



West Norfolk
Academies Trust

PURCHASING & TENDERING POLICY

**Reviewed by: Finance & General
Purposes Committee**

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Introduction

West Norfolk Academies Trust aims to achieve the best value for money from all purchases. This means getting what we need in the correct quality, quantity and time at the best price possible. A large proportion of purchases will be paid for with public funds and 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 West Norfolk Academies Trust;
- **Accountability**, West Norfolk Academies Trust is publicly accountable for its expenditure and the conduct of its affairs;
- **Fairness**, that all those dealt with by West Norfolk Academies Trust are dealt with on a fair and equitable basis.

The key responsibilities of the Trustees Finance Committee are to:

- Outline procedures for the submission, receipt, opening and recording of tenders and quotations
- Identify circumstances when financial or technical evaluation is necessary
- Discuss and establish procedures for obtaining quotations and tenders where the estimated value of a purchase exceeds a predetermined sum
- Discuss and agree a sum above which all quotations and tenders should be reviewed
- Ensure that the school obtains best value for money from any purchases by testing the market before the school is committed to any expenditure

. Role of the Trustees

- The Trustees as a whole is expected to approve procedures recommended by the Finance Committee.
- Approve tenders recommended by the Tendering Committee

Orders up to £5000

Routine purchases up to £5,000 can be ordered by budget holders. In the first instance a supplier should be chosen from the list of approved suppliers maintained in the list of suppliers.

A quote or price must always be obtained before any order is placed.

Best Practice dictates that two comparable quotes should be obtained for all purchases.

Orders up to a value of £5000 can be signed by the Budget Holder in line with the Schedule of Financial Delegation.

Orders over £5,000 but less than £10,000

A minimum of two written quotations should be obtained for all orders between £5,000 and £10,000 to identify the best source of the goods/services. NOTE: Three written quotations are preferable.

Written details of quotations obtained should be prepared and retained by the Finance Manager for audit purposes. Telephone quotes are acceptable if these are evidenced and faxed confirmation of quotes has been received before a purchase decision is made.

This form and all orders between £5000 and £10000 must be countersigned by the Head Teacher.

Orders over £10,000 but less than £50,000

A minimum of three written quotations must be obtained for all orders between £10,000 and £50,000 to identify the best source of the goods/services. Written details of quotations obtained should be prepared and retained by the Finance Manager for audit purposes.

A Best Value Check must be completed for all purchases between £10,000 and £50,000.

All goods/services ordered with a value between £10,000 and £50000 or for a series of contracts which in total value between £10,000 and £50000 must be approved by the CFO and be signed by the Headteacher or CEO.

Orders over £50,000

All orders over £50,000 must be subject to formal tendering procedures.

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 Chief Finance Officer 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 West Norfolk Academies 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,
- additional deliveries by the existing supplier are justified.

Preparation for Tender

Full consideration should be given to:

- objective of project
- overall requirements
- technical skills required
- 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.

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 and
- form of response.

Tendering - 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

1. Qualifications of the contractor
2. Relevant experience of the contractor
3. Descriptions of technical and service facilities
4. Certificates of quality/conformity with standards
5. Quality control procedures

6. 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 West Norfolk Academies 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.

Tender Opening Procedures

All tenders submitted should be opened at the same time and the tender details should be recorded. Two or more persons should be present for the opening of tenders. This Panel should be made up of either the Chief Finance Officer, the Head Teacher/CEO or members of the Tendering Committee. Alternatively, closed tenders can be opened in the presence of three Trustees who then decide the way forward. 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.

Approval of tenders

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 all trustees/members of the tendering committee present at the tender opening. Full records should be kept of all criteria used for evaluation and a report should be prepared for the Finance 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 academy. All parties should then be informed of the decision.