



**The STAR**  
MULTI ACADEMY TRUST

Competitive Tendering Policy

Approved by The STAR Multi Academy Trust Board: November 2018

For Review: October 2020

## 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 £5,000 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. The Finance Office have a list of regularly used suppliers, however, 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 Finance Office.

All orders must be made, or exceptionally confirm, in writing using an official order form, stocks of which are held in 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.

### Summary of Financial Authorisation Levels/Tender Procedures

Delegated Duty	Value	Delegated Authority	Method
<b>Ordering Goods and Services</b> 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 £500	Budget Holder	Orders must be placed on an official order form. Order form must be completed prior to the order being placed.
	Up to £1,500	Business Manager or Finance Manager	
	£1,501 - £5,000	Head Teacher or Finance Director	
	£5,001 - £10,000	Head Teacher Finance Director Chief Executive	At least three written quotes and orders must be placed on an official order form
	£10,001 to £50,000	Finance Director Chief Executive	At least three written quotes and orders must be placed on an official order form
	£50,001 to £100,000	Resources Committee	Formal tendering process

