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# Lanesend Primary School

## Tendering Policy Financial Policy

Signed: ..... Date:  
(Headteacher)

Signed: ..... Date:  
(Chair of Governors)

**Review Date:** October 2019 (Yearly)

**Reviewed By:** Money Group and School Development  
Manager

# Lanesend Primary Tendering Policy

## **1. Aims**

This policy aims to ensure that:

The Academy's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook;

The Academy's funds are used in a way that commands broad public support;

Value for money (economy, efficiency and effectiveness) is achieved; and

Trustees fulfil their duties and responsibilities as charitable Trustees and company directors and ensures resources are used efficiently to maximise outcomes for pupils.

It specifies internal delegation levels and is based on relevant professional advice.

## **2. Legislation and guidance**

The Academies Financial Handbook states that academies are required to have a competitive tendering policy and applied, and ensures that the Official Journal of the European Union (OJEU) procurement thresholds are observed.

This policy is based on the Academies Financial Handbook and Department for Education (DfE) guidance on procurement.

This policy also complies with our funding agreement and Articles of Association.

## **3. Roles and responsibilities**

### **3.1 Academy Trustees**

Academy Trustees will ensure that:

Spending decisions represent value for money;

The Academy's funds are used in a way that commands broad public support;

Relevant professional advice (such as an external auditor) is used, where appropriate;

Goods or services provided by individuals or organisations connected to the Academy are provided at no more than cost;

Nobody connected to the Academy, directly or indirectly, uses their connection to the Academy for personal gain; and

Where any Trustee has a pecuniary interest in a procurement decision, they exclude themselves from the process and records (e.g. meeting minutes) show that they had no influence on the decision.

### **3.2 Chief Financial Officer (School Development Manager)**

The Chief Financial Officer (CFO) is responsible for:

Ensuring appropriate financial governance and risk management arrangements are in place;

Inspecting the business declaration of interests registers for conflicts in procurement;

Overseeing best value in procurement;

Overseeing and supporting competitive tendering and framework agreements for high value purchases; and

Managing Academy procurement for schools where best value can be obtained via group purchases.

### **3.3 Head Teacher and School Development Manager**

The Head Teacher (HT) and School Development Manager (SDM) are responsible for:  
Ensuring that the purchase thresholds and procurement processes detailed in this policy are followed by budget holders;

Ensuring that orders are raised on the financial management system where it is appropriate for a commitment to be recorded;

Ensuring that best value is obtained when procuring goods and services;

### **4. Purchase thresholds**

When determining thresholds, the value over the life of the contract or for the full scope of works must be used. Where a contractor is required to attend site with less than 48 hours' notice to deal with an urgent health and safety matter, a verbal price for any call out and hourly charges (if appropriate) must be agreed between the Premises Manager and the supplier with the final agreement from the Headteacher

**Recurrent stock orders for cleaning, paper, curriculum and office supplies** should be placed with school suppliers where the Academy has agreed ongoing annual discounts.

#### **4.1. de minimis level of under £5,000**

Purchase orders are raised for all services or goods regardless of the value. These invoices must be signed off by the Headteacher or the School Development Manager.

The Headteacher must check affordability from delegated budgets before goods are purchased and seek advice from their School Development Manager as required.

Annual service contracts should be tested against value for money and quality of service before renewing with an alternative quote sought if appropriate.

Prices for equipment/IT hardware, toners and inks should be tested with two suppliers unless of a specialist nature.

#### **4.2 Low to high-value purchase thresholds**

Purchase levels are divided into the following:

Low-value purchase: £5,000 - £9,999

Medium-value purchase: £10,000 - £40,000

High-value purchase: over £40,000, but below the EU threshold

#### **4.3 EU procurement threshold**

If it is estimated that the cost of a contract is above the EU threshold for procurement spending, the Academy will follow EU procurement directives and seek legal advice. The current EU threshold for all goods and most services is £181,302.

A 'light touch regime', with a higher threshold of £615,278, applies for some services that are specifically for education provision. We will seek legal advice to determine if any procurement run by the Academy qualifies.

## **5. Framework agreements**

The Academy will occasionally use a framework agreement to contract suppliers for high-value purchases. These are arrangements that a contracting authority, such as a public sector buying organisation makes with suppliers. The Academy will follow the DfE guidance on procurement to ensure good practice. The reasons for the choice of framework, and for the choice of supplier, will be clearly recorded. The CFO has been delegated the authority to choose whether to use a framework agreement or not and which framework to use.

## **6. Procurement procedure: low and medium-value purchases**

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

### **6.1 Low value purchase £5,000 - £9,999**

**At least two written or emailed quotes** must be sought by the school unless the work/goods are of a specialist nature requiring a bespoke provider. The decision on the successful supplier/contractor is the responsibility of the Headteacher who will consider the recommendations of the budget holder taking into account both value for money and quality of product/service.

Where it is not possible to obtain alternative quotes due to specialism a record must be kept with the order explaining the circumstances.

### **6.2 Medium value purchase £10,000 and £40,000**

**Approval must be obtained from the Accounting Officer (AO) and subsequently validated by the Chief Financial Officer to ensure that all procedures have been followed prior to entering into any agreement for services, works or equipment purchases of medium value.**

The Chief Financial Officer (CFO) will be responsible for overseeing Academy wide procurement for works and service contracts and service level agreements that fall into this threshold.

Three formal written quotes based on comparative specifications shall be obtained for all construction works, services or goods.

Where it is not possible to obtain three quotes due to specialism or suppliers declining to quote, a record must be kept with the order explaining the circumstances.

Written details of documents obtained shall be prepared and retained by budget holders for audit purposes.

### **6.3 High value purchase over £40,000 but below the EU threshold**

The Academy will be responsible for the procurement of all construction works and non-construction service contracts of over £40,000.

The Academy will make high-value purchases using the process below or a framework agreement if appropriate.

- a. Create a specification** – a specification document will set out what suppliers need to understand what we are looking to buy, including the quality, quantity and delivery date
- 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 EU procurement thresholds** (see section 4.3)
- d. Develop a service level agreement (SLA)** – an SLA sets out the standards of service expected from a supplier. Some suppliers may have their own SLAs, which the Academy will consider using on a case-by-case basis
- e. Develop a contract** – a contract will include terms and conditions, a contract management plan and an exit strategy
- f. Reduce the number of bids** – to reduce the number of bids the Academy needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire
- g. Establish how we will assess quotes** – 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 cost and quality
- h. 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
- i. 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
  - Any SLA requirements
  - 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
- j. Advertise the contract** – the contract will be advertised where suppliers are likely to look, such as:
- The Official Journal of the European Union (OJEU) – this is a requirement if the contract is over the EU procurement threshold

The government's Contracts Finder service  
Local or national newspapers  
Education publications or websites and trade magazines

#### **k. Run the tender process and provide clarifications**

**l. Evaluate tender responses** – at least 2 people 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

#### **m. Notify suppliers and award the contract**

**n. Finalise contract** (and advertise the award if the contract was advertised in Contracts Finder or OJEU)

**o. Abandoning the tender process** – on very rare occasions we may need to halt the tender process. Should this occur, we will notify suppliers who are preparing their bids as soon as possible.

### **7. Trustee Approval**

**For tenders in excess of £40,000 but under £75,000** the AO and/or CFO have delegated authority to award the contract. The award decision and criteria shall be reported to the Full Governing Body at the next available meeting.

**For tenders of £75,000 or higher** the Chair of Governors must approve the contract. The decision and criteria shall be reported to the next meeting of the Members

### **8. Monitoring arrangements**

The Money Group and School Development Manager is responsible for the implementation of this policy. This policy will be reviewed and approved by the governing body yearly and when EU procurement thresholds change.