



Pate's Grammar School

Competitive Tendering Policy

Approved by: Finance & Facilities Committee

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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 Academy 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.

1.0 Legislation and guidance

The Academy Trust Handbook states an academy trust must ensure a competitive tendering policy is in place and applied, and the procurement rules and thresholds in the Public Contracts Regulations 2015 and Find a Tender service are observed.

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

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

2.0 Roles and responsibilities

2.1 Academy Governors

Academy governors 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 governor 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.

2.2 Finance and Facilities Committee

The Finance & Facilities committee delegates competitive tendering responsibilities to the Chief Financial Officer (CFO)

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

2.3 Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place;
- Preparing and monitoring budgets;
- Providing information to the Finance and Facilities Committee and academy governors, as appropriate;
- Overseeing and supporting competitive tendering.

3.0 Purchase thresholds

3.1 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: up to £10,000;
- Medium-value purchase: £10,001 - £40,000;
- High-value purchase: over £40,000.

4.0 Framework agreements

Where possible, the CFO 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 used, the CFO will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, the CFO 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.

5.0 Forms of Tenders

There are three forms of tender procedure: open; restricted and negotiated. The circumstances in which each procedure should be used are described below:

Open Tender – this is where all potential suppliers are invited to tender;

Restricted Tender – this is where suppliers are specifically invited to tender and are appropriate where:

- There is a need to maintain a balance between the contract value and administrative costs;
- A large number of suppliers would come forward or because of the nature of the goods are such that only specific suppliers can be expected to supply requirements;
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

Negotiated Tender – the terms of the contract may be negotiated with one or more chosen suppliers. This is appropriate in specific circumstances:

- The above methods have resulted in either no or acceptable tenders;
- Only one or very few suppliers are available;
- Extreme urgency exists;
- Additional deliveries by the existing supplier are justified.

6.0 Tendering procedure: high-value purchases

When making high-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 know to understand what we are looking to buy, including the quality, quantity and delivery date.
- 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. **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.
- 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. **Establish how we will assess tenders** – 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.
- g. **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

h. 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.

i. Assess tender responses – 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, together with records of decision making and moderation decisions.

All tenders submitted should be opened at the same time and the tender details recorded. At least two people should be present for the opening of tenders and sign the record.

At least two people will independently score and evaluate each bid, and then compare notes after completing their evaluations.

j. Notify suppliers and award the contract

k. 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.

7.0 Monitoring arrangements

The CFO is responsible for the implementation of this policy.

This policy will be reviewed and approved by the Trust Board annually.