

Competitive Tendering Policy



Written: May 2018 KG

Next review: Summer 2020

COMPETITIVE TENDERING

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

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

Finance & Audit committee

Academy trustees delegate competitive tendering responsibilities to the finance and audit committee.

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

Chief financial officer

The CFO 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. QUOTATION AND TENDERING

A quotation or price comparison for potential purchases must always be obtained before any order is placed to ensure that best value is achieved. The minimum required numbers of tenders or quotations from appropriate contractors for a given estimated value of contract are:

- Up to £2,500 1 written or verbal quotation to be documented. If via an approved catalogue, clear reference to the item needs to be made on the order form.
- Above £2,500 and up to £10,000, three written quotations requested with a documented rationale for the decision made;
- Above £10,000 and up to £25,000, three formal written quotations are required (as a minimum) with a documented rationale for the decision made;
- Items over £25,000 to be formally tendered with approval of the tendering process needed in writing on company headed paper, quotations to be submitted in writing by a specified date and time and based on a written specification and evaluation criteria;
- Above EU thresholds require advertising for tender and awarding such tender

The values are for single items or groups of items, which must not be disaggregated artificially. The directives set out detailed procedures for the award of contracts whose value equals or exceeds specific thresholds.

For tenders expected to exceed EU thresholds, advertisements must also be placed in OJEU (the Official Journal of the European Union) and must follow EU procurement requirements with particular regard to be given to the timescale for such tenders.

The successful contractor should be informed that the Academy is a NON SMOKING site and in the case of building and maintenance work must receive and complete the contracts pack before beginning work on-site.

5. TENDERING PROCEDURE: HIGH-VALUE PURCHASES

All purchases with a value greater than £25,000 must be put out to formal tender. The following procedures must be followed in such circumstances:

1. A specification will be prepared, authorised by the chair of the Finance and Audit committee and Head of School of the relevant Academy or CEO if for the Trust, and sent to at least three suppliers. It is anticipated that for any major building works of a value greater than £15,000 the services of an architect or project manager would be engaged to deal with the handling of specifications and suitability to tender.

2. Where appropriate, the suppliers invited to tender should be drawn from an approved list or from those agreed with the architect/project manager. Otherwise, invitations to submit tenders will be advertised in local newspapers and trade journals if appropriate. The invitations to tender will include:
 - an introduction/background to the project;
 - the scope and objectives of the project;
 - any technical requirements;
 - implementation details for the project;
 - the terms and conditions of the tender; and
 - the form and date of response to the academy, or in the case of building works, to the architect or project manager.
3. All replies, if to the Academy itself, should be addressed to the Business Manager or Chief Financial Officer in a plain sealed envelope marked 'Tender' to reach him/her by a specified date. All replies must be kept sealed until that date.
4. All tenders will be opened at the same time and details of the contractor, quotation and any other details recorded at the time of opening.
5. No contractor will be allowed to amend the tender after the time fixed for receipt.
6. The Business Manager or Chief Financial Officer will open a separate correspondence file for each tender which will contain copies of all correspondence or other relevant information.
7. For purchases up to £49,999, provided the expenditure is included in the budget, the decision as to which tender to accept will be taken by the Local Governing Body for the Academy, in consultation with the Business Manager/Chief Financial Officer and the chair of Finance & Audit Committee.
8. For purchases exceeding £50,000, provided the expenditure has been budgeted for, a decision will be recommended to the Board of Trustees by the Finance & Audit Committee. The decision of the Board will need to be reported to the full governing body of the individual Academy.
9. Where expenditure is not included in the budget or anticipated expenditure exceeds the budget allocation, the decision as to which tender to accept will be taken by Board up to £150,000 and the board and Finance and Audit Committee over £150,000 and then the decision shall be reported to the full governing body of the individual academy; and
10. The reasons for accepting a particular tender must be documented, especially if it is decided to accept other than the lowest tender. All decisions must be reported to the full governing body.

6. ACCEPTANCE OF TENDER

The following points will be considered when deciding which tender to accept:

- The overall price and the individual items or services which make up that price.
- Whether there are any 'hidden' costs; that is additional costs which the academy will have to incur to obtain a satisfactory product.
- Whether there is scope for negotiation, while being fair to all tenderers.
- The qualifications and experience of the supplier, including membership of professional associations.
- Compliance with the technical requirements laid down by the Academy. 6. Whether it is possible to obtain certificates of quantity.
- The supplier's own quality control procedure; pre sales demonstrations, after sales service and, for building works, a six month defects period and insurance guarantees.
- The financial status of the supplier.
- References from other establishments.
- Understanding & compliance with Health & safety, CDM regulations and Child Protection issues related to working on a school site.

In the case of building works, where the tendering process is being carried out by the architect or project manager, they will be responsible for checking the documents of the lowest tender before making a recommendation to the academy.

Once a tender is accepted an order should be issued immediately to the supplier in the normal way. The successful contractor should be informed that the Academy is a NON SMOKING site and in the case of building work must receive and complete the contracts pack before beginning work onsite.

7. MONITORING ARRANGEMENTS

This Policy will be reviewed by the Finance & Audit Committee on a 3-yearly cycle and must be signed by the Chair of the Board and Chief Executive Officer.