

TITLE: Competitive Tendering Policy	REF: GOV041	VERSION: 1
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1. 26.03.19	Clerk/Policy Committee	New Policy

Competitive Tendering Policy

Our mission is “to deliver excellence in education and to transform lives through learning”, bringing to life our core values of empowerment, enterprise, connectedness and transformation. We work hard to ignite confidence, expand opportunities, energise the community and generate prosperity.

These values are further supported by [our learning philosophy](#), rooted in the dynamics between the brain, motivation and our emotions.

Policy Statement

This policy sets out expectations regarding risk management and ensuring value for money in the tendering process.

Procedures and Related Documents

This competitive tendering policy is linked to the following policies:

- GOV031 Accounting policy
- GOV030 Investment policy

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1. Aims

This policy aims to ensure that:

- The academy trust’s funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook
- The trust’s funds are used in a way that commands broad public support

- Value for money (economy, efficiency and effectiveness) is achieved
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

2. Legislation and guidance

The [Academies Financial Handbook](#) states that academy trusts are required to have a competitive tendering policy, and ensure that European Union (EU) procurement thresholds are observed.

This policy is based on the Academies Financial Handbook and [Department for Education \(DfE\) guidance on procurement](#).

This policy also complies with our funding agreement and articles of association.

3. Roles and responsibilities

3.1 Academy trustees

Academy trustees will ensure that:

- Spending decisions represent value for money
- The trust's funds are used in a way that commands broad public support
- Relevant professional advice (such as an external auditor) is used, where appropriate
- Goods or services provided by individuals or organisations connected to the trust are provided at no more than cost
- Nobody connected to the trust, directly or indirectly, uses their connection to the trust for personal gain
- Where any trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) show that they had no influence on the decision

3.2 Finance committee

Academy trustees delegate competitive tendering responsibilities to the finance committee.

The committee is responsible for reviewing the trust's tendering processes, and for reporting to trustees on tenders.

3.3 Head of Finance

The Head of Finance is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place
- Preparing and monitoring budgets
- Providing information to the finance committee and academy trustees, as appropriate
- Overseeing and supporting competitive tendering

4. Purchase thresholds

4.1. de minimis level

Purchase orders for service of goods will be raised and signed off in accordance with the Trust's accounting policy.

4.2 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: under £5,000
- Medium-value purchase: between £5,001 and £25,000
- High-value purchase: over £25,001, but below the EU threshold. Please refer to the definitions of large purchases per the European public contracts directive (2014/24/EU) which applies to public authorities.

4.3 EU procurement threshold

If it is estimated that the cost of a contract is above the EU threshold for procurement spending, the trust will follow EU procurement directives and seek legal advice.

A 'light touch regime', with a higher threshold applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the trust qualifies.

5. Framework agreements

Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of frameworks are that they have already been through a competitive tender process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

Depending on the framework we choose, we will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice.

The reasons for the **choice of framework**, and for the choice of supplier, will be clearly recorded. The Chief Financial Officer has been delegated the authority to choose whether to use a framework agreement and which framework to use.

6. Tendering procedure: low and medium-value purchases

When making low or medium-value purchases without a framework agreement, the trust will use the process outlined below.

Purchases under £5,000

Value for money must be sought in such purchases. Quotes may be obtained if appropriate. A preferred supplier should be used where possible.

Purchases between £5,001 and £25,000

Evidence of three written quotes with these documents attached to the purchase order requisition. If three quotes have not been received, evidence of suppliers who were offered but declined to quote should be submitted.

7. Tendering procedure: high-value purchases

The trust will make high-value purchases without a framework only in rare circumstances and only with legal support. For purchases over £25,000, the Trust's tendering procedures must be applied. Where this is not practical. I.e. there is only one potential supplier, such as renewed contracts, this situation should be documented and approved by the finance manager and reported to the Board. When this does happen, we will use the process below.

- a. **Create a specification** (see section 6)
- b. **Assess the market** – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers
- c. **Check the trust's position in relation to EU procurement thresholds** (see section 4)
- d. **Develop a service level agreement (SLA)** – an SLA sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the trust will consider using on a case-by-case basis
- e. **Develop a contract** – a contract will include terms and conditions, a contract management plan and an exit strategy
- f. **Reduce the number of bids** – to reduce the number of bids the trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire
- g. **Establish how we will assess quotes** – we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines cost and quality
- h. **Create a timeline for the tender process** – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract

- i. **Prepare an invitation to tender** – this will include:
- A covering letter with a timeline for the process
 - Instructions on how suppliers can ask clarification questions and submit their tender
 - The specification
 - A pricing schedule
 - Any SLA requirements
 - The contract's terms and conditions
 - Contract management requirements (see 'develop a contract' above)
 - Award criteria, including the scoring system and any weightings
 - If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services
- j. **Advertise the contract** – the contract will be advertised where suppliers are likely to look, such as:
- The Official Journal of the European Union (OJEU) – this is a requirement if the contract is over the EU procurement threshold
 - The government's Contracts Finder service
 - Local or national newspapers
 - Education publications or websites
 - Trade magazines
- k. **Run the tender process and provide clarifications**
- l. **Evaluate tender responses** – at least 2 people will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept
- m. **Notify suppliers and award the contract**
- n. **Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the OJEU)
- o. **Abandoning the tender process** – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible

8. Monitoring arrangements

The chief financial officer is responsible for the implementation of this policy.

This policy will be reviewed and approved by the board of trustees every four years and when EU procurement thresholds change.