

We are an **ambitious** and **inclusive** Trust of schools
strengthening communities through **excellent** education.



Procurement Policy (Competitive Tendering)

Responsibility for approval: Board of Trustees
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1.0 Policy Statement

- 1.1 The Trust's policy is to ensure that all goods and services are procured fairly and openly, as well as in a transparent and economical manner (to ensure efficiencies and value for money). The Trust is committed to integrating best practices, tools and resources to guide us in assessing and making choices including those that address Environmental, Social and Governance (ESG) factors, as well as improving supplier diversity to support SMEs. Together with financial regulations, procedures and guidelines, this policy serves the following principles:
- Transactions must comply with applicable laws, Trust policy and the Academy Trust Handbook.
 - Trust policy is best achieved through competitive "best value" procurement processes: exceptions must have appropriate justification and approval.
 - Appropriate due diligence, oversight, and documentation must be undertaken in order to demonstrate accountability and transparency in decision-making and the management of public funds
 - Third party, legal, financial, cyber, security and privacy risks shall be suitably assessed, identified and managed within the Trust' procurement and contracting processes.
 - Contract terms and conditions are negotiated with vendors that ensure the successful delivery of goods and services.
 - Guidelines, procedures and controls must be based on best practices.

2.0 Scope and Purpose

- 2.1 This policy applies to all spending on goods, services and works for and on behalf of the Trust, including ad-hoc one-off requirements and will be applied by any trustee, governor or staff member, who is undertaking any purchasing or procurement activity on behalf of the Trust.
- 2.2 This policy aims to ensure that:
- the Trust's funds are used only in accordance with the law, its Articles of Association, Funding Agreement and the Academy Trust Handbook (ATH)
 - 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
 - conflicts of interest are managed adequately and appropriately
 - The trust has open and transparent procurement procedures
- 2.3 The policy includes procedures for open tenders. This approach allows anyone to submit a tender to supply goods or services required, and offers an equal opportunity to any organisation to submit a tender.

3.0 Definitions

- 3.1 **ATH:** Academy Trust Handbook.
- 3.2 **ESG:** Environmental, Social and Governance.
- 3.3 **PCR:** Public Contracts Regulations.
- 3.4 **SME:** Small and Medium Enterprises.

4.0 Legislation and Guidance

- 4.1 The ATH states that academy trusts are required to have a competitive tendering policy, and ensure that the Public Contracts Regulations (PCR) 2015 procurement thresholds are observed.
- 4.2 This policy is based on the:

- Academy Trust Handbook
 - Department for Education (DfE) guidance on buying procedures and procurement law, and the Public Contracts Regulations 2015.
- 4.3 This policy also complies with the Trust's funding agreement and articles of association.

5.0 Roles and Responsibilities

Academy trustees:

5.1 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 (legal, external audit) 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, and
- 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.

Finance and Resources Committee

5.2 Academy trustees delegate competitive tendering responsibilities to the Finance and Resources Committee.

5.3 The Finance and Resources Committee is responsible for:

- overseeing the Trust's compliance with guidance on conflicts of interest and related party transactions
- ensuring compliance with tendering processes through approval and oversight
- placing orders for goods and services, and entering into contracts within delegated limits
- waiver of financial regulations in respect of purchasing

Executive Director of Finance and Estates

5.4 The Executive Director of Finance and Estates is responsible for:

- ensuring appropriate financial governance and risk management arrangements are in place
- preparing and monitoring budgets
- providing information to the Finance and Resources Committee and academy trustees, as appropriate
- overseeing and supporting competitive tendering.
- placing orders, entering into contracts and waiving financial regulations within the limits set out in the Scheme of Delegation and Financial Regulations and Controls Manual.

Head of Procurement

5.5 The Trust's Head of Procurement and buying team are responsible for:

- approval of suppliers and related due diligence
- maintaining lists of approved suppliers and Trust-wide contracts
- developing procurement strategy
- contractor and supplier management
- competitive tendering, including market research and benchmarking
- identifying opportunities for savings, and

- working collaboratively to develop procurement policies and processes which establish effective controls and maximise value from suppliers.

6.0 Purchase Thresholds

6.1 The Trust's procurement thresholds are contained within the Financial Regulations and Controls manual, and set out below (updated to reflect the new threshold values applying for the purposes of the Public Contracts Regulations 2015 – effective from 1 January 2022).

Estimated Value (excl. VAT, except as stated)	Procurement Requirements (Ted Wragg Trust)
Up to £1,000	'Routine / Standard day-to-day purchases' Estimated price: Order from approved supplier list where possible.
£1,001 - £10,000 (Low to medium-value)	Written quotation (two, preferably three, dependent on 'market-supply' and value), or Single Source Approval. Select approved supplier where available. A record of the decision must be maintained. If Single Source Approval is required, this must be signed as agreed by the Executive Director or Director of Finance. Nb. That the requirement for estates quotations is currently 'two' up to £20,000 due to supplier reluctance to quote with high market demand.
£10,001 - £40,000 (Medium-value)	At least three competitive written quotations, or Single Source Approval (SSA) signed by the Executive Director or Director of Finance. Save evidence of quotations (as required by the central finance function) to support requisition approval.
£40,001 to the relevant Public Contracts Regulation threshold. This is currently £213,477 including VAT for goods and services, but higher for supplies within the Light Touch Regime and Works.	At least three competitive written quotations / tenders against a formal Request for Quotation / Tender Process. Written contract required, signed by an Executive Team member. Schools must consult the Trust's Buying Team, led by the Head of Procurement. Single Source Approval requires the agreement of Executive. F&R Committee approval is required if a single source is suggested for contracts exceeding £100,000.
Above the contract value set out for the purposes of the Public Contracts Regulations (PCR) 2015.	A compliant EU Tender process. Schools must consult with the Head of Procurement before any process is initiated or Contract created.

PCR procurement threshold

- 6.2 If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the trust will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £213,477 including VAT.
- 6.3 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.

7.0 Approval Authority

- 7.1 The [Scheme of Delegated Authority](#) (as amended by this Policy) sets out the current levels of delegation as highlighted above.

8.0 Framework Agreements

- 8.1 Where appropriate, 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.
- 8.2 Depending on the framework chosen, the Trust will either pick the best value supplier from a list, or run a mini-competition between listed suppliers. In either case, the Trust 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.
- 8.3 The Executive Director of Finance and Estates has delegated authority to choose whether to use a framework agreement and which framework to use.

9.0 Valuing contracts

- 9.1 The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees.
- 9.2 For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.
- 9.3 The Trust will not divide a single contract into smaller contracts to bypass the purchase thresholds.

10.0 Evaluating tenders

- 10.1 Tenders will be evaluated against the criteria and weighting outlined in the tender document. Criteria will include:
 - cost
 - quality
 - delivery
 - performance and
 - risk
- 10.2 The Trust may specify additional criteria based on the type of tender, as outlined in the tender document.
- 10.3 In accordance with the Public Contracts Regulations, contracts must be awarded on the basis of both quality and price. The Trust's choice is based on identification of the Most Economically

Advantageous Tender on the basis of the Best Price/Quality Ratio, which must be assessed on the basis of criteria linked to the subject matter of the contract. Suggested criteria and ratios depending on the nature of the commodity/service being procured and the strength of competition are tabulated below. Weightings should be pre-agreed by the Executive Director of Finance and Estates or (up to £40k), the Trust’s Head of Procurement. Weightings are at the Trust’s discretion and the below is a guide.

Commodity Type	Description	Suggested Price/Quality Ratio
Routine	<ul style="list-style-type: none"> • Low Value/High Volume • Many Existing Alternatives 	80:20
Leverage	<ul style="list-style-type: none"> • High spend area • Many Sources of Supply • Commercial involvement can influence price 	60:40
Strategic	<ul style="list-style-type: none"> • Strategic to Operations • Few Sources of Supply • Large Spend Area • Specification may be complex 	60:40, 50:50, 40:60
Bottleneck	<ul style="list-style-type: none"> • Few Sources of Supply and alternatives available • Complex specifications • If supply fails, impact on organisation could be significant 	40:60, 10:90

10.4 * Tenderers will be advised of price /quality ratio within published invitation to tenders. Figures can be within the ranges identified above: ie. where there is a bottleneck, the price/quality ratio could vary as between 40:60 to 10:90.

11.0 Conflicts of Interest

- 11.1 The Executive Director of Finance and Estates (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.
- 11.2 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 Standard 102.
- 11.3 The Trust will obtain the ESFA’s prior approval for contracts and other agreements for the supply of goods or services to the trust by a related party where necessary. (Refer also to the Related Party Transaction Policy: prior approval is not necessary for goods and services supplied by another state-funded school or college, or a college, university or school which is a Member. You also don’t need prior approval for provision of services to the Trust by the Trust’s religious authority, for schools with a religious designation, if these can only be provided by the Diocese).

12.0 Procurement Planning

12.1 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 existence of opportunity for collaborative approval to increasing buying power
- any existing contracts or frameworks in place, including through the local authority or other purchasing consortium, and
- 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.

13.0 Tendering procedure: medium-value purchases

13.1 When making medium-value purchases without a framework agreement, the trust will use the process outlined below.

- **Create a specification:** a specification document will set out what suppliers need to understand about the purchase, including the quality, quantity and delivery date.
- **Compare suppliers:** a comparison of different suppliers, including their reputation, will help the trust develop a shortlist of at least three suppliers to approach for a written quote.
- **Assess quotes:** 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 (price, delivery and maintenance costs, running costs and the cost of moving or disposing of items not needed)
 - whether there will be price increases or decreases over the life of the contract, and
 - value for money.

Each aspect of the criteria should be scored, and a record kept of the evaluation. The choice of suppliers and evaluation of quotes will be supported by the Head of Procurement, under the oversight of the Executive Director of Finance and Estates.

NB. That the choice of suppliers should be **pre-agreed** with the Trust's Head of Procurement.

- When the Trust **contacts suppliers**, it will send them:
 - the specification
 - deadlines for quotes and when decisions will be made
 - instructions on how to ask for clarification questions about the specification.
- **Place an order:** when the best value quote is identified, the Trust will send the supplier a purchase order, which will include details of the:
 - goods, works or services we are purchasing
 - price
 - delivery address
 - delivery deadline and any other important dates
 - payment schedule.

14.0 Tendering procedure: high-value purchases

14.1 Where high-value purchases are made without a framework, legal support may be required. Where purchases are secured outside a framework, the process will be as follows:

- **Create a specification.**

- **Assess the market:** prepare for the tendering process by assessing knowledge of the market. Find out how many suppliers are available and the best way to advertise the contract to a range of suppliers.
- **Check the Trust's position in relation to the PCR procurement thresholds.**
- **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, the Trust will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire.
- **Establish how quotes will be assessed:** set out criteria that will allow the Trust to evaluate which of the suppliers' bids best meets the requirements of the specification, and is the most economically advantageous tender (the best combination of 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 of contract award.
- **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, and
 - if appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services.
- **Advertise the contract:** the contract will be advertised where suppliers are likely to look, such as:
 - the Find a Tender service: this is a requirement if the contract is over the PCR procurement threshold
 - local or national newspapers
 - education publications or websites, and
 - trade magazines.
- **Run the tender process and provide clarifications.**
- **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.
- **Notify suppliers and award the contract.**
- **Finalise the contract** (and advertise the award, if the contract was advertised in the Find a Tender service).
- **Abandoning the tender process:** on very rare occasions the Trust may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible.

15.0 Single Source Approval

- 15.1 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 or 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.

15.2 Nb. That Schools must first approach the Head of Procurement, allowing sufficient time for market analysis to ensure that wherever possible the Trust follows procurement law, notably the principles of equality of treatment, transparency and proportionality. Approval will not be given without this step.

16.0 Record keeping

16.1 Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices and [records management policy/record retention schedule].

17.0 Monitoring arrangements

17.1 The Finance and Resources Committee is responsible for the implementation of this policy and for reviewing procurement activity. This is supported through routine reporting led by the Executive Director of Finance and Estates / Head of Procurement.

18.0 Links with other policies.

18.1 This competitive tendering policy is linked to the Trust's Financial Regulations and Controls Manual, Scheme of Delegation and Related Party Transaction policy.