



## Montessori St Nicholas Charity (MSN)

### Procurement Policy

Procurement is the purchase of works, assets, goods and services for the Charity according to a process that is open and transparent. The aim of this internal control system for the supplying of goods and services is to ensure orders are handled by individuals having skills in evaluating what purchases are required from suppliers offering the best deals, to ensure purchases made do not exceed the budget provided and to ensure purchased goods and services conform with the quantity and price specified in the order.

#### Objectives of this procurement policy

The key elements of the Charity's Procurement Policy are:

1. To maintain the highest ethical standards in procurement matters ie to minimise the risk of fraud
2. To ensure the correct goods or services are purchased, in terms of the correct quality and specification
  - To achieve best value for money
  - To reduce the paperwork so that the process is fast enough to meet programme needs
  - To ensure that grant conditions are complied with
  - To act fairly towards suppliers
  - To promote equality, diversity and sustainability throughout procurement matters.

#### Scope

For all purchase transactions, the following thresholds are applicable. When calculating the contract value, for a one-off purchase, the total cost of the good(s) or service(s) will provide the contract value. If the purchase is a recurring spend, the Charity will calculate the value over 4 years to establish the total contract value. The values quoted here exclude VAT.

**Up to £499:** to facilitate efficient administration, the budget holder or delegated person may obtain three informal quotes over the phone but these must be recorded and filed in the finance office.

**£500 – £4,999:** the budget holder has discretion but rules regarding preferred suppliers, consortia and value for money must always be met. **Three** email quotes should be obtained and a record kept on file in the finance office.

**£5,000 - £14,999:** the budget holder must obtain **three** written quotations. Brief details of quotations must be entered on file and lodged by the finance office for audit purposes.

**£15,000 and over:** the budget holder must obtain a minimum of **three** competitive written quotations, though **five** quotations are preferred if practicable. If the spend is likely to recur annually, advice should be sought from the Head of Operations.

This policy covers procurement activity at all of the Charity locations including the main office and all subsidiaries. It applies to all areas of activity – teaching and non-teaching.

## **Key Principles**

### **To Maintain the Highest Ethical Standards**

The Charity values its reputation for ethical behaviour and for financial probity and reliability and has a zero tolerance policy towards bribery.

Staff must not accept any gift, reward or hospitality from any organisation or individual with whom you have contact in the course of your work as an inducement either for doing something or not doing something in your official capacity.

In the event of a conflict of interest, which occurs if an employee has an interest in an organisation providing goods or services to the Charity, that interest must be declared in writing at the earliest possible opportunity and maintained in a Register of Interests held by the Head of Operations.

### **To Achieve Value for Money**

There are 2 main aspects that impact on value for money in terms of purchasing goods and/or services:

1. Product specification – quality and quantity.
2. Source of supply – right time, right place, right price.

If you are involved in the purchase of goods and/or services you must be clear on how to develop an output based specification for a product. This usually includes:

- Purpose of goods or services.
- Necessary characteristics (size, finish etc).
- Life span.
- Equality/accessibility issues.
- Reliability.
- Installation arrangements.
- Technical concurrence.
- Maintenance arrangements.

In order to ensure technical concurrence, only ICT authorised staff may place an order for hardware, software and associated products.

## **To Act Fairly Towards Suppliers**

MSN will try to ensure that small and medium sized enterprises (SMEs) have fair and equal access to contracts advertised by the Charity and standard processes to ensure consistency in order to provide a fair and open approach to tendering.

MSN will, where possible:

- Facilitate understanding of public sector procurement policy and legislation by relevant stakeholders.
- Ensure that the approach to individual contracts, including large contracts and framework agreements, is supported by a sound business case.
- Keep the tender process as simple as possible, but consistent with achieving value for money, to help minimise costs to suppliers.
- Offer meaningful feedback to suppliers on the evaluation of their proposal at the end of the tendering process.
- Publish guidance for the business community on tendering for opportunities.
- Support training for procurement staff to develop consistency in the use of best practice procurement.

The Charity aims to pay suppliers for goods and/or services within 30 days of receiving an invoice. To achieve this aim you are required to ensure related paperwork is processed promptly.

## **To promote Equality, Diversity and Sustainability**

The Charity has a statutory duty to outlaw disability, race and gender discrimination in all of its functions. We will ensure that the purchase of goods, services and facilities is undertaken in line with our equality and diversity commitments.

We will not use suppliers who do not share our values on equality of opportunity and diversity. In all cases the general equality duty requires staff and its contractors to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010.
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

## **Governance and Audit**

The Charity is responsible for establishing arrangements for ensuring the proper conduct of our affairs, including conformance to standards of good governance and accountability with regard to procurement.

This involves the Finance and General Purposes (F&GP) Committee in monitoring these arrangements and ensuring that its internal control systems are adequate and effective.

The F&GP Committee should set the degree of assurance it requires concerning the management of procurement risk, and any internal audit should plan its work accordingly. The external audit may review and report on standards of risk management and governance with regard to procurement in any contracting authority.

Reviewed and approved by F&GP 10.7.15

Approved at the Trustee Board meeting.....