

EQUITAS ACADEMIES TRUST



COMPETITIVE TENDERING POLICY

Review Date: May 2024
To be Reviewed: May 2026
Agreed: F & GP Board
Policy Lead: CFO

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COMPETITIVE TENDERING

1. 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.
- Trustees fulfil their duties and responsibilities as charitable trustees and company directors.

2. LEGISLATION AND GUIDANCE

- 2.1 The [Academies Trust Handbook](#) states that academy trusts are required to have a competitive tendering policy, and ensure that Public Contracts Regulations 2015 (PCR) procurement thresholds are observed.
- 2.2 This policy is based on the Academies Trust Handbook and [Department for Education \(DfE\) guidance on procurement](#).
- 2.3 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 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 & General Purposes committee

- 3.2.1 Academy trustees delegate competitive tendering responsibilities to the Finance and General Purposes committee.

3.2.2 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 is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place.
- Preparing and monitoring budgets.
- Providing information to the Finance and General Purposes committee and academy trustees, as appropriate
- Overseeing and supporting competitive tendering

4. **PURCHASE THRESHOLDS**

4.1 De minimis level

4.1.1 Purchase orders do not need to be raised for services or goods with a value up to £1,000. These invoices can be signed off by **budget holders**.

4.2 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £1,000 - £9,999
- Medium-value purchase: £10,000 - £49,999
- High-value purchase: over £50,000

4.3 The Public Contracts Regulation 2015

4.3.1 If it is estimated the cost of a contract is above the Public Contracts Regulations (PCR) threshold for procurement spending the Trust will seek legal advice to ensure it runs a PCR compliant buying process.

4.3.2 If procurement with a value inclusive of VAT are estimated to be equal or greater than the following over the lifetime of the contract:

- Goods and services contracts - £213,477
- Building Works - £5,336,938

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

5. **FRAMEWORK AGREEMENTS**

5.1 Where possible and appropriate, we will use a framework agreement to contract suppliers.

- 5.2 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.
- 5.3 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.

6. CONFLICTS OF INTEREST

- 6.1 The CFO (acting for the Trust) will report all contracts and other agreements with related parties to the Education and Skills Funding Agency (ESFA) in advance of the contract or agreement commencing.
- 6.2 Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). This description is not comprehensive. See section 33 of Financial Reporting Standards 102.
- 6.3 The Trust will obtain the ESFA's prior approval for contracts and other agreements for supply of goods and services to the trust by a related party where any of the following limit arise:
- A contract or other agreement over £20,000.
 - A contract or other agreement of any value that would mean the cumulative value of contracts and other agreement with the related party exceeds, or continues to exceed, £20,000 in the same financial year ending 31 August.

7. PROCUREMENT PLANNING

- 7.1 Before a procurement process is planned, the following will be considered.
- Whether equipment can be loaned or resources shared with another school / public body.
 - The existing opportunity for collaborative approval to increase buying power.
 - Any existing contracts or frameworks in place, including through the local authority or other purchasing consortium.
 - Trust-wide contracts for category spend, enabling direct purchasing and avoiding the administrative costs and time involved in sourcing and purchasing goods and services with individual suppliers.

8. TENDERING PROCEDURE: LOW AND MEDIUM-VALUE PURCHASES

- 8.1 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.
- 8.2 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.
- 8.3 The Chief Financial Officer will evaluate quotes with support from the Headteacher and Accounting Officer.
- 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

9. TENDERING PROCEDURE: HIGH-VALUE PURCHASES

- 9.1 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 8)
 - 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. 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.
 - d. Develop a contract – a contract will include terms and conditions, a contract management plan and an exit strategy.

- e. 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.
- f. 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.
- 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. Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:
 - The government's Contracts Finder service
 - Local or national newspapers
 - Education publications or websites
 - Trade magazines
- j. Run the tender process and provide clarifications.
- k. 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.
- l. Notify suppliers and award the contract.
- m. Finalise the contract including post contract negotiation in line with DfE Find a Tender Service (and publish the award, if the contract was advertised in Find a Tender Service)
- n. 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.

10. SINGLE SOURCE APPROVAL

10.1 Single source approval is required where it has not been possible to obtain competitive quotations. Approval will only be given in limited circumstances.

- The spend is urgently required and delay would cause loss, injury or damage. The urgency must be brought about by events that were unforeseeable by, and not

attributable to the Trust, and which will result in loss or damage to the Trust if the suspension of exemption is not allowed; and/or

- The spend is of such a special nature that no advantage would be gained by inviting competitive tenders; or
- There is no effective competition because payment is fixed under statutory authority or the item is a patented or proprietary article or is available from only one source.

11. MONITORING ARRANGEMENTS

11.1 The Finance & General Purposes committee is responsible for the implementation of this policy.

11.2 This policy will be reviewed and approved by the Finance & General Purposes committee every 2 years.

12. LINKS WITH OTHER POLICIES

12.1 This competitive tendering policy is linked to the following policies:

- Accounting policies
- Investment policy
- Procurement policy

Date of next review: May 2026

Reviewed and approved by:	Date approved:	Next review date:
F&GP Committee	May 2024	May 2026