



# The Southfield Trust Competitive Tendering Policy 2016-19

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**This policy was adopted by the Trustees on 28/06/16**

Remo Palladino, Executive Headteacher ----- Date -----

Margaret Neal, Chair of Trustee's ----- Date -----

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*This Policy has been produced as part of the Academies Financial Handbook guidance to compliance, when a Competitive Tendering process is required in accordance with the principles, Part 3.1.3 Academy Trusts must ensure that a competitive tendering policy is in place and applied and Official Journal of the European Union (OJEU) procurement Thresholds are observed.*

## 1. Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the circumstances in which each procedure should be used are as follows:

**Open Tender:** This is where all potential suppliers are invited to tender. The budget holder must discuss and agree with the Executive Headteacher/Director of Resources how best to advertise for suppliers (eg general press, trade journals or direct contact). 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 of the nature of the goods are such that only specific suppliers can be expected to supply the Trust'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

## 2. Preparation for Tender

Full consideration must be given to the following:

- objective of the project
- overall requirements
- technical skills required
- after sales service requirements
- form of contract

It is useful after all requirements have been established to rank requirements (eg: mandatory, desirable and additional) and award marks to suppliers on fulfillment of these requirements to help reach an overall decision.

## 3. 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
- terms and conditions of tender
- form of response

#### 4. **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 (best value).

Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs.

If there is scope for negotiation, this must be considered.

##### ***Technical/Suitability:***

Factors to consider include:

- 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 the 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 the audited accounts for example.
- If in practice there is a sole provider of the goods or services, appropriate consideration will be given to ensuring that value for money is being obtained (which may include benchmarking similar services or providers elsewhere in the country) and evidence retained for audit purposes.

#### 5. **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 a secure place prior to tender opening. Tenders received after the submission deadline should not normally be accepted.

#### 6. **Tender Opening Procedures**

All tenders submitted should be opened at the same time and the tender details should be recorded.

- for contracts over £35,000 (in line with the Schools' Financial Regulations), two of the Senior Management Team (Executive Headteacher, Director of Resources) and a member of the Trustees.

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 those people present at the tender opening.

#### **7. Tender Evaluation**

The evaluation process will involve at least two people. Those involved shall 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 shall not accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records will be kept of all criteria used for evaluation and for contracts over £35,000 a report should be prepared for the Trustees highlighting the relevant issues and recommending a decision. For contracts under £35,000 the decision and criteria should be reported to the Trustees.

Where required, the conditions attached to a specific DfE grant, the Departments 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. All parties shall then be informed of the decision.

In the event that tender other than the lowest is accepted, those involved in making the decision shall document and report the reasons for not accepting the lowest bid to the Board of Directors.

#### **8. Retention of Records**

All relevant documents relating to the tender process (including minutes of meetings held and a written record of the reasons for the decisions made) shall be retained by the Trust for audit purposes.