



Blue Coat Church of England Academy

COMPETITIVE TENDERING POLICY

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| Prepared by: | Mrs D Deeming | |
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| Principal's signature: | Mr D Smith |  |
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Romans 12:2: “ Do not conform to the pattern of this world, but be transformed by the renewing of your mind. then you will be able to test and approve what God’s will is—his good, pleasing and perfect will.”

Blue Coat Church of England Academy is an inclusive Christian learning environment, our school values underpin all of our policies: Wisdom, Endurance, Service, Kindness and Hope.

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Tendering Evaluation

Policy Aim

The policy aims to ensure that:

- funds are used only in accordance with the law, the Academy's Articles of Association, its funding agreement and the Academies Financial Handbook
- funds are used in a way that commands broad public support
- value for money (economy, efficiency and effectiveness) is achieved
- Directors fulfil their duties and responsibilities as charitable trustees and company directors

Roles and responsibilities

Directors

Directors will ensure that:

- spending decisions meet the needs of the Academy and represent value for money when providing the highest quality of provision for pupils
- funds are used in a way that commands broad public support
- relevant professional advice (such as an external auditor or advisory consultant) is used, where appropriate (e.g. building projects)
- goods or services provided by individuals or organisations connected to the Academy are provided at no more than cost
- nobody connected to the trust, directly or indirectly, uses their connection to the Academy for personal gain
- where any Director has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) to show that they had no influence on the decision.

Financial Accounting Officer (Principal)

The Financial Accounting Officer is responsible for:

- ensuring appropriate financial governance and risk management arrangements are in place

Chief Financial Officer (School Business Manager)

The Chief Financial Officer is responsible for:

- preparing and monitoring budgets
- providing information to the Financial Accounting Officer and Directors, as appropriate
- overseeing and supporting competitive tendering

Ordering Protocol

Orders between £3000 and under £10,000 (low value purchase)

- At least three competitive quotations are obtained.

Orders with a value of under £3000 do not need three quotations but it may be considered appropriate in order to ensure best value is achieved.

Orders over £10,000 but less than £50,000 (medium value purchase)

- the abbreviated tendering procedure outlined in section 6.21 will be followed

Orders over £50,000 (high value purchase)

- All goods and services with a value of over £50,000, or for a series of contracts which in total (i.e. over the life of the contract) exceed £50,000 must be subject to a formal full tendering process (see below).

If it is estimated that the cost of a contract is above the EU threshold for procurement spending, the Academy will follow current EU procurement directives. A 'light touch regime' applies for some services that are specifically for education purpose. The Academy will seek legal advice to determine if any procurement qualifies.

Timescale for services

Contracts will run for a minimum of 12 months and a maximum of five years, depending on the service type.

Framework agreements

The Academy will consider using 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 that is chosen, the Academy will either pick the best value supplier from a list or run a mini-competition between listed suppliers. In either case, the Academy will follow the DfE guidance on procurement to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded. Authority to choose whether to use a framework agreement and which framework to use has been delegated to the Principal.

Tender Procedure

Low value purchases

For purchases below £3000 every attempt will be made to ensure that the Academy achieves best value. For purchases between £3000 and £10,000 without a

framework agreement, the Academy will use the process outlined in section above.

Medium value purchases

When making medium value purchases (between £10,000 and £50,000) without a framework agreement the Academy will use the abbreviated tender 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 Academy develop a shortlist of at least three suppliers to approach for a written quote (see also 6.18 below).
- c. **Assess quotes** – an awards criteria will be developed to assess suppliers' quotes. Criteria may include:
 - How well the supplier meets the 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 Accounting Officer will evaluate quotes with support from the Chief Financial Officer.

When suppliers are contacted they will be sent:

- 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, suppliers will be sent 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

High value purchases

The Academy will make high value purchases without a framework only in certain circumstances and only with appropriate support from an advisory consultant. When this does happen, it will use the full tendering process outlined below:

- Create a specification** (see above)
- Assess the market** – the tendering process will be prepared 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 (see below)
- Check the Academy’s position in relation to EU procurement thresholds** (see above)
- 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
- Develop a contract** – a contract will include terms and conditions, a contract management plan and an exit strategy
- 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
- 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
- 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
- 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 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 appropriate number of people (see below) 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. Finalise the contract** (and advertise the award, if the contract was advertised in Contracts Finder or the OJEU)
- 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

Approaching suppliers

There are three forms of approach: Open / Restricted / Negotiated

Open

- Where all potential suppliers are invited to tender
- This can be done by advertising in the local newspaper or appropriate trade journals or identify potential suppliers and contact directly
- If the EU threshold is likely to be breached, the tender must be carried out via OJEU

Restricted

- Where suppliers are specifically invited to tender
- Appropriate where there is a need to maintain a balance between the contract value and administrative costs
- Where a large number of suppliers would come forward or because

the nature of the goods are such that only specific suppliers can supply the Academy's requirements

- Where the costs of publicity and advertising are likely to outweigh the potential benefits of open tendering

If a restricted approach is to be used then an invitation to tender must be issued. If an open approach is used an invitation to tender may be issued in response to

an initial enquiry.

Negotiated

- The terms of the contract may be negotiated with one or more chosen suppliers
- Appropriate where the above methods have been unsuccessful
- Only one or very few suppliers are available
- Where extreme urgency exists

Aspects to consider

On preparing the tender full consideration should be given to:

- Objective of project
- Overall requirements
- Technical skills required
- After sales service requirements
- Form of contract

It may be useful after all requirements have been established to rank requirements (e.g mandatory, desirable and additional) and award marks to suppliers on fulfilment of these requirements to help reach an overall decision.

Financial

- Like should be compared with like and if a lower price means a reduced service or lower quality this must be borne in mind when reaching a decision.
- Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
- Whether there is scope for negotiation

Technical / suitability

- Qualification / Relevant experience of the contractor
- Descriptions of technical and service facilities
- Certificates of quality / conformity with standards
- Quality control procedures
- Details of previous sales and references from past customers

Other considerations

- Pre sales demonstrations
- After Sales service
- Finance status of supplier. Suppliers in financial difficulty may have problems completing contracts and in the provision of after sales service.
- It may be appropriate to have an accountant or similarly qualified person examine the audited accounts etc.

Tender acceptance

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should be present for the opening of the tenders as follows:

- For contracts up to £25,000 – at least two – Principal / Budget Holder / School Business Manager
- For contracts over £25,000 – at least three – Principal / Budget Holder / School Business Manager / a Director / Lead Sponsor

A separate record should be established to record the names of the firms submitting tenders and the amount tendered. This record must be signed by all people present at the tender opening.

Tendering evaluation

The evaluation process should involve at least two people. Those involved should disclose all interest, business and otherwise, that might impact upon their objectivity. If there is a potential conflict of interest then that person must withdraw from the tendering process.

Those involved in making a decision and any subsequent decisions relating to the contract must take care not to accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records should be kept of all criteria used for evaluation and for contracts over £25,000 a report should be prepared for the Directors, highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Directors.

Where required by the conditions attached to a specific grant from the ESFA, the Department's approval must be obtained before the acceptance of a tender.

The accepted tender should be the one that is economically most advantageous to the Academy. All parties should then be informed of the decision.