



MARISH Academy Trust



Competitive Tendering Policy

September 2023

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1. Aims

This policy aims to ensure that:

- The academy trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Trust Handbook
- 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. Legislation and guidance

The [Academies Trust Handbook](#) states that academy trusts are required to have a competitive tendering policy, and ensure that the Public Contracts Regulations (PCR) procurement thresholds are observed.

This policy is based on:

- Academies Trust Handbook
- [Department for Education \(DfE\) guidance on buying procedures and procurement law](#)
- [The Public Contracts Regulations 2015](#)

This policy also complies with our funding agreement and articles of association.

3. Roles and responsibilities

3.1 Academy trustees

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 legal or professional advice (such as an external auditor) 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 position or connection to the trust for personal gain
- Where any trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) to show that they had no influence on the decision

3.2 Finance committee

- Academy trustees delegate competitive tendering responsibilities to the finance committee.
- The committee is responsible for reviewing the trust's tendering processes, and for reporting to trustees on tenders.

- Where any trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) to show that they had no influence on the decision.

3.3 Chief financial officer

The chief financial officer (CFO) is responsible for:

- Ensuring appropriate financial governance and risk management arrangements are in place
- Preparing and monitoring budgets
- Providing information to the finance committee and academy trustees, as appropriate
- Overseeing and supporting competitive tendering

3.4 Facilities Director

- The facilities director will lead on competitive tendering for site and building works and improvements to the Trust's infrastructure.

3.5 Deputy Head shadowing finance or Chief Operations Officer

- The Deputy Head Finance, or their nominee, will lead on competitive tendering for education and curriculum services.

4. Purchase thresholds

4.1 De minimis level

Purchase orders do not need to be raised for services or goods with a value up to £1,000. These invoices can be signed off by members of the Trust's Senior Leadership Team.

4.2 Low to high-value purchase thresholds

Purchase levels are divided into the following:

- Low-value purchase: £1,000 - £20,000
- Medium-value purchase: £20,000 - £50,000
- High-value purchase: over £50,000, but below the PCR procurement threshold

4.3 PCR procurement threshold

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.

A 'light touch regime', with a higher threshold of £663,540 applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the trust qualifies.

5. Framework agreements

Where possible, we 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.

Depending on the framework we choose, we will either pick the best value supplier from a list, or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded.

6. Tendering procedure:

6.1 Low-value purchases

When making a low-value purchase of up to £20,000, a minimum of three competitive quotations will be sought should the cost exceed £15,000, (unless we already have used this supplier and deem them reliable, or provided that there are at least three potential suppliers of this particular product/service.) If three tenders are submitted, the decision will be made on best value for money combined with quality and specific nature of need to be met. In any case wherein the lowest tender is not accepted, justification will be kept in writing.

6.2 Medium-value purchases

When making a medium-value purchase of up to £50,000 without a framework agreement, the trust will use the process outlined below.

- a. Create a specification – a specification document will set out what suppliers need to understand what the Trust is looking to buy, including the quality, quantity and delivery date.
- b. Compare suppliers – a comparison of different suppliers, including their reputation, will help to develop a shortlist of at least 3 suppliers to approach for a written quote.
- c. Assess quotes – some 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, which may include:
 - The sale price of the goods, works or services
 - VAT
 - Delivery charges
 - Maintenance costs
 - Running costs
 - The cost of removing and disposing of an item or service once we no longer need it
 - Whether there will be price increases or decreases over the life of the contract
 - Value for money

Each aspect of the criteria will be scored on a scale of 1 to 5, with 5 being the highest score. A record of how the quotes are evaluated will be kept.

A team of at least three staff and one trustee will evaluate submitted quotes and records will be kept for subsequent analysis if necessary.

When potential suppliers are contacted to request quotes, they will receive: the specification, deadlines for quotes and dates when decisions will be made and instructions for how to ask clarification questions about the specification.

- d. Place an order – when the best value quote is identified, the supplier will be sent a purchase order, which includes details of: Goods to be supplied, works or services we are purchasing, price, delivery address, delivery deadline and any other important dates and the payment schedule.

6.3. High-value purchases

The trust will make high-value purchases without a framework only in rare circumstances and usually with the support of a Professional Project Management Company.

When this does happen, the Project Management Team will use the process below.

- a. Create a specification (see section 6).
- b. Assess the market – prepare for the tendering process by developing knowledge of the market. Find out how many suppliers are available and the best way to advertise to a range of suppliers.
- c. If applicable develop a service level agreement – 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.
- d. Develop a contract – a contract will include terms and conditions, a contract management plan and an exit strategy.
- e. Reduce the number of bids – if necessary, to reduce the number of bids the trust needs to evaluate, the Project Management Team will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire.
- f. Establish how we will assess quotes – criteria will be set out that allow evaluation of which of the suppliers' bids best meets the requirements in the contracted specification, and is also the most economically advantageous tender that best combines cost and quality.
- g. Create a timeline for the tender process – this will include the dates of the clarification period, the deadline for submitting tenders and the date we expect to award the contract.
- h. 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
 - If appropriate, an invitation for suppliers to give a practical demonstration of their goods, works or services
- i. Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:
 - The government's Contracts Finder service
 - Local or national newspapers
 - Education publications or websites
 - Trade magazines
- j. Run the tender process and provide clarifications.

- k. Evaluate tender responses – at least 3 people will score and evaluate the bids, and then compare notes, after completing their evaluations; records of decision making and moderation decisions will be kept.
- l. Notify suppliers and award the contract.
- m. Finalise the contract and advertise the award.
- n. Abandoning the tender process – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible.

7. Conflict of interest

We 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.

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](#).

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 any of the following limits arise:

- A contract or other agreement over £40,000
- A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August

8. Monitoring arrangements

The finance, audit and risk committee are responsible for the implementation of this policy.

This policy will be reviewed and approved by the board of trustees every year.

9. Links with other policies

This competitive tendering policy should be considered alongside the Trusts other financial policy documents as published from time to time. These include the Academy Trust Handbook, the accounting policy and the reserves policy.