



Competitive Tendering Policy

Approved by: THE FINANCE, AUDIT & RISK COMMITTEE **Date:** 23rd November 2020

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1. Aims

This Policy aims to ensure that:

- The funds of the Greensand Multi-Academy Trust (“the Trust”) 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

The Trustees for the Trust 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 & Risk Committee

The Trustees delegate competitive tendering responsibilities to the Trust Board’s Finance, Audit & Risk Committee (FAR Committee) for any capital expenditure exceeding £30K. This is in accordance with the Trust’s Financial Scheme of Delegation.

The Committee is responsible for reviewing the Trust’s tendering processes, and for reporting to Trustees on tenders.

3.3 Chief Financial Officer

The Trust’s Chief Financial Officer (CFO) is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place within the Trust;
- Preparing and monitoring budgets;
- Providing information to the FAR Committee and to the Trustees, as appropriate;
- Overseeing and supporting competitive tendering.

4. Purchase Thresholds

4.1. de minimis level

Purchase orders are raised in schools within the Trust with all orders below £1000 being authorized by budget holders, and anything between £1,000 and £5,000 requiring two signatories, one of which should be the Headteacher or Deputy Headteacher. For purchases of goods and services between £5001 and £25,000, two signatories are required, one of which should be the Executive Principal &/or the Business Director.

Schools should refer to the Trust's Financial Scheme of Delegation for approval levels for purchase thresholds exceeding £25,000.

4.2 Low to high-value purchase thresholds

Written or authenticated e-mail quotes must be obtained for all supplies and services for the following limits:

Low-value purchase:	£1,000 - £5,000	One written quote
Medium-value purchase:	£5,000 - £9,999	Two written quotes
High-value purchase:	over £10,000	Three written quotes

In some cases, schools may regularly use a specific company for premises work, for example, electricians, boiler maintenance companies and roofing contractors. Where work is urgent and where a contractor's familiarity and experience with the school is vital, schools can request special approval for medium value purchases from the Executive Principal of the Trust.

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. The current EU threshold for all goods and most services is £189,330.

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 Trust qualifies.

Please refer to Annex A – Summary of Threshold Levels dated January 2020.

5. Framework Agreements

Sometimes, the Trust 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 Department for Education 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.

6. Tendering Procedure for Projects & Purchases exceeding £10,000 (High-value)

When making purchases above this threshold 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 that 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 three 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
 - Previous knowledge of supplier
 - The whole life cost of the project, which may include: price, works or services, VAT and delivery charges
 - 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
 - Whether the purchase is time critical

Budget Holders or Business Managers will evaluate quotes with support from the CFO. A record of how the quotes are evaluated will be kept. When we contact suppliers for high value purchases, 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.

7. Tendering Procedure for Projects exceeding £100K

The Trust will act in accordance with best value principles when tendering high value purchases of this amount. In some cases, for example, building projects, the Trust may appoint an external specialist to provide the specification and arrange tenders. For projects with a value exceeding £100K, the Trust's Central Team will work with the school, and the process will be:

- 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 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
 - If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services
- j. **Advertise the contract** –In some cases, it may be necessary to advertise a project. In the event that this is decided, the following options might be considered:
 - 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** – The Trust’s CFO and Accounting Officer (AO) will undertake an initial evaluation of each bid, then compare notes after completing their evaluations. Records of decision making and moderation decisions will be kept.
- m. Presentation to the LGB & FAR Committee** - the CFO & AO will present their evaluations of the tender responses to the school’s Local Governing Body and thereafter the FAR Committee. The FAR Committee will make the final decision on the award of the contract and provide formal approval to proceed with the project.
- n. Notify suppliers and award the contract;**
- n. Finalise the contract;**
- 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 Finance, Audit & Risk Committee is responsible for the implementation of this Policy.

This Policy will be reviewed and approved by the FAR Committee every two years and when EU procurement thresholds change.

9. Links with other policies

This Competitive Tendering Policy is linked to the following policies of the Trust:

- Accounting policies
- Investment Policy
- Financial Scheme of Delegation
- Finance Policy & Procedures



Procurement Policy Note – New Thresholds 2020

Information Note PPN 06/19 November 2019

Issue:

1. This PPN provides advanced notification of the new threshold levels to apply for the purposes of the Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 and the Defence and Security Public Procurement Regulations 2011, with effect from 1st January 2020.

Dissemination and Scope:

2. The contents of this PPN apply to all Central Government Departments, their Executive Agencies and Non Departmental Public Bodies. Together these are referred to in this PPN as 'In-Scope Organisations'. Please circulate this PPN within your organisation, drawing it to the attention of those with a commercial and procurement role.

Timing:

3. In-Scope Organisations must apply the provisions of this Procurement Policy Note from 1st January 2020.

Background:

4. The European Commission has provided the finalised and agreed threshold values to apply from 1st January 2020. The revised thresholds show an increase, which is due to fluctuations in exchange rates over the previous two years
5. Annex A is a summary of all the changes to threshold levels for public contracts, utilities contracts, concession contracts and defence and security contracts from 1st January 2020.

Contact:

6. Enquiries about this PPN should be directed to the Crown Commercial Service Helpdesk on 0345 410 2222 or info@crownccommercial.gov.uk.

Annex A – Summary of Threshold Levels from 1st January 2020

The Public Contracts Regulations

Supplies & Services (except subsidised services contracts)

Schedule 1 bodies £122,976

Others £189,330

Subsidised services contracts

All bodies £189,330

Works (including subsidised works contracts)

All bodies £4,733,252

Light Touch Regime for Services

All bodies £663,540

Small lots

Supplies and services £70,778

Works £884,720

The Utilities Contracts Regulations

Supplies and Services

All sectors £378,660

Works

All sectors £4,733,252

Small lots

Supplies and Services £70,778

Works £884,720

The Concession Contracts Regulations

Concession contracts £4,733,252

The Defence and Security Public Contracts Regulations

Supplies and Services

All sectors £378,660

Works

All sectors £4,733,252

Small lots

Supplies and Services £70,778

Works £884,720