

CROSSHALL JUNIOR SCHOOL

COMPETITIVE TENDERING POLICY



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Spring 2021

In accordance with the requirements set out in the Academies Financial Handbook (ESFA 2020) the academy trusts must ensure that a competitive tendering procedure is in place and applied, and Public Contracts Regulations (PCR) 2015 (as amended) procurement thresholds are observed.

Where required by the conditions attached to a specific grant from the DfE/EFSA, the department's approval must be obtained before the acceptance of a tender.

Framework Agreements

The Schools Commercial Team (SCT) within DfE reviews a range of frameworks from which schools may make purchases. Frameworks are a type of contract that can be used to buy goods, works or services.

These frameworks are assessed for compliance with procurement regulations, ease of use, suitability and value for money. Feedback from schools is also considered when selecting frameworks.

They are generally easier to use than running a full buying process. Each framework agreement has:

- details of the products and services available
- an agreed pricing structure
- details of the suppliers
- instructions on how to buy
- an agreed set of terms and conditions

Each framework sets out how to choose a supplier and place an order.

Goods, works and supplies covered by framework agreements will be procured through the framework agreement.

There are two options for procurement through a framework agreement:

1. Select the supplier from a list.
2. Run a 'mini-competition' – where all suppliers on the framework list are invited to send a bid and the best is chosen.

Each framework agreement will say if you're allowed to select the supplier without running a mini-competition and will set out the rules which must be followed.

When to get at least three quotes from suppliers

At least three quotes from relevant supplies may be obtained if

- a framework agreement for the relevant goods works or services is not in place
- what is to be purchased is low to medium value

The DfE recommends that:

- low value is under £10,000
- medium value is £10,000 to £40,000

When to advertise a contract and run a buying process

A buying process, inviting suppliers to submit bids, will be undertaken if:

- a framework agreement for the relevant goods works or services is not in place
- what is to be purchased is high value

The DfE generally advise that high value is over £40,000.

However, if the value is over £189,330 PCR compliant buying process may have to be undertaken including the use of the use of the UK e-notification service called [Find a Tender \(FTS\)](#).

When to run an PCR compliant buying process

This kind of process must be undertaken if:

- a framework agreement for the relevant goods works or services is not in place
- the cost of the goods, works or services exceed procurement thresholds

The thresholds are:

- goods – £189,330
- works – £4,733,252
- most services – £189,330

Some services for education, health and care are covered by the 'light touch regime'.

The threshold for these is £663,540.

Forms of Tenders

Tender processes begin when the value of the project is over £40,000 and below the procurement threshold of £189,330. See Scheme of Delegation.

High value tenders (over £189,330) are subject to relevant restrictions.

Advertised contracts and tender processes may take different routes. There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are described below.

- **Open Tender:** This is where all potential suppliers are invited to tender. The Project Coordinator must discuss and agree with the Head Teacher how best to advertise for suppliers e.g. general press, trade journals or to identify all potential

suppliers and contact directly if practical. This is the preferred method of tendering, as it is most conducive to competition and the propriety of public funds.

- **Restricted Tender:** This is where suppliers are specifically invited to tender. Restricted tenders 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 the nature of the goods are such that only specific suppliers can be expected to supply the academy's 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 unacceptable tenders;
 - only one or very few suppliers are available;
 - extreme urgency exists;
 - additional deliveries by the existing supplier are justified.

Preparation for 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.

Invitation to Tender

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

An invitation to tender should include the following:

- introduction/background to the project;
- scope and objectives of the project;
- technical requirements;
- implementation of the project;
- terms and conditions of tender and
- form of response.

Aspects to Consider

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.
- Is there scope for negotiation?

Technical/Suitability

- Qualifications of the contractor
- 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
- Financial 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 audited accounts etc.
- The Social Values Act 2012 relating to the social value of public procurements may be taken into account. It allows you to take into account the social, economic and environmental wellbeing of the relevant area. (See the Public Contract Regulation (PCR))

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the academy. Tenders should be submitted in plain envelopes clearly marked to indicate they contain tender documents. The envelopes should be time and date stamped on receipt and stored in a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

Tender Opening Procedures

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 tenders as follows:

- For contracts up to £25,000 - two of the Project Coordinator, the Financial Administrator or the Head Teacher;
- For contracts over £25,000 - either the Financial Administrator or the Head Teacher plus a member of the Finance, Resources and Personnel Committee.

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 both people present

at the tender opening.

Tendering Procedures

The evaluation process should involve at least two people. Those involved should disclose all interests, 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 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 £10,000 a report should be prepared for the FRP Committee highlighting the relevant issues and recommending a decision. For contracts under £25,000 the decision and criteria should be reported to the Finance, Resources and Personnel Committee.

Where required by the conditions attached to a specific grant from the DfE, 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.

Approved by FRP Committee Spring 2021

Review date: Spring 2025