

# Competitive Tendering & Procurement Policy

TEAM Education Trust



Revisions Approved by: Trust Board

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List of Associated Policies:

- TEAM Charges & Remissions Policy
- TEAM Financial procedures
- TEAM Scheme of Financial Delegation
  
- Academy Trust Handbook

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## Version History

Version	Date	Detail	Author
1	29.05.20	Original Policy	
2	13.05.21	This policy has been reviewed by Keystone, no amendments required	SBA
3	1.04.22	Amended reference to AFT to Academies Trust Handbook, updated clause 3.12 to approval from TB not CEO / CFO	NCO
4	4.11.22	Amended Clause 7.2 to note the special exemption to the requirement to raise an official purchase order for Supply Staff cover (amendment approved by Trust Chair).	NCO
5	11.09.23	Reviewed – No Amendments	NCO
6	01.04.24		

## Contents

Version History .....	2
1. Policy Statement.....	3
2. Commitment and purpose.....	3
3. General principles.....	4
4. Value for money.....	5
5. Scheme of delegation .....	6
6. Expenditure thresholds .....	6
7. Raising orders .....	7
8. Leases and rentals .....	8
9. Valuing Contracts.....	8
10. High value expenditure.....	8
11. Health and safety .....	9
12. Segregation of duties.....	10
Appendix 1 – Competitive Quotes Form.....	11
Appendix 2 – Tendering process .....	12

## 1. Policy Statement

It is the Trust's policy to ensure that any spend of Public money regardless of value is carried out in a transparent and non-discriminatory way and in compliance with the Public Contracts Regulations and Bribery Act.

The Trust Scheme of Delegation outlines who has authority to select contractors and award contracts and/or raise orders. Failure to comply with either this Procurement Policy, the Trust Financial regulations or Scheme of Delegation may result in withdrawal of authority and disciplinary action.

As a publicly funded organisation, the Trust and its academies are 'Contracting Authorities'. Subsequently any procurement activity is regulated by :

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

This policy sets out how the Trust will manage procurement to ensure compliance with relevant legislation. It also provides guidance on how to procure via the tender process, this is conducted by the Trust / Central team. At least 2 members of the Trust executives will evaluate all Tender quotes, with support from other Central Team members, if required. They will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept

Failure to comply with this policy and/or follow guidance could result in a breach of legislation, fines and litigation, claims for damages and loss of reputation.

This document will be reviewed annually following the release of the updated Academy Trust Handbook, (usually late July / Aug).

## 2. Commitment and purpose

2.1 The Board of Trustees of T.E.A.M. Education Trust are committed to ensuring that the procurement processes in place are robust enough to ensure the Trust:

- a. achieves 'Value for money' in all procurement decisions;
- b. can demonstrate regularity in its use of public funds (all expenditure should be compliant with the relevant legislation);
- c. can demonstrate propriety in its use of public funds (expenditure should be for educational purposes and spending decisions transparent); and
- d. remains compliant with the ESFA's Academy Trust Handbook and its funding agreements with the Department for Education (DfE).

2.2 Value for money (VFM) is defined by the Academy Trust Handbook as:

*Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.*

2.3 All funding received by T.E.A.M. Education Trust regardless of its source, is public money and is therefore subject to this policy. Trust and Academy staff should exclude themselves from any procurement exercise involving a related party (such as a close friend, family member or business interest) after the specification stage of the process.

- 2.4 Procurement is the process whereby goods, services and works are acquired. The procurement process spans a life cycle from identification of need and resources, through selection of suppliers, purchasing, contract management and disposal. Purchasing is the transactional process of buying the goods/services and is just one part of procurement.
- 2.5 Procurement or purchasing may be undertaken by T.E.A.M. Education Trust staff only in accordance with the scheme of delegation and thresholds referred to in this Policy. Where a tendering process must be followed this should be carried out by the Trust Central Team
- 2.6 The purpose of this policy is to:
- a) provide T.E.A.M. Education Trust staff with information and guidance regarding effective and compliant procurement; and
  - b) establish clear procedures for procurements of goods and services, based on the expected value of a purchase.
- 2.7 The Trust Competitive Tendering and Procurement Policy is applicable to all purchasing activity regardless of value and should be followed by all staff involved in purchasing whether centrally or academy based.
- 2.8 This policy should be read in conjunction with:
- a) The Trust's Finance procedures
  - b) The Scheme of Delegation
  - c) The Academy Trust Handbook
- 2.9 All procurement within the Trust and academies shall be carried out in such a way to ensure compliance with legal requirements, including, the 2015 Public Contracts Regulations, EU Procurement legislation, Trust financial regulations and scheme of delegation and any other requirements of the DfE or ESFA.
- 2.10 This policy is intended to reflect and support the aims of the Trust by working with staff and suppliers to optimise value for money in the procurement of works, goods and services. It aims to balance efficiency against risk factors in achieving value for money whilst promoting compliance and sustainability.
- 2.11 The Procurement Policy and associated policies will be reviewed at least every two years or whenever required by a change in legislation.
- 2.12 There is a duty on all staff who may be involved in any stage of the procurement process to apply the key principles of best practice procurement to achieve appropriate governance, value for money and suitable quality of goods and services to meet the Trust needs.
- 2.13 The Trust and Academies are subject to scrutiny by internal and external auditors as well as the EFA and other government departments/organisations. It is the responsibility of everyone involved in the purchasing process to ensure that they compliant with current policies, procedures, guidance and legislation.

### 3. General principles

- 3.1 When purchasing and contracting for goods and services, the Trust and its academies must demonstrate compliance with procurement legislation and the proper and effective use of public funds at all times. Procedures should also ensure that the goods, services and works procured are for the correct quantity and quality, arrive on

time and achieve best value. The following general principles must therefore be adhered to:

- 3.1.1 Transparency and non-discrimination, in all purchasing activity the Trust must ensure that all contractors, suppliers and service providers are treated equally and without discrimination and must act in a transparent and proportionate manner. Procurement procedures must not be undertaken in a manner which artificially narrows competition, favours or disadvantages any contractor, supplier or service provider:
- 3.1.2 Probity; it must be apparent that all parties are dealt with on a fair and equitable basis and that there is no private gain, favouritism or corruption involved in any dealings of the Trust.
- 3.1.3 Accountability; the Trust is publicly accountable for its expenditure and for the conduct of its affairs.
- 3.1.4 Value for money; the achievement of value for money underpins the appropriate use of all public funds, therefore as well as striving to achieve the best price possible for all purchases, consideration should also be given to other factors such as quality, suitability, availability, reliability of the supplier, terms available etc.
- 3.1.5 General Data Protection Regulations; all procurement must be in line with the UK's Data Protection Act 2018, of which the Trust's policy can be found on the website.

## 4. Value for money

- 4.1 Value for money is the optimum combination of whole life cost and quality to meet the requirement. To ensure that all purchases obtain optimum value for money, a range of procurement procedures are detailed in 5-8 below, which outline the steps to be taken. All purchases must be made in accordance with these guides.
- 4.2 Purchases over £40,000 will require approval by the Trust Board and must be managed by the Central Team. In these cases early involvement is recommended to ensure expectations are clear and timelines are achievable.
- 4.3 Unless below the threshold for obtaining multiple quotations or tenders all procurement of goods, works, services or consultancy should be acquired by effective competition. Competition promotes efficiency and effectiveness in expenditure to ensure economic decisions are made, as detailed in the definition of value for money in the Academy Trust Handbook. The definitions of these three elements are as follows (taken from the Academy Trust Handbook):
  - 4.3.1 Economy: Obtaining an outcome for the least possible input of resources.
  - 4.3.2 Effectiveness: Obtaining the desired outcome.
  - 4.3.3 Efficiency: Obtaining the best possible outcome for the resources input.
- 4.4 The Trust has a duty to comply with the requirements of EU Procurement Legislation and Academy Funding Agreements. In order to do so the Central Team will review all proposed purchases over £20,000 to ensure the goods, works, services or consultancy have been procured in accordance with the guidelines and that they achieve value for money.

There is further guidance on how to achieve value for money for various types of expenditure on the government website: <https://www.gov.uk/guidance/buying-for-schools>

## 5. Scheme of delegation

- 5.1 Any process which involves committing the Trust or an Academy to expenditure must be approved in accordance with the scheme of delegation. The scheme of delegation confirms who has the authority and to what financial level.
- 5.2 Any member of staff placing a purchase order on behalf of the Trust or an Academy must be sure that they have the correct level of authority to do so in accordance with the scheme of delegation and where required must obtain approval from a more senior member of staff with a higher approval limit if necessary.
- 5.3 No member of staff may approve purchases unless they have been given authority within the scheme of delegation to do so.
- 5.4 No employee is authorised to commit the Trust or an Academy to expenditure without first ensuring that there is adequate budget provision.
- 5.5 The scheme of delegation should not be artificially broken down into smaller orders to phase the issue of purchase orders and thereby circumvent either authorisation levels or the requirement to obtain further quotes/tenders.
- 5.6 Please refer to the separate document named 'Scheme of Delegation' to see the ordering, purchasing and authorisation limits held within the Trust.

## 6. Expenditure thresholds

- 6.1 The thresholds for following the procurement process is governed by the anticipated lifecycle and expected cost of the goods/services.
  - Below £5,000 – ensure that purchase is in line with best value.
  - £5,000 - £40,000 – three quotations must be received from suitable suppliers/contractors and this be documented. The Academy or Trust must go with the supplier/contractor that offers the best value for money. (See appendix 1 for a competitive quotes form.)
  - Any expenditure over £40,000 is classed as a high value cost by the DfE and must be advertised and suppliers/contractors invited to tender, with at least three quotes obtained.

### **PCR procurement threshold**

- If it is estimated that the cost of a contract is above the PCR threshold for procurement spending, the school will seek legal advice to ensure it runs a PCR compliant buying process. The current PCR threshold for all goods and most services is £214,904
- 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 school qualifies.

CONTRACT LEVEL	CONTRACT VALUE
De minimis	Up to £1,000
Low	£1,000 – £9,999
Medium	£10,000 – £40,000
High	Over £40,000, but below the PCR procurement threshold
Over the PCR procurement threshold	Over £214,904
‘Light touch regime’	Over £663,540

6.2. Where the Central Procurement Team are managing a procurement process on behalf of an Academy, orders will not be raised without approval from the budget holder in accordance with the scheme of delegation.

6.3 Occasionally there may be a recommendation to award a contract to or place an order with an organisation which has not submitted the lowest priced bid. If this is the case because the scheme has been evaluated using the Most Economically Advantageous method (MEAT) then this is acceptable without further action, provided that the evaluation scores are recorded and retained on file.

## 7. Raising orders

7.1 Orders must be raised for all goods, works, services and/or consultancy required by the Trust or an Academy using the relevant Financial system, unless specifically exempted. The procurement procedures give guidance on the purchasing process for varying levels of cost and the following must also be adhered to when placing an order:

- Official orders are raised in respect of all goods, services and works required by the Trust, its’ Academies and subsidiary companies, except for those specifically exempted.
- Only goods, services and works required by the Trust, its’ Academies and subsidiary companies are actually ordered.
- Competitive quotations or tenders are obtained for all orders where the value of goods, services or works, individually or for a series of contracts, would exceed the relevant financial thresholds.
- Orders for goods, services and works are placed with the most appropriate suppliers in terms of cost, quality and delivery.
- Goods, services and works received are in accordance with those ordered.
- Payments are made only in respect of invoices authorised in accordance with the approved Scheme of Delegation and the Trust’s funds are adequately safeguarded.
- All payments are accounted for properly, promptly and in full.
- Relevant, timely and accurate management information on non-pay expenditure is produced and utilised.
- Adequate physical and logical security is in place.

7.2 Specific exemptions to the requirement to raise an official purchase order are limited:

- Rent or business rates.
- Utility costs.
- Works and services executed under a contract (which has been approved in accordance with the scheme of delegation).
- Petty cash purchases.
- Purchasing catering supplies (food and drink only).
- Supply staff costs.

7.3 No orders shall be placed, or contracts altered or extended, with the intention of avoiding the relevant thresholds applicable within this Procurement Policy or the Scheme of Delegation. In the event that the terms of any purchase order or contract have to be amended, an official variation order must be approved in accordance with the Scheme of Delegation.

## 8. Leases and rentals

8.1 Any lease agreement should be subject to consultation with the Chief Finance Office, as these agreements will be reviewed by the External Auditors. There are two types of leases; operating and finance lease.

8.2 Finance lease: These are not permitted by the DfE as schools are not allowed to borrow. Schools are only permitted to enter into operating leases.

8.3 Operating lease: The Trust and Academies should note the following points when entering into an operating lease:

- There must be funds available to meet the payments throughout the term of the agreement and these outgoings must be considered when preparing budgets.
- The agreement may require the school to carry additional insurance to cover the full replacement cost of the asset.
- The agreement may require the asset to be serviced by the supplier or a third party to a higher level (and thus higher cost) than the school would choose for itself. This needs to be considered during the order/tendering process.

## 9. Valuing Contracts

9.1 The value of a contract will be determined by calculating the estimated whole-life value of the goods, works or services, including any related fees.

For fixed term contracts with an option to extend the term, the value of the contract will be the price of the fixed term plus the potential extension period.

We will not divide a single contract into smaller contracts to bypass the purchase thresholds.

## 10. High value expenditure

10.1 Any expenditure over £40,000 must be subject to tendering in accordance with the Trust Financial Procedures and UK Public Contracts Regulations 2015.

10.2 All tendering must be undertaken by the Central Team.

10.3 The procurement team will select and manage the most appropriate process in accordance with the anticipated value, any potential aggregation and Trust tendering guidelines which are compliant with current procurement legislation and General Data Protection Regulations.



- 10.4 Tendering procedures may take up to six months depending on lifecycle cost and compliance with legislation, failure to programme sufficient time for procurement will not be a reason to grant a dispensation from the guidelines.
- 10.5 All current and future tenders are advertised using the Trust website or alternative more appropriate means if necessary or legally required. It is the responsibility of the Central Team to carry out tenders for goods, services and works on behalf of the Trust and Academies.
- 10.6 Any post tender bid clarification with suppliers will be led by the Central Team. Any communication with the suppliers involved in the tender process will be facilitated by the Central Team.
- 10.7 When preparing for tender, the following should be considered:
- The objective of the project.
  - Overall requirements.
  - Technical skills required.
  - Delivery timescales.
  - Cost.
  - Quality.
  - Risk
  - After sales service requirements.
  - The impact on education during the project and how it will improve the future studies for students.
- 10.8 The invitation to tender should state the date and time by which the completed tender document should be received by the Trust. Tenders received after the submission deadline should not normally be accepted.
- 10.9 The evaluation process should involve at least two people and those involved should disclose all interests, business and otherwise, that might impact on 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.
- 10.10 Full records should be kept of all criteria used for evaluation and all details of the tendering process.

10.11 Further details of the tendering process depending on the value can be found in Appendix 2

## 11. Health and safety

- 11.1 When procuring any goods, services or works, employees must ensure that checks are made to confirm that suppliers are suitably experienced and qualified to undertake the work required.
- 11.2 Where building or maintenance works is planned, suitable risk assessments and/or method statements must be in place and if required Academy change approval must be sought
- 11.3 All services, supply and works procured by the Trust must comply with the relevant UK

and European health and safety legislation in force at the time the items are procured.

- 11.4 Where required by legislation, products (including used or refurbished products) must comply with the relevant UK and European Laws on the design, supply and operation of products.

## 12. Segregation of duties

- 12.1 There are a number of processes in purchasing goods and services etc. There must be adequate separation of duties to ensure that the process of ordering goods, services and works, checking receipt/completion and authorising payment is not the responsibility of one person.

- 12.2 Where the Central Team undertake tendering exercises, either on behalf of an Academy or for the Trust, the receipt and custody of tenders prior to opening must be separated from the specification, selection and evaluation. Contract awards subject to tendering will be subject to approval of the procurement procedure undertaken and in accordance with the scheme of delegation.

**Appendix 1 – Competitive Quotes Form**

**T.E.A.M. Education Trust**



Name of school: \_\_\_\_\_

Goods/services purchasing: \_\_\_\_\_

What will the goods/services be used for:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Budget provision: \_\_\_\_\_

Supplier	Quote	Comments

Reasons for accepting quotation:

Order No: \_\_\_\_\_ Authorised by: \_\_\_\_\_

## Appendix 2 – Tendering process



### Tendering procedure: low and medium-value purchases

When making low or medium-value purchases without a framework agreement, the school will use the process outlined below.

- a. **Create a specification** – a specification document will set out what suppliers need to understand about what we are looking to buy, including the quality, quantity and delivery date
- b. **Compare suppliers** – a comparison of different suppliers, including their reputation, will help the school develop a shortlist of at least 3 suppliers we want to approach for a written quote
- c. **Assess quotes** – All quotes will be assessed and an 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.

At least 2 members of the Trust executives will evaluate all quotes, with support from other Central Team members, if required.

When we contact suppliers, we will send them:

- The specification
  - Deadlines for quotes and when decisions will be made
  - Instructions for how to ask clarification questions about the specification
- d. **Place an order** – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:
    - Goods, works or services we are purchasing
    - Price
    - Delivery address
    - Delivery deadline and any other important dates
    - Payment schedule



## Tendering procedure: high-value purchases

The Trust will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

- a. **Create a specification**
- b. **Assess the market** – we will prepare for the tendering process by developing our knowledge of the market. We will find out how many suppliers are available and the best way to advertise our contract to a range of suppliers
- c. **Check the school's position in relation to the PCR procurement thresholds**
- d. **Develop a contract** – a contract will include terms and conditions, service levels expected, a contract management plan and an exit strategy
- e. **Reduce the number of bids** – to reduce the number of bids the Trust needs to evaluate, we 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** – All quotes will be assessed and we will set out criteria that will allow us to evaluate which of the suppliers' bids best meets the requirements in our specification, and is the most economically advantageous tender that best combines price 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
  - › 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 Find a Tender service – this is a requirement if the contract is over the PCR procurement threshold
  - › 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 2 members of the Trust executives will evaluate all quotes, with support from other Central Team members, if required. They will independently score and evaluate each bid, and then compare notes after completing their evaluations; records of decision making and moderation decisions will be kept
- l. **Notify bidders** – we will inform both the successful bidder and the unsuccessful bidders at the same time

- m. Challenges from unsuccessful bidders** – if an unsuccessful bidder challenges the fairness of the contract, we will contact them to explain that we have conducted a fair process and kept good records. If they make a formal challenge, we will not formalise the contract and seek legal advice.
- n. Finalise the contract** (if there are no legal challenges) and advertise the award (if the contract was advertised in Contracts Finder or the Find a Tender service)
- o. Abandoning the tender process** – on very rare occasions we may need to halt the tender process. The tender documents should make it clear that we have the right to do so without any liability to the bidders. Should this occur, we will notify suppliers who are preparing their bids as soon as possible