolling contracts, which only allow a short time period per annum in which to terminate, resulting in the School being obliged to purchase from that provider for another year. Seek advice from the Council's Procurement Unit if you are unsure.
- 6.6 You must record in writing the results of the quotation evaluation process and the decision to award in accordance with the thresholds in paragraph 8.
- 6.7 The acceptance or recommendation which you make to the Governing Body to award a contract shall be subject to the evaluation criteria stated in the Request for Quotation. Your evaluation criteria should include the criteria description, the scoring mechanism and the weighting applied if applicable. Further guidance can be obtained from the Council's Procurement Unit.

## **7. Contracts valued between £10,001 and £25,000**

- 7.1 The Responsible Officer shall check whether a Corporate Purchasing Arrangement or, in the case of works, an Approved List, is in use for the particular purchasing need. If the Responsible Officer is, however, satisfied that better value for money can be achieved by quote or tender, in the case of Services or Goods, then there shall be no obligation to use the Corporate Purchasing Arrangement. In respect of 'Works', these shall be purchased via the Approved Lists.
- 7.2 The Request for Quotations or tender shall include a Specification, Pricing Schedule and Terms and Conditions.
- 7.3 The Responsible Officer shall invite, as a minimum, three requests for quotes; however, depending on the nature of the purchase, give consideration to conducting a full tender process, if proportionate and appropriate to contracts under £25,000

**7.4** The Responsible Officer shall open all quotations consecutively at the same time and where practical should ask the contractor to mark the correspondence (i.e. the email or envelope) that encloses their final quote as 'Final Quote'.

**7.5** In the event a full tender is conducted this will done via and with the support of the Council's Procurement Unit. The Council's Contract Procedure Rules where relevant (such as opening of tenders, evaluation, and feedback to suppliers) shall apply, but the final decision to award will still fall on the Governing Body, unless the Council is acting as Lead Contracting Authority on behalf of a cohort of schools or for all schools.

## **8. Contracts valued over £25,001**

**8.1** The Responsible Officer shall check whether a Corporate Purchasing Arrangement or, in the case of works, an Approved List, is in use for the particular purchasing need.

**8.2** All contracts valued over £25,001 shall be procured via and with the support of the Council's Corporate Procurement Unit via a full tender process and though the e-sourcing solution or via the Council's Approved List.

## **9. Request for Quotations / Tender Award Approvals**

**9.1** Once the relevant number of quotes or tenders have been received the Award Approval must be undertaken in the following manner:

- a) By the Head Teacher if the contract value is £5,000 and under.
- b) By the Governing Body, or a Finance Sub Committee of the Governing Body if the value of the contract is between £5,001 and £10,000.
- c) By the full Governing Body if the value of the contract is over £10,001.

## **10. Form of Contract**

**10.1** The standard default position is that your Terms and Conditions shall be used unless it is not reasonable or practicable to do so. Copies of the

Council's Standard Terms of Business can be obtained from the Corporate Procurement Unit.

**10.2** All contracts and financial records must be retained for a minimum of 6 years from the last date of the contract term.

**10.3** All Schools shall maintain a Central Contract Register which shall be available to the Council's Internal and External Auditors or Inspectors.

## **11. Operation of the Contract**

**11.1** All contractors shall be paid within 30 days of receipt of their invoice providing that this is not disputed.

**11.2** All purchases shall be processed via a Purchase Order via the 'Purchase to Pay' system. Failure to follow this process will result in a delay in processing the invoice.

**11.3** All contractors shall be subjected to regular contract performance reviews.

**11.4** Incidents of poor performance shall be first raised with the contractor in writing, or at a meeting where notes are taken and sent to the contractor. If poor performance persists, and the work has been commissioned via an approved list, the Responsible Officer, if not already notified them shall report the issues to the Council's relevant Design and Construction officer, to consider whether the contractor should be removed from the approved list.

**11.5** Early termination of a contract must be authorised by the Governing Body.

**11.6** Contract extensions or variations by up to 20% of the agreed cost can be approved by the Head Teacher if the original value was up to £5,000 or the Governing Body or sub - committee if over £5,000.

These Schools Purchasing Rules have been adopted by the Governing Body of

St. Brigid's School on the [insert date] .....

Signed: Chair of Governors.....

**Annex A**

**Exemption Form for Schools Use**

We, the Governing Body of St. Brigid’s School approve to exempt the need for a quotation or tendering process for the contract to

.....

The length of the contract is .....

The proposed supplier is .....

The estimated value of the contract is .....

Has this contract been waived before? Y / N

Description as to why the waiver is required

.....  
.....  
.....  
.....  
.....  
.....  
.....

Which Exemption in paragraph 4 of the Schools Purchasing Rules do you wish to rely upon? .....

How have the Governors ensured value for money?

.....  
.....  
.....

This Exemption was discussed at the governors meeting on

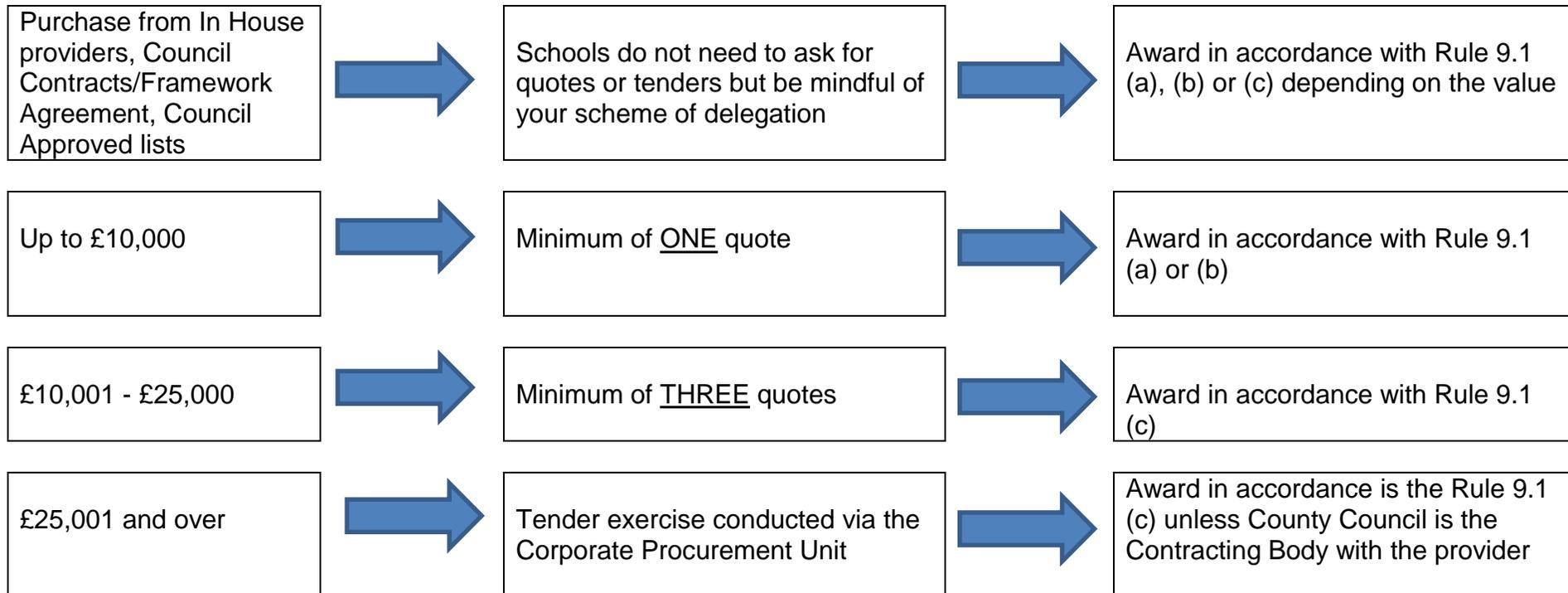
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Signed by Chair of Governors.....

Date.....

## Annex B

### FLOW CHART OF PROCUREMENT PROCESS



## **Annex C**

### **Useful contacts**

Strategic Procurement Unit tel no: 01824 712677

Email:

Legal and Democratic Services

Tel no: 01824 712577

Email: [legal@denbighshire.gov.uk](mailto:legal@denbighshire.gov.uk)

Education Planning and Support

Tel no: 01824 712633

Email: