Creating Tomorrow Trust

Competitive Tendering Policy

About this document:

Purpose

The purpose of this policy is to ensure that staff, governors and trustees are aware of the legislation according to tendering so that funds are used appropriately in line with Funding Agreements, Academies Trust Handbook and that value for money is ensured.

Complied by: CFO	**Date:** Sep 26
Committee: Finance & Resources/Trust Board	**Date agreed by Trustees:** Oct 26
Review Cycle: Annually	**Review Date:** Sept 27

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Competitive Tendering Policy

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Creating Tomorrow Trust

Competitive Tendering Policy

1. Intent and 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 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
- Conflicts of interest are managed adequately and appropriately
- School has open and transparent procurement procedures
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors

This policy includes procedures for open tenders. This approach allows anyone to submit a tender to supply goods or services required and offers an equal opportunity to any organisation to submit a tender.

2. Legislation and Guidance

The Academies Trust Handbook states that academy trusts are required to have a competitive tendering policy, and procurement thresholds are observed.
This policy is based on the Academies Trust Handbook and Department for Education (DfE) guidance on procurement and The Public Contracts Regulations 2015

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 legal or 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 & Resources Committee

Academy trustees delegate competitive tendering responsibilities to the **Finance & Resources** committee. The committee is responsible for reviewing the trust's tendering processes, and for reporting to trustees on tenders.

3.3 Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for:

- Ensuring appropriate financial governance arrangements are in place
- Preparing and monitoring budgets
- Providing information to the Trust committees and Full Board of Trustees, as appropriate
- Work in collaboration with Chief Operating Officer to oversee and support competitive tendering

3.4 Chief Operating Officer

The Chief Operating Officer (COO) is responsible for:

- Ensuring appropriate risk management arrangements are in place
- Providing information to the Trust committees and Full Board of Trustees, as appropriate
- Work in collaboration with CFO to oversee and support competitive tendering

3.5 Headteacher

The Headteacher is responsible for:

- Supporting competitive tendering
- Providing information to the Trust Board, as appropriate
- Monitoring budgets

4. Purchase Thresholds

4.1 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £0 - £5,000
- Medium-value purchase: £5,001 - £20,000
- High-value purchase: over £20,001 - £30,000
- Under PCR (Public Contract Regulations) procurement threshold £30,001 - £40,000
- Under PCR procurement threshold £40,001

4.2 PCR procurement threshold

If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the school will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £214,904

A 'light touch regime', with a higher threshold of £663,540, applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the school qualifies.

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5. Approval authority

CONTRACT LEVEL	CONTRACT VALUE	DELEGATED AUTHORITY
Low	£0 - £5,000	HT / HoS / DHT up to £5,000 on any one item if in SDP or annual budget.
Medium	£5,001 - £20,000	2/3 of CFO / CEO / COO on any one item
High	£20,001 - £30,000	3/3 of CFO/CEO/COO on any one item if in SDP or annual budget.
Under PCR procurement threshold £214,904	£30,001 - £40,000	Finance & Resource Committee approval with 3 quotes
Under PCR procurement threshold £214,904	Over £40,001	Trust Board approval with 3 quotes
'Light touch regime'	Threshold £633,540	Trust Board approval with 3 quotes

6. 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 favorable 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 Finance Officer and Chief Operating Officer will agree which tendering framework to use based on the criteria stated above.

7. Valuing Contracts

The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.

We will not divide a single contract into smaller contracts to bypass the purchase thresholds.

8. Evaluating Tenders

Tenders will be evaluated against the criteria and weighting outlined in the tender document. This criteria will include:

- Cost
- Quality
- Delivery
- Performance
- Risk

We may specify additional criteria based on the type of tender, as outlined in the tender document.

8.1 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.

a. **Create a specification** – a specification document will set out what suppliers need to understand what we are looking to buy, including the quality, quantity and delivery date
b. **Compare suppliers** – a comparison of different suppliers, including their reputation, will help the trust develop a shortlist of at least 3 suppliers we want to approach for a written quote
c. **Assess quotes** – an award criteria will be developed to assess suppliers' quotes. Criteria 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. A record of how the quotes are evaluated will be kept.

   The Chief Operating Officer will evaluate quotes with support from 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

d. **Place an order** – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:
   - Goods, works or services we are purchasing
   - Price
   - Delivery address
   - Delivery deadline and any other important dates
   - Payment schedule

8.2 Tendering procedure: high-value purchases

The trust will make high-value purchases without a framework only in rare circumstances and only with legal support. 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 school's position in relation to PCR 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 Find a Tender service – this is a requirement if the contract is over the PCR 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. **Challenges from unsuccessful bidders** – if an unsuccessful bidder challenges the fairness of the contract, we will contact them to explain that we have conducted a fair process and kept good records. If they make a formal challenge, we will not formalise the contract and seek legal advice.
o. **Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the find tender service)
p. **Abandoning the tender process** – on very rare occasions we may need to halt the tender process. The tender documents should make it clear that we have the right to do so without any liability to the bidders. Should this occur, we will notify suppliers who are preparing their bids as soon as possible

9. Record keeping

Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices and Retention Policy.

10. Monitoring arrangements

The Trustees are responsible for the implementation of this policy.

This policy will be reviewed and approved by the Finance & Resources Committee annually and when PCR procurement thresholds change.

11. Links with other policies

This competitive tendering policy is linked to the following policies:

- Financial Scheme of Delegation
- Investment Policy