



# Procurement & Tendering Processes

Author (s)	G Griffith - CFO
Functional Area (Finance, HR, Trust Board etc.)	Finance
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Reviewer (s)	S Varcoe
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## The Charter Schools Educational Trust Procurement & Tendering Processes

### **1. Formal Tendering Process**

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 budget holder must discuss and agree with the relevant school Business Manager or the Trust CFO on 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 is 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.
  
- **Competitive Dialogue Process** is an exceptional procedure and should only be used where the contracting authority wishes to award a particularly complex contract. A particularly complex contract means a contract where the contracting authority is not objectively able to:
  - define 'the technical means' in terms of a British or international standards or technical specifications; and/or in relation to the performance or functional requirements; or
  - specify the legal and/or financial make-up of a project.
  
- **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.

### **2. Tender Requirements & Process**

## **2.1. Criteria**

Prior to embarking on a procurement exercise consideration should be given to the criteria by which tenders will be assessed. These may include financial aspects (ensuring full costs are considered), technical performance, supplier reputation, experience and other value-added aspects. Advice on the criteria by which to assess tenders can be provided by the respective school Business Manager or Trust CFO. Each of the criteria can be weighted appropriately in the light of the importance attached to those particular aspects.

When preparing the tender including the business case, full consideration should also be given to:

- Identifying the need
- Best value for money
- Benefits to the academy/Trust (financial/non-financial)
- Detailed specification of the requirement
- Technical skills required
- Market testing
- 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.

## **2.2. 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 advertisement must be placed to seek expressions of interest from interested bidders. The decision about where to advertise must be taken on a case-by-case basis and should be proportionate and reasonable. Such advertising could include, for example, the Trust's or academy's website. Relevant trade journals and newspapers should also be considered.

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
- Form of response.

Bidders must be allowed suitable time to respond to the advertisement. This must be clearly set out together with any submission requirements.

Bidders requesting more information must be sent a tender pack. This should contain a covering letter outlining the tendering process and instructions, the requirement and needs, together with any additional information required from the bidders. This will need to be bespoke in each case but could include, for example:

- details of pricing;
- details of method statements;
- details of product characteristics;
- the evaluation criteria which will be used to evaluate the tenders received, including disclosure of the criteria, sub criteria and weightings that will be applied to select the best Bidder(s). This is a complex area and you must check with the Business Manager if you are unsure; and
- a draft set of contract terms and conditions.

### **2.3. 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.

### **2.4. Tender opening procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded. Two persons should ideally be present for the opening of tenders and should include the school Business Manager and/or the Headteacher or for Trust wide contacts the CFO and/or the CEO. Tenders may be provided in hard copy, on CD ROM or via email. In the case of hard copies and CD ROMs, they must bear no external markings to identify the tenderer.

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 the people present at the tender opening.

### **2.5. Tendering procedures**

The evaluation process should involve at least three people and must include either the school business manager or the Trust CFO for Trust-wide contracts. 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 the 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. For contracts over £30,000 a report should be prepared for the Local Governing Body highlighting the relevant issues and recommending a decision.

For contracts over £100,000 a report should be prepared for the Trust Budget, Audit & Risk Committee highlighting the relevant issues and recommending a decision.

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 Trust or the individual school. All parties should then be informed of the decision.

### **3. Audit Trail**

This section applies to all contracts, regardless of value or duration. The Trust's Accounting Officer must complete a value for money statement each year as part of the governance report in the annual accounts.

A clear audit trail must be kept for all purchases. The level of detail required will increase with the value of the procurement. The written record must include:

- who was responsible for making the decision to procure, and details of their decision-making process;
- full minutes of any meetings at which the procurement was discussed;
- who was responsible for evaluation of tenders, and details of the evaluation, if applicable;
- who was responsible for receiving and checking the goods or services and for authorising and making payment. Note that in all cases the person responsible for the decision to procure must not be the same person who authorises payment;
- details of the purchase itself, for example, what was purchased, from whom and for what price; and be available to the Accounting Officer at all times for audit purposes as required.

In each case, the written record must include copies of all original documentation used during the procurement such as tender packs, quotations, contracts and invoices.

### **4. Dealing with conflicts of interest**

This section applies to all contracts, regardless of value or duration.

The Academies Financial Handbook puts strict obligations on the Trust to ensure that conflicts of interest in procurement are managed.

Any pecuniary interest which may affect the outcome of a procurement process must be declared. This includes all trustees, members, and governors as well as all staff members with budget responsibilities.

All trustees must complete the register of business interests and keep this updated at least once per year.

There are rules in the Academies Financial Handbook in relation to payments to individuals/organisations which are "connected" to a member or trustee. In any such case the Trust CFO must be informed before such payments are made.

A record of all such declared conflicts of interest must be sent to the CFO who will determine what if any action can be taken to seek to remedy any such conflict of interest.

No gifts or hospitality should be accepted by any service provider as an inducement to award a contract to that supplier. This may be an offence under the provisions of the Bribery Act 2010. This includes free IT equipment or training. You must inform the Trust CFO immediately on becoming aware of any such gifts or hospitality.

**5. Further information**

You must always check with the school Business Manager or Trust CFO if you are unsure about how this document may apply to you.

This document will be reviewed annually by the Trust. Any changes will be communicated to all staff within the Trust.

See following Appendices:

1. Timescales
2. Business case Pro Forma
3. Example decision Matrix

## **APPENDIX 1**

EU thresholds, procedures and timescales and services\*

Tender thresholds in force from 1st January 2020 under OJEU definitions:

Supplies	Services	Works
£189,330.00	£189,330.00	£4,733,252.00

Thresholds are net of VAT and are updated every two years.

\*Thresholds will be reviewed after 1<sup>st</sup> January 2021 after the BREXIT transition period is over.

### **Tender procedures and periods under the Regulations**

Procedures	Minimum response required	Tendering period	Total Tendering period
Open	NA	52 days	52 days
Restricted	37 days	40 days	77 days
Competitive dialogue	37 days	Not specified	37 days +
Negotiated	37 days	Not specified	37 days +

Examples of common Part B Services (supplies)			
Catering services	Legal services	Personnel placement and supply services	Investigation and security services
Education and vocational education services	Recreational, cultural and sporting services	Health and social services	Cleaning Services

**APPENDIX 2**

**Business Case Pro forma**

Department		
<b>Name</b>	<b>Contact No</b>	<b>Email</b>
<b>Detailed Requirement (Full Specification) – <i>What would you like?</i></b>		
<b>Existing Alternatives – <i>Does the Academy have anything that already does what you want?</i></b>		
<b>Business Case – <i>Brief Explanation to support your request. I.e. Why do you want and/or need it? Include benefit to the Academy</i></b>		
<b>Timeline – <i>When would you Require your Request? Earliest and Latest Dates.</i></b>		
<b>Cost – <i>How Much? You Must Supply at Least 3 x Quotes</i></b>		
<b>Any other Comments</b>		
<b>Approved by Line Manager</b>	Yes   No	<b>Comments</b>
<b>Name</b>	<b>Signature</b>	
<b>Approved by Business Manager</b>	Yes   No	<b>Comments</b>
<b>Name</b>	<b>Signature</b>	

### Appendix 3 – Example Decision Matrix

Evaluation of Tenders for B Block Toilets					
		Interfix Washrooms	Brookhouse	Lan Services	
% Assigned	Criteria				
	Toilets Male & Female	2	2	2	
30%	Price	£ 125,500.00	£ 103,648.08	£ 100,000.00	
	Additional	£ 450.00		£ 3,500.00	
	<b>Total</b>	<b>£ 125,950.00</b>	<b>£ 103,648.08</b>	<b>£ 103,500.00</b>	
50%	<b>Anti Vandal Specification/ High Spec Finishes</b>	LED Lighting/PIR Detectors Decoration Hygenic Wall Cladding Full Height WC Panel System High spec full length cubicles High spec anti vandal washtrough Anti vandal toilets/resin 4 x soap disp enclosed/Anti vandal Tissue dispensers enclosed/Anti vandal Ventilation system Flooring Anti vandal taps 4 x handryer enclosed/Anti vandal	LED lighting Decoration Hygenic Wall Cladding Full Height WC Panel System High spec but not full length cubicles Standard washtrough Standard china toilets Fire alarm included Signage Standard Ventilation system Flooring 5 x standard handryers	LED lighting/PIR Detectors Minimal decoration Hygenic Wall Cladding Full Height WC Panel System High spec full length cubicles Standard washtrough Standard china toilets Standard Ventilation system Flooring Standard taps 4 x standard handryers	
10%	<b>Guarantees</b>	12 months on all fittings and workmanship	None given	None given	
10%	<b>Deliverability</b>	Included	Included	Additional but included in evaluation	
100%					
Payment Terms		60% with order 35% on practical completion 5% after any snagging	50% with order 50% on completion	33% with order 33% on delivery 33% on completion	

Evaluation of Tenders for B Block Toilets					Weighted Scoring & Recommendation			
Evaulator	Glyn Griffith		Score 1 High	5 Low		Score 1 High	5 Low	
		Interfix	Brookhouse	Lan Services		Interfix	Brookhouse	Lan Services
% Assigned	Criteria							
30%	Price/value for money	2	2	4		0.6	0.6	1.2
50%	Anti Vandal/High Spec Finish	1	3	5		0.5	1.5	2.5
10%	Guarantees	1	5	5		0.1	0.5	0.5
10%	Deliverability	1	3	2		0.1	0.3	0.2
100%	<b>Total</b>	<b>5</b>	<b>13</b>	<b>16</b>		<b>1.3</b>	<b>2.9</b>	<b>4.4</b>