



Hollinsclough CE (VA) Academy

Competitive Tendering Policy: 2019

Mission Statement

To encourage high levels of achievement through the enthusiasm and joy of learning, coupled with a creative curriculum and a holistic approach to education that reflects Christian values and supports our community. We guarantee accessibility and availability to all.'

Developing potential

Aims

This policy aims to ensure that our academy trust's funds are used only in accordance with the law, our articles of association and funding agreement and the [Academies Financial Handbook](#).

The trust's funds are used in a way that commands broad public support, by representing value for money with an approach that reflects the economy, efficiency and effectiveness of the use; thereby ensuring that governors and Trustees fulfil their duties and responsibilities as charitable trustees and company directors

Legislation and guidance

The [Academies Financial Handbook](#) states that academy trusts are required to have a competitive tendering policy, and ensure that the 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.

Roles and responsibilities

Academy governors/trustees

Academy governors/trustees ensure that spending decisions represent value for money and the trust's funds are used in a way that commands broad public support.

Relevant professional advice (such as an external auditor and accountants) are used, where appropriate. Goods or services provided by individuals or organisations connected to the trust are provided at no more than cost and nobody connected to the trust, directly or indirectly, are allowed to use their connection to the trust/academy for personal gain.

In situations where any trustee/governor/staff member has a pecuniary interest in a procurement decision, they are required to exclude themselves from the process and records (e.g. meeting minutes) would show that they had no influence over the decision.

Staffing and Finance committee

Our Academy governors/trustees delegate competitive tendering responsibilities to the staffing and finance committee.

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

Bursar / Chief financial officer

Our bursar/chief financial officer (CFO) is responsible for ensuring appropriate financial governance and that risk management arrangements are in place.

A key element of their role is the preparation and monitoring budgets, overseeing and supporting competitive tendering and from that providing information to the finance committee and academy governors/trustees, as appropriate through regular meetings with them.

Purchase Order thresholds

The de minimis level

Purchase orders are required to be raised for ALL services or goods irrespective of value. These invoices can be signed off in the following manner. However, final approval to order rests with Principal.

Low to high-value purchase order thresholds

Purchase Order levels are divided into the following:

- **Low-value purchase:** £1.00 - £1,000 – staff member and bursar
- **High-Low-value purchase:** £1,000+ - £2,999 – staff member and/or bursar and principal
- **Low-Medium-value purchase:** £3,000 - £5,999 – bursar and principal – chairman informed
- **High-Medium-value purchase:** £6,000 - £10,999 – bursar, principal and chairs power to act
- **High-value purchase:** over £11,000 upwards to the extent of the reserve, but below the EU threshold – Governing body meeting to be convened (unless exceptional circumstances exist when the chairman can act), meeting of the full governing body within two weeks

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 to confirm this. The current EU threshold for all goods and most services is **£164,176***

A 'light touch regime', with a higher threshold of **£589,148***, 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 for this option.

(subject to Brexit outcomes this should end)*

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 such 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](#) to ensure good practice. The reasons for the choice of framework and the choice of the supplier will be clearly recorded.

Our Bursar is responsible for these arrangements and in all cases these are reported back to the Staffing and Finance committee of the governing body.

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;

1. **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
2. **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
3. **Assess quotes** – an award criterion 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:
 1. The sale price of the goods, works or services
 2. VAT
 3. Delivery charges
 4. Maintenance costs
 5. Running costs
 6. The cost of removing and disposing of an item or service once we no longer need it
 7. Whether there will be price increases or decreases over the life of the contract
 8. 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, and our Bursar/CFO will evaluate quotes on that basis.

When we contact suppliers, we will send them:

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

Placing an order

When the best value quote is identified, we will generate a purchase order and send it to the supplier.

The purchase order will include the following details:

- Goods, works or services we are purchasing
- Price
- Delivery address
- Delivery deadline and any other important dates
- Payment schedule

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 as set out below.

1. **Create a specification**
2. **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
3. **Check the school's position in relation to EU procurement thresholds** – seeking legal support as required
4. **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
5. **Develop a contract** – a contract will include terms and conditions, a contract management plan and an exit strategy
6. **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
7. **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
8. **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
9. **Prepare an invitation to tender**

The invitation to tender 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
- 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

10. **Advertising the contract** – the contract will be advertised where suppliers are likely to look.

The following publications will be used;

- 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

11. **Run the tender process and provide clarifications**
12. **Evaluate tender responses** – 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
13. **Notify suppliers and award the contract**
14. **Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the OJEU)
15. **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

Links with other policies

This competitive tendering policy is linked to the following policies:

- Accounting policies
- Investment policy
- Policies related to pecuniary and related party interest

Equality Duty

We have carefully considered and analysed the impact of this policy on equality and the possible implications for pupils with protected characteristics, as part of our commitment to meet the Public Sector Equality Duty requirement to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

British Values

Children who attend our academy experience an enabling environment in which they will develop self-knowledge, self-esteem, and self-confidence. Coupled with this they will develop the ability to distinguish right from wrong and to respect the civil and criminal law of England.

Within this enabling environment, your child or children will develop the ability over time to accept responsibility for their behaviour, show initiative, and to understand how they can contribute positively to the lives of those living and working in the locality of the school and to society more widely.

While with us, our parents can expect their children to acquire a broad general knowledge of and respect for public institutions and services in England, and to develop a personal character that is tolerant and can foster harmony between different cultural traditions, along with respect for their own and other cultures.

We firmly believe and encourage our pupils to show respect for other people; and for democracy and the support for participation in the democratic processes, including respect for the basis on which the law is made and applied in England.

To be part of our academy, it is unacceptable on the part of any stakeholder to promote discrimination against people or groups on the basis of their belief, opinion, or background.

Implementation of this policy

The staffing and finance committee through the delegation from the full governing body is responsible for the implementation of this policy.

This policy will be reviewed and approved by the board of trustees every year and when EU procurement thresholds change.

Our academy will manage the implementation of this policy with the support and guidance of the appropriate body/bodies as defined at the time of writing.

General

This policy and its guidance will always reflect the present and future needs of all stakeholders and to support this we are always open to suggestions for changes and alterations of and to any specific individual provision/requirement to ensure full access to all.

Signed.



Designation: Chair of Governors

Date. January 2019

Signed.



Designation: Principal

Date. January 2019

This policy is to be reviewed by Governors during Autumn term 2021