

PROCUREMENT POLICY

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| Prepared By | Chief Financial Officer |
| Approved By | Hamwic Education Trust Board of Directors |
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PROCUREMENT POLICY

Scope:

The Directors of Hamwic Education Trust (the Trust) are aware of the need to obtain best value for money in all instances of procurement.

The Academies Financial Handbook states that:

“Academy Trusts must ensure that:

- *spending has been for the purpose intended and there is probity in the use of public funds;*
- *spending decisions represent value for money, and are justified as such;*
- *internal delegation levels exist and are applied;*
- *a competitive tendering policy is in place and applied, and Official Journal of the European Union (OJEU) procurement thresholds are observed; and*
- *relevant professional advice is obtained where appropriate, including that of their external auditor where necessary.”*

For the purpose of this document, all references to the Trust refers to Hamwic Education Trust, Hamwic Trust and all associated multi-academy trusts & academies.

Scheme of Delegation:

The Trusts Financial Handbook stipulates the following scheme of delegation:

| Approval Limits | Approver |
|-------------------|--|
| £0 - £9,999 | School Leader (or appropriate Budget Holder) |
| £10,000 - £49,999 | Chief Financial Officer |
| £50,000 - £99,999 | Chief Executive Officer |
| £100,000 + | Board of Directors |

In addition to the above approval limits, each academy must have their own internal scheme of delegation to ensure appropriate approval levels are in place between the following individuals/committees:

- Budget Holders
- Business Manager
- School Leader
- Local Governing Bodies

Once these scheme of delegations have been approved by the appropriate committee, a copy must be sent to the Chief Financial Officer.

Tendering Limits

The Trust has set the below thresholds for specific forms of tendering:

| Tendering Thresholds | Tendering Requirements |
|---|---|
| £0 - £9,999 | No formal requirements, but value for money must be obtained |
| £10,000 - £24,999 | 3 Written Quotes |
| £25,000 + | Formal Tendering (see below) |
| OJEU Limits: Supplies - £172,514 + Works - £4,322,012 + | Formal OJEU Tendering. Any tenders over this threshold must be completed in consultation with the Chief Financial Officer |

The above amounts refer to the lifetime contract cost, not the annual cost.

Schools Condition Allocation Capital Tendering

The Trust has set the below thresholds for tendering required for capital works through the Schools Condition Allocation (SCA):

| SCA Tendering Thresholds | Tendering Requirements |
|---|---|
| £0 - £24,999 | No formal requirements, but value for money must be obtained |
| £25,000 - £49,999 | 3 Written Quotes |
| £50,000 + | Formal Tendering (see below) |
| OJEU Limits: Supplies - £164,176 + Works - £4,104,394 + | Formal OJEU Tendering. Any tenders over this threshold must be completed in consultation with the Chief Financial Officer |

Forms of Tenders:

Any item of expenditure of over £25,000 (£50,000 for SCA capital expenditure) is required to go through a formal tendering processes. Academies must complete an Invitation to Tender document (see below) which must be approved by the Chief Financial Officer.

There are four forms of tender procedure: open, restricted, negotiated and framework. 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 & agree with the Business Manager how best to advertise for suppliers or how to identify potential suppliers. 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;
 - o there is a need to maintain a balance between the contract value and administrative costs,
 - o 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 Trust’s requirements,
 - o 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 of more chosen suppliers. This is appropriate in specific circumstances:
 - o the above methods have resulted in either no or unacceptable tenders,
 - o only one or very few suppliers are available,
 - o extreme urgency exists,
 - o additional deliveries by the existing supplier are justified.
- **Framework** – this is where the terms of supply of goods or services directly match an existing framework that the Trust is able to access as a public body.

Preparation for Tender

Full consideration should be given to the:

- 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
- Tender process, timescales & forms of response
- Scope & requirements of the project
- Evaluation criteria
- Terms & conditions of tender

A template is included in appendix 1 of this document.

Aspects to Consider

- Financial
 - o Like should be compared with like and if a lower price means a reduced service of lower quality this must be borne in mind when reaching a decision
 - o Care should be taken to ensure that the tender price is the total price and that there are no hidden or extra costs
 - o Is there scope for negotiation?
- Technical/Suitability
 - o Qualification of the contractor
 - o Relevant experience of the contractor
 - o Descriptions of technical & service facilities
 - o Certificates of quality/conformity with standards
 - o Quality control procedures
 - o Details of previous sales & references from past customers
- Other Considerations
 - o Pre sales demonstrations
 - o After sales service
 - o Financial status of supplier

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 & 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 persons should be present for the opening of tenders as follows:

- For contracts under £25,000 – two of the Budget Holder, Business Manager, School Leader, Local Governor, Chief Financial Officer, Deputy CEO or CEO.
- For contracts over £25,000 – one of the School Leader, Business Manager or Local Governor and one of the Chief Financial Officer, Deputy CEO or CEO.

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 both people present at the tender opening.

Tender Evaluation

The evaluation process should involve at least two people. Those involved should disclose all interests, business & 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 for contracts over £25,000 approval must be obtained from the Chief Financial Officer. For contracts under £25,000 the decision and criteria should be reported to the Local Governing Body.

Where required by the conditions attached to a specific grant from the Education & Skills Funding Agency, 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 Trust. All parties should then be informed of the decision.

Group Procurement

Where identified by the Trust, group tendering will be utilised for procurement of goods & services across schools. Schools will be consulted where value is considered to be achievable through group procurement. Examples include, but are not limited to:

- Energy
- Term Servicing
- IT Equipment
- Photocopiers
- Catering

Appendix 1 – Template Invitation to Tender

**INVITATION TO TENDER
for (Tender Project Name)
for (School Name)**

Closing Date: (Closing Date of Tender)

**Contact:
(Name of School Contact)
(Title of School Contact)
(Email Address of School Contact)**

Contents

1. Introduction
2. Tender Process
3. Scope & Requirements
4. Evaluation Criteria
5. Terms & Conditions

1. Introduction

(Provide an introduction to the Trust/School and what the tender is for)

Example

Xxxxxx School is inviting companies to tender for cleaning services for its entire site under a three year contract to start on 1 January 2018. Xxxxxxx School has outsourced the provision of cleaning for the past 4 years.

Xxxxxx School is an over-subscribed primary school with 420 students situated in central Southampton. The School has 16 teachers and 30 support staff. No cleaners are currently employed by the School. Details of the School site are included within the Scope of the tender.

2. Tender Process

(Provide details of how companies are to submit tender proposals and the timescales)

Example

*Tenders should be submitted to finance@school.sch.uk. A hard copy of each tender should also be made in a plain unmarked envelope address as Private & Confidential to Mrs Smith, Business Manager. The deadline for submission of tenders is **Friday 8 September 2017 at 13:00**.*

The address for hand, post or courier delivery is:

*Xxxxxx School
School Lane
Southampton
SO1 1AA*

Submissions received after the deadline will not be considered.

Tenderers should ensure that they allow enough time to submit their bid response. The School will accept no responsibility for difficulties during the process of submission and/or late or lost submissions.

Please study the documentation carefully. If you are in any doubt as to any aspect of the scope, or require clarification of any part of the document please contact Mrs Smith.

Companies will be offered the opportunity to conduct a site visit. Any site visits must be completed by Friday 18 August 2017. To arrange a site visit please contact Mrs Smith.

Tenders will only be considered if they provide competitive prices strictly in accordance with the scope of the tender.

The School expects to appoint the successful company on 18 September 2017.

3. Scope & Requirements

(Provide specific details of the tender)

Example

Xxxxx School is based on a single site with an internal floor area of 1,020 m². A site map of the school is provided below.

(Insert site map)

Cleaning is required to be completed five days a week between the hours of 6am and 8am. The cleaning is to include xxxxxxxxxxxxxxxx. (include all requirements of the tender)

In addition, a deep clean of the entire site is required during the summer holidays. The deep clean is to include xxxxxxxxxxxxxxxx. (include all requirement of the tender)

4. Evaluation Criteria

(Provide information as to how tenders will be evaluated)

Example

All tenders will be subject to a detailed evaluation process. The School will select the best value for money tender considering the following factors with associated weightings:

- *Cost (50%)*
- *Ability to meet or exceed the requirements of the tender (30%)*
- *Quality and performance track record (15%)*
- *Bid quality and compliance (5%)*

The School may request additional information as part of the bid clarification process to enable to School to better understand the tenderer's bid.

5. Terms & Conditions

(Include the below terms & conditions. If any further terms & conditions are required include them)

The Supplier acknowledges that a response to this tender does not commit the School to any course of action resulting from its receipt and that the School may, at its discretion:

- Reject any tender. The School is not bound to give any reason for the rejection.
- Reject any tender which does not conform to the Scope & Requirements of the tender.
- Reject all responses.
- Terminate the tender process.

The Supplier must be prepared to discuss any aspect of its response if requested by the School.

The School may, at its request, require unsuccessful Suppliers to immediately return or destroy all documentation relating to this tender. The Supplier may, at the Schools request, be required to confirm in writing that all such documentation has been destroyed.

Nothing contained in this tender or any other communication made between the School and the Supplier shall constitute an agreement, contract or representation between the School and the Supplier. Receipt of this tender by the Supplier does not imply the existence of a contract or commitment by or with the School for any purpose. Suppliers must note that this tender may not result in the award of any business. The School reserves the right to change any aspect of, or cease, the tender process at any time.

The information contained in this tender is subject to updating and amendment in the future. It does not purport to contain all of the information which a Supplier may require. While the School has taken all reasonable steps to ensure that, as at the date of this document, the facts which are contained in the tender are true and accurate in all material respects, the School does not make any representation or warranty as to the accuracy or completeness or otherwise of this tender, or the reasonableness of any assumptions on which this document may be based. All information provided by the School to Suppliers, including that contained in this tender, is subject to the Supplier's own due diligence. The School accepts no liability to Suppliers whatsoever and however arising and whether resulting from the use of this tender, or any omissions from or deficiencies in this document. The School shall rely upon the information provided by Suppliers.

All intellectual property rights in this tender are and will remain the property of the School. No part of any such materials may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical, optical or otherwise, now known or hereafter invented, for any purpose other than the preparation and submission of a response to this tender, without the written permission of the School. The School may exclude from this tender process any Suppliers who have been found to be in breach of confidentiality or intellectual property provisions and may pursue any remedy or take any other action for breach as it considers appropriate.

It is the responsibility of the Supplier to obtain for itself at its own expense all additional information necessary for the preparation of its response to this tender. No claims of insufficient information will be entertained.

Suppliers are required to declare any existing or potential interests they have in the School. Suppliers should state the nature of the relationship. This may be, but is not limited to, current or former employee, governor, pupil, parent or other close relative of pupil, relationship with spouse, relative, friend or any other connected party. The scope of the declaration is drawn extremely widely to capture all situations where there may be, or be seen to be, potential for a conflict of interest to arise.

Any Supplier who directly or indirectly canvasses any employee or governor of the School concerning the award of the tender will be disqualified.

The School will not be obligated to consider any late responses to this tender, nor will it be obliged to consider any requests for extension of time from the date fixed for submission of responses to this tender. The School may, however, in its absolute discretion, extend the time or date fixed for submission and in such event, the School will notify all potential Suppliers of any change.

Suppliers are responsible for all costs, liabilities and expenses which may be incurred in the preparation of its response to this tender. The School will not be held liable for any costs incurred by the Supplier regardless of the outcome or whether or not a contract is awarded.

Information contained in the tender and any further information that comes into the possession of the Supplier during any subsequent discussion, correspondence or negotiations shall be deemed confidential information. The School may, at their discretion, request a Non-Disclosure Agreement be signed by Suppliers.

Should any Supplier not wish to proceed with the tender process, they must immediately destroy this document.

Suppliers must obtain by written consent of the Business Manager before disclosing to third parties or any Supplier group company and confidential information of the School or any part of this tender. Suppliers must ensure that all third parties to whom disclosure is made shall keep any such information, material, specification or other document confidential and are subject to confidentiality obligations no less onerous than those set out in any Non-Disclosure Agreement. The School shall be entitled to require the Supplier to maintain a register of all employees and third parties who have access to such information and make such register available to the School for inspection on request.

Suppliers must not announce or release any information regarding this tender process or the existence of this tender without prior written approval of the Business Manager.