



Our moral obligation is to help our children become successful learners, confident individuals and responsible citizens, and we believe that this policy for purchasing and tendering will help us achieve this goal.

Purchasing and Tendering Policy

1.0 Policy Overview

This policy sets out the rules by which The Oak Academy Trust (the Trust) and schools within the Trust spend money and explains the Trust's approach to the purchase of goods, works and services.

The Trust is obliged to comply with the Academies Financial Handbook and Funding Agreements with the Department of Education (DfE). Guidance has also been sought from the DfE Effective Buying for Schools guidance issued May 2015.

2.0 Policy Principles

The Trust recognises the importance of robust, fair and open procurement methods. The Trust and schools must look for value for money, looking at both price and quality, together with ensuring that good strategic planning is in place to enable resources to best support identified priorities and ensure the best possible outcomes for all pupils.

The Trust believes that a balance must be sought when looking at securing very minor savings against the amount of administration and management time this may take up, which may not be cost effective.

3.0 Scheme of Delegation

A scheme of delegation is in place and sets out the levels of delegation for Trustees and key school personnel. The Scheme of delegation should be used in conjunction with this policy.

4.0 Purchasing Values

Different procurement rules will apply depending on the value of the purchase. Value categories are as follows:

Up to £5000 – Low Value – Routine Purchases

£5001-£10,000 – Low Value

£10,001 - £40,000 – Medium Value

£40,000 and above – High Value

Values are exclusive of VAT.

Valuing Contracts

It is important that contracts are properly assessed for value. One contract must not be divided into smaller contractors to avoid regulations. The contract value should be based on the total value of the spend which is the subject of the procurement. If the exact spend over the lifetime of the contract is unknown the average annual spend should be multiplied by the estimated duration of the contract.





Quotations and Tenders

Where quotations and tenders are required it is recognised that it is not always possible to get 3 companies to provide prices and therefore the Trust assumes that reasonable endeavour is made to get as many quotes/tenders as is possible.

5.0 Low Value – Routine Purchasing up to £5000

For all low value – routine purchases competitive quotations are not required. However, apart from, regular stationery and resources a written quotation should be provided by the supplier before the purchased order is raised and approved. Value for money should be sought and reviews of regular suppliers costs should be undertaken by the Administration Staff responsible for ordering. It is understood that it is not always possible to know the exact cost of maintenance calls at the time of ordering.

6.0 Low Value £5001-£10,000

Where possible 3 quotations should be sought for low value purchases between £5001 and £10,000. A record of the quotations sought and the decision making process should be recorded on the Quotes and Tenders Selection Form (Appendix B). This together with the completed purchase order should then be passed to the School Business Manager.

Quotes should be evaluated fairly to ensure:

- that the quote meets the needs outlined
- whether there are any initial discounts that might not apply for the duration of the contract or there are price increases over time
- whether you are looking for the cheapest quote or the one that offers best value for money taking into consideration quality and service factors.

7.0 Medium Value £10,001-£40,000

For medium value purchases a business case will be required. In the first instance the Head Teacher or School Business Manager should be consulted about expenditure of this level.

Once a business case has been agreed then 3 quotations should be sought. A specification should be provided to all suppliers. When writing a specification:

- state clearly the product or service that is required; quantity, quality, delivery requirements and any relevant information about end use
- avoid using specific brand names (or, if this is unavoidable, include "or equivalent" to ensure competition is fair) and jargon or abbreviations.
- if the supplier has to meet any legal criteria (eg health and safety), outline why and how
- outline clearly the standards of performance expected
- leave it to the supplier to decide how to provide the product or services – just ensure your specify what you want the outcome of the purchase to be
- don't over specify – focus just on what you need, rather than what you want
- if appropriate write your Key Performance Indicators, Service Level Agreement and evaluation criteria at the same time, which will make sure they all complement one another.





- include the specification as an appendix to the other terms and conditions in a contract, so that it forms part of your legal agreement with your chosen supplier.
- include information on how a decision will be made

As with low value purchases above quotations should be evaluated fairly and all suppliers treated the same. Consideration should be given to:

- how well the supplier has quoted to meet your specification
- all quotations are returned on time – reject any that are late
- the whole-life cost of the purchasing or contract (including VAT, delivery costs, maintenance and running costs)
- whether there will be price increases over the duration of the contract (if a cheap deal increases in price over time, another supplier might be better value over the long term)
- whether you are just looking for the cheapest quote or the one that offers best value for money, once factors like quality and service are added in. A weighting system may be used together with criteria against which the decision will be made. This should be shared with suppliers.

A Quotes and Tenders Selection Form should be completed and all paperwork retained by the School Business Manager once a decision has been reached.

8.0 High Value - over £40,000 and up to £213,477

When the order for goods or services or a series of contracts in total exceed £40,000 then formal tendering procedures and/or a government approved framework agreement must be followed. The threshold £213,477 applies to services (but not work contracts see below) and should be checked when considering which route to follow.

9.0 Orders over £213,477

Orders over £213,477 for goods and services are subject to the Public Contracts Regulations 2015 and 'Find a Tender' procedures and publication. These processes must make use of existing Government frameworks or be supported by other professional services and will be undertaken by the School Business Manager. Note that contracts classed as 'works' are subject to a higher threshold (£5.3mil), in such cases 1.1 will apply.

Forms of Tender

More detailed purchasing and tendering information can be found at <https://www.gov.uk/guidance/buying-for-schools--2>.

Open Tender

This is where all potential suppliers are invited to tender by advertisement. Although conducive to competition this can be a timely approach and this should be considered when choosing the approach.

Restricted Tender

This is where suppliers are specifically invited to tender. This type of tender is appropriate where there is a need to maintain a balance between contract value and administration costs and/or advertising costs





Negotiated Tender

The terms of the contract may be negotiated with one or more chosen suppliers. This approach is appropriate in specific circumstance where there are very few appropriate suppliers, tenders have been sought with very limited results or in extreme urgency.

An invitation to tender document should be prepared in all cases providing the following information:

- scope of the project
- specification
- any technical requirements
- time scales
- terms and conditions
- forms of response
- weighting and evaluation criteria

The tender evaluation process will involve at least two people and all tenders will be opened at the same time and a record of tenders received kept.

All documentation should be kept in line with financial record keeping guidance.

Framework Agreements

Frameworks are contracts that other organisations such as local authorities, central government or public buying organisations negotiate with suppliers to get the best, compliant deals. Details of Framework agreements should be considered when making larger purchases.

Review

Trustees will review this policy annually or when changes occur.

