



The STAR Multi Academy Trust

Competitive Tendering Policy

Date Approved by the STAR MAT Trust Board	November 2018 November 2020 January 2023 June 2024
Review Date	October 2020 November 2022 June 2024

Purchasing

The Trust wants to achieve the best value for money from all our purchases. This means we want to get what is needed in the correct quality, quantity and time at the best price possible. A large proportion of our purchases will be paid for with public funds and therefore we need to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Trust;
- Accountability, the Trust is publicly accountable for its expenditure and the conduct of its affairs;
- Fairness, that all those dealt with by the Trust are dealt with on a fair and equitable basis;
- Value for Money, the Academy shall aim for:
 - Economy, minimising the cost having regard to appropriate quality
 - Efficiency, an appropriate relationship between outputs and costs
 - Effectiveness, the achievement of the intended outputs.

Routine Purchasing

Routine purchases up to £2,000 can be requested and are authorised as per the scheme of delegation. A quote or price must always be obtained before any order is placed. If the purchaser considers that better value for money can be obtained by ordering from a supplier not regularly used by the Trust then this must be discussed and agreed with the MAT CFO.

All orders must be made, or exceptionally confirm, in writing using an official order form, available electronically or from the Finance Office. Orders must be confirmed by the member of staff requesting the order, they will be countersigned by their line manager as required and must be forwarded to the Finance Office where they will be checked to ensure adequate budgetary provision exists before the order is released. [These processes exist electronically under SAGE Resource Financials accounting system.]

Please see Appendix 2.1 for a Summary of Financial Authorisation Levels and the procedures to be followed for ordering goods up to the value of £100,000.

Forms of Tenders

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 Finance Director 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.

The tendering method must be agreed in advance with the Finance Director and Chief Executive.

Preparation for Tender

Full consideration should be given to:

- budget available
- objective of project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract.

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;
- explanation of how the tenders will be evaluated
- 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.

Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. 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 the Finance Office prior to tender opening. Electronic tenders will also be acceptable but the same provisions apply as to hard copy tenders. Tenders received after the submission deadline should not normally be accepted and must be approved by the Head Teacher or Finance Director.

Tender Opening Procedures

1 All tenders submitted should be opened at the same time and the tender details should be recorded in the presence of either the Head Teacher or Finance Director.

2 A separate record should be established to record:

- the nature of the goods or materials to be supplied or the works or services to be provided;
- the name of each supplier or sub-contractor quoting/tendering;
- the date and time of receipt of each quotation/tender;
- the date and time of opening of the quotations/tenders;
- the amount of each quotation/tender;
- evaluation criteria and results
- the name of all persons present at the opening of the quotations/tenders. This record must be signed by two 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 a report should be prepared for the Audit 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 scores most highly when assessed against the evaluation criteria. All parties should then be informed of the decision.

When a third party undertakes the tendering process on behalf of the Trust, all of the above conditions will still apply, ie. the use of a framework.

Summary of Financial Authorisation Levels/Tender Procedures

Delegated Duty	Value	Delegated Authority
Ordering Goods and Services Revenue Spending Lease agreements cannot be entered without the authority of the Director or Finance and the DfE if the lease can be classified as borrowing		
	Up to £2,000	Headteacher or delegated school staff (ie. SBM)
	£2,001 to £50,000	CFO Chief Executive
	£50,001 to £100,000	Resources Committee
	£100,001 + above	Trust Board
2 Signatories for cheques and payment authorisations (including BACS payments other than payroll)	Any	Two signatories from: - Chief Education Officer - CFO - Finance Manager - Chair of Trustees - Resources Committee Member
3 Signatories for cheques and payment authorisations for MAT	Any	Two signatories from: - Chief Education Officer - CFO - Finance Manager - Chair of Trustees - Resources Committee Member

4 Payroll BACS	Any	business manager*, reviewed by CFO
5 Signatories for DfE grant claims and DfE returns for individual academies	Any	Two signatories from: - CFO - Headteachers - Chief Executive - business manager*
6 Signatories for DfE grant claims and DfE returns for MAT	Any	Two signatories from: - Chief Executive - CFO - a Board Director (Trustee)
7 Virement of budget provision between budget heads	Up to £2,000	Headteacher, reporting to the CFO (for information)
	£2,001 - £100,000	As above plus CFO, reported to the LGBs
	Over £100,000	Trustees
8 Virement of funding between academies	Any	Board of Directors
9 Disposal of assets (not including land)	Up to £1,000	CFO
	£1,001 to £5,000	As above plus Chief Executive
	Over £5,000	As above plus Audit Committee DfE approval required as appropriate for disposal of assets funded with DfE grant, or transferred from an LA at nominal consideration
10 Write-off bad debts and Liabilities (subject to £250,000 ceiling)	Up to £1,000	CFO
	Over £1,000	Chief Executive, with referral to the Finance Committee annually

	Writing off debts and losses or entering into guarantees, indemnities or letters of comfort.	ESFA consent required if exceeds: <ul style="list-style-type: none"> ● 1% of annual income or £45,000 individually ● 2.5% or 5% of annual income cumulatively
11 Purchase or sale of any freehold property	Any	Trustees and DfE approval required
12 Granting or take up of any leasehold or tenancy agreement exceeding three years	Any	Trustees and DfE approval required
13 Raising invoices to collect income	Any	business manager* or CFO
14 Order Limits	Any	Headteacher or CFO
	Headteacher	CFO or CEO
	Senior Leadership Team	Headteacher or CFO
	business manager*	Headteacher
	Director of Finance	Chief Executive
	Headteacher	CFO or Chief Executive
	Trust appointments	Chief Executive
	Chief Executive	Chair of Trustees
	Governor or Trustee	Company Secretary
15 Credit Cards	CFO	Chief Executive
	All staff, except business manager* business manager*	business manager* Headteacher
16 Special Payments	Novel, Contentious and Repercussive	ESFA agreement required
	Staff Severance and Compensation Ex Gratia	ESFA agreement required if £50,000 or more before tax; less than £50,000 Trustee approval. ESFA agreement required
17 Acquisition and Disposal of Land	Acquiring freehold land/ building	ESFA agreement required

	Other disposals	
	Disposing of a freehold on land/ buildings	ESFA agreement required
	Disposing of heritage assets	ESFA agreement required
	Other disposals	Trustee approval required
18 Leasing	Finance Lease	ESFA agreement required.
	Leasehold on land and buildings	ESFA agreement if lease term 7+year; Trust approval less than 7 years
	Any other lease	Value less than £50,000 CEO/ CFO Approval
	Granting a lease on land and building	ESFA agreement required.
19 Borrowing	Bank or sponsor loan, overdraft	ESFA agreement required.
	Credit Card	Delegated order limits apply
20 Related Party Transactions	Supplies to the Trust from a related party	ESFA agreement required over £20,000 and over associated limits.