

Competitive Tendering Policy



| STATUTORY / NON-STATUTORY | NON-STATUTORY |
|---|--|
| MEMBER OF STAFF RESPONSIBLE | Chief Financial Officer and Accounting Officer |
| DATE APPROVED BY HEAD/SLT | March 2023 |
| GOVERNING BODY OR COMMITTEE RESPONSIBLE | Finance, Audit and Risk |
| DATE OF FULL GOVERNING BODY APPROVAL | March 2023 |
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1. Aims

This policy aims to ensure that:

- The trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Trust 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

This policy will make reference to both the Headteacher and Accounting Officer (AO) which are one in the same.

2. Legislation and guidance

The Academy Trust Handbook states that academy trusts are required to have a competitive tendering policy, is in place and applied, and that the procurement rules and thresholds in the Public Contracts Regulations 2015 and Find a Tender service are observed

This policy is based on the Academies Trust 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 Trustees

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, Audit and Risk Committee

The Board of Trustees has delegated competitive tendering responsibilities to this committee.

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

3.3 Chief Financial Officer (CFO)

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, Audit and Risk Committee and the full board of Trustees, as appropriate
- Overseeing and supporting competitive tendering

4. Purchase Thresholds

4.1 Delegation Levels

At Noadswood School, no goods or services should be procured directly with suppliers by anyone other than the Finance Team (via the accounting system IRIS Financials). The Purchase Thresholds are described as below.

| Authorisation Limits for Purchase Order Requests | |
|---|---|
| Up to £4,999 | Delegated Budget Holder |
| Between £5,000 and £15,000 | Budget Holder + Headteacher |
| *£15,000 - £49,000 | Always requires x3 quotes. Budget Holder + Headteacher + 2x Governors (via Finance Manager) |
| * £50,000 | Budget Holder + Headteacher + 2x Governors + presentation to FARC (via Finance Manager) |
| <p><i>* At least 3 quotations should be obtained for all orders, or series of orders, between £5,000 and £25,000. Written details of quotes should be prepared, together with rationale for the decision and retained for audit purposes</i></p> <p><i>* Orders over £25,000, or a series of orders which in total exceed £25,000, must be subject to formal tendering procedures</i></p> | |

All Purchase Order Requests must be fully completed in line with the above Authorisation Limits. In the spirit of school improvement priorities, Budget Holders seeking Headteacher or Headteacher + Gov approval for any goods and services in excess of £5k must always make arrangements to discuss this with the Headteacher before the purchase order can be approved. In some instances additional documentation may be required to further support the purchase.

Purchase level are divided into the following categories:

- Low-value purchase: £1,000 - £14,999
- Medium-value purchase: £15,000 - £50,000
- High-value purchase: over £50,000, but below the UK Tender threshold

4.2 UK Tender Threshold

If it is estimated that the cost of a contract is above the UK Tender threshold for procurement spending, the school will follow UK find a tender procurement directives and seek legal advice. The current UK threshold for all goods and most services is £189,330.

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.

All those involved in selecting these frameworks will discuss their decision with the AO and the CFO, involving Trustees at the correct level of purchase threshold.

6. Tendering Procedure – Medium Value Purchases

When making medium-value purchases without a framework agreement, the trust will use the process outlined below (and may do this for some low-value purchases, too).

6.1 Product Specification

Create a specification – The school will create a specification document that will set out what suppliers need to understand what we are looking to buy, including details such as the quality, quantity and delivery date

6.2 Comparison

Compare suppliers – The school will compare different suppliers, including their reputation, which will help the school to develop a shortlist of at least 3 suppliers we want to approach for a written quote

6.3 Assessment

Assess Quotes – The assessment of quotes will be undertaken using a specified award criteria which will be dependent on the goods or services being procured. These may include:

- How well the supplier meets our specification
 - The whole-life cost of the contract, which may include:
 - The sale price of the goods, works or services
 - VAT
 - Delivery charges
 - Maintenance costs
 - Running costs
 - The cost of removing and disposing of an item or service once we no longer need it
- Whether there will be price increases or decreases over the life of the contract
- Value for money

Each aspect of the criteria will be scored on a scale of 1 to 5, with 5 being the highest score, outlined in Appendix A

The colleague leading on the tender process will evaluate quotes with support from their line manager and the CFO.

When we contact suppliers, we will send them:

- The specification
- Deadlines for quotes and when decisions will be made
- Instructions for how to ask clarification questions about the specification

6.4 Confirming the Order

When all quotes have been assessed, the school will contact the successful supplier and a purchase order will be issued.

7. Tendering Procedure – High Value Purchases

The school will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen the school follow us the process outlined below:

7.1 Create a specification

Specification on product services are outlined in section 6.

7.2 Asses the market

The school 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.

7.3 Procurement thresholds

The school will follow the protocols as set out above when tendering contract values that are set out by the UK tender thresholds.

7.4 Service Level Agreements

A service level agreement sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the school will consider using on a case-by-case basis. On occasions the school may also provide key performance indicators for the supplier to achieve as part of the SLA.

7.5 Contact

As part of the process contract management will be outlined and may include terms and conditions, a contract management plan and an exit strategy.

7.6 Reduction in bids

To reduce the number of bids the school needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire.

7.7 Assessment of Quotes

The school will set out criteria that we 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

7.7 Invitation to Tender

The school will create a timeline including the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract. This information will be included in the invitation to tender documentation and 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

7.8 Advertising Contract

The school will advertise contracts where suppliers are likely to look, such as:

- Find a UK Tender where the contract threshold meets the procurement threshold
- The government's Contracts Finder service Local or national newspapers

- Education publications or websites
- Trade magazines

7.9 Tender Clarifications

Within the tender specification the school will provide a specific timescale where suppliers can seek tender clarification.

7.10 Evaluation of Tender Responses

Once tenders are received at least two 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.

7.11 Notifying Suppliers

Once the decision has been made the successful supplier will be notified and the contract will be awarded. If the contract was advertised on the UK Find a Tender, then the successful supplier will be disclosed.

7.12 Abandoning the tender Process

On very rare occasions the school 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 CFO, AO and the Finance, Audit and Risk Committee is responsible for the implementation of this policy.

This policy will be reviewed and approved by the board of trustees every two years.

Appendix A - Scoring System

| Assessment | Score | Summary | Interpretation |
|-------------------|-------|---|--|
| Excellent | 5 | Very strong evidence of appropriate knowledge, skills or experience. | As well as addressing all, or the vast majority of, bullet points under each criteria heading, it will demonstrate a deep understanding of the project. All solutions offered are linked directly to project requirements and show how they will be delivered and the impact that they will have on other areas/stakeholders. |
| Good | 4 | Sufficient evidence provided of appropriate knowledge, skills or experience. Have confidence in their ability to deliver the required service | Will reflect that bidders will have addressed, in some detail, all or the majority of the bullet points listed under each criteria heading. Evidence will have been provided to show not only what will be provided but will give some detail of how this will be achieved. Bidders should make clear how their proposals relate directly to the aims of the project and be specific, rather than general, in the way proposed solutions will deliver the desired outcomes |
| Acceptable | 3 | Reasonable evidence of appropriate knowledge, skills or experience. Meets requirements in many areas but not all. | Will again address the majority of the bullet points under each criteria heading but will lack some clarity or detail in how the proposed solutions will be achieved. Evidence provided, while giving generic or general statements, is not specifically directed toward the aims/objectives of this project. Any significant omission of key information as identified under each criteria heading will point towards a score of |
| Minor Reservation | 2 | Some evidence of appropriate knowledge, skills or experience. | Meets requirements in some areas but with important omissions. Will reflect that the bidder has not provided evidence to suggest how they will address a number of bullet points under the evaluation criteria heading. Tenders will in parts be sketchy with little or no detail given of how they will meet project requirements. Evidence provided is considered weak or |

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| | | | inappropriate and is unclear on how this relates to desired outcomes. |
| Serious Reservations | 1 | Very little evidence of appropriate knowledge skills or experience | Will reflect that there are major weaknesses or gaps in the information provided. The bidder displays poor understanding and there are major doubts about fitness for purpose. |
| Unacceptable | 0 | No evidence/response | Will result if no response is given and/or if the response is not acceptable and/or does not cover the required criteria. |