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Lanesend Primary School

Tendering Policy Financial Policy

Signed: Date:
(Headteacher)

Signed: Date:
(Chair of Governors)

Review Date: March 2018 (Yearly)

Reviewed By: Money Group and School Development
Manager

Lanesend Primary Tendering Policy

Excerpts from the Schools Procurement and Contracts Code adapted from the Council's Procurement and Contracts Code

Table One below outlines the thresholds and processes required to carry out a procurement exercise:

Key: RFQ – Request for Quotation

ITT – Invitation to Tender

Threshold / value range	Quote / tender process	Advertising required yes/no	Recommended advertising options	Written record / audit trail
£1 - £10,000	At least two written quotes obtained and compared	No	N/A	Yes-keep a dated written record or process and outcome
£10,001 - £20,000	<u>RFQ Process</u> At least three written quotes	Yes	Individual school websites eduwight.gov.uk any local publications other relevant local websites	Yes-keep a documentary audit trail of process followed and outcome
£20,001 - £75,000	<u>RFQ Process</u> At least three written quotes	Yes	Individual school websites eduwight.gov.uk any local publications other relevant local websites	Yes-keep a documentary audit trail of process followed and outcome
£75,001 - £150,000	<u>Standard ITT Process</u> At least three tenders	Yes	County Press South East Business Portal Contracts Finder website One industry related publication eduwight.iow.gov.uk Individual school websites	Yes-keep a documentary audit trail of process followed and outcome
£150,001 and above	<u>Standard ITT Process</u> At least 4	Yes	County Press South East Business Portal	Yes-keep a documentary audit trail of

<p><u>1st January 2012 EU thresholds</u></p> <p>£4,348,350 and above (works contracts)</p> <p>or</p> <p>£173,934 and above (Goods and Services contracts)</p>	<p>tenders. Please note: depending on the procurement route selected, the number of tenders may change</p> <p>ITT process in accordance with the EU Procurement Regulations and Directives</p>		<p>Contracts Finder website Two industry related publications eduwight.iow.gov.uk Individual school websites OJEU advert (if appropriate)</p> <p><u>Note</u> Ensure all other EU requirements are complied with, if appropriate</p>	<p>process followed and outcome</p>

This policy has been produced to ensure that the Trust, and the Local Governing Bodies of Academies, manage public funds in a proper and effective manner as set out in the Academies Financial Handbook. When considering the procurement of, and tendering for goods and services, consideration should be given to probity, accountability and value for money.

1. 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 Academy must discuss and agree 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 the Academy'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.

2. Preparation for Tender

In order to help with the transparency of the procurement and tendering process the Academy has a register of business interests for Board members, academy governors and any other person that may be involved in the procurement and tendering process. The Academy is aware that the EU introduced a requirement for public bodies to follow a prescribed tendering procedure, which operates to a minimum timescale, as well as requiring adverts to be placed in the Official Journal of the European Union if goods and services are to exceed the value of £173,934 (excl VAT) over the life of the contract, or if Public works contracts for the procurement of construction or civil engineering works exceeds £4,348,350, (excl VAT)

Full consideration should be given to:

- objective of project - should be in line with Trust/Academies Development Plan and any budget constraints,
- overall requirements –as set out in the Specification or Statement of Requirement,
- 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. Any current level of service should not be regarded as the standard needed.

3. 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.

4. 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.
- The Academy should consider the possible flexibility of a short-term agreement with the consistency and possibility of a lower price for longer term agreements. If there is scope for negotiation, this must be considered.

Technical/Suitability

- Qualifications of the contractor,
- Relevant experience of the contractor,
- Descriptions of technical and service facilities,
- Certificates of quality/conformity with standards,
- Quality control procedures,
- 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.
- If in practice there is a sole provider of the goods or services, appropriate consideration will be given to ensuring that value for money is being obtained (which may include benchmarking similar services or providers elsewhere in the country) and evidence retained for audit purposes.

5. Tender Acceptance Procedures

The invitation to tender should state the date and time by which the completed tender document should be received by the Academy. 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.

6. 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 with a total cumulative value of up to £20,000 - the School Development Manager and the Headteacher.

For contracts with a total cumulative value of over £20,000 – the School Development Manager, the Headteacher plus a member of the Money Group committee.

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.

7. Tender Evaluation

The evaluation process will involve at least two people. Those involved shall 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 shall not accept gifts or hospitality from potential suppliers that could compromise or be seen to compromise their independence.

Full records will be kept of all criteria used for evaluation and for contracts over £20,000 a report should be prepared for the Money Group highlighting the relevant issues and recommending a decision.

Where required by the conditions attached to a specific grant from the EFA, 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 shall then be informed of the decision.

In the event that a tender other than the lowest is accepted, those involved in making the decision shall document and report the reasons for not accepting the lowest bid to the Money Group Committee.

8 Insurance Requirements

Generally insurance requirements are stated within the PQQ/tender documents. However, as a minimum most contracts will require the contractor to be covered by an Employer's and Public Liabilities Insurance to the value of £5 million.

9. Retention of Records

All relevant documents relating to the tender process (including minutes of meetings held and a written record of the reasons for the decision made) shall be retained by the Academy for 7 years for audit purposes, and to use in defence if any complaint or allegation of improper practice is made.

APPENDIX 2: STEPS IN THE TENDERING PROCESS

Step 1: Initial Scoping

- Identify need for goods, services or works,
- Seek initial authority for proposals from the governing body.

Step 2: Planning

- Identify available funds to cover purchase,
- Develop procurement plan.

Step 3: Specify requirements

- Consult with users,
- Prepare and refine statement of requirements (or specification),
- Prepare tender pack documents and evaluation criteria.

Step 4: Authorisation to Tender

- Submit tender pack to the Lanesend Board of Directors,
- Seek approval to go out to tender from the Lanesend Board of Directors.

Step 5: Tender

- Release tender pack,
- Respond to tenderers' queries.

Step 6: Establish Contract

- Evaluate bids,
- Report back to governing body,
- Award Contract.

Step 7: Manage Contract

- Receive goods, services or work,
- Inspect performances & quality,
- Monitor & report.

APPENDIX 3: TENDER SPECIFICATION WRITING GUIDE

1 What is a Specification?

The specification is a key part of the tender documentation, which also includes:

- the terms and conditions of tender,
- instructions to tenderers,
- conditions of contract, and
- form of response (questionnaires).

The specification describes as accurately as possible the supplies, services or works that the Academy requires. Preparing a specification requires in-depth research and a great deal of accuracy. A poor description of the Academy's requirements may mean that the product or service is not delivered to the standards required, and later changes to the requirements may result in additional or abortive costs.

2 Writing the Specification

Pre-specification tasks

- Ensure that there is a clear understanding of what is required,
- Identify and agree the customer or user's requirements,
- For works, analyse any existing provisions to determine the impact of the new proposals and
 - the relationship of new to existing,
- Research the market by talking to suppliers, other purchasers, industry associations, etc. to
 - identify possible solutions, indicative costs and delivery time-scales,
- Identify the possible risks associated with the procurement process so that ways of
 - controlling the risks can be built into the specification and contract,
- Identify the scope of the contract and what the range of goods and/or services are which the
 - supplier will be asked to deliver,
- Identify the evaluation criteria so that the specification will reflect the importance of each
 - criteria,
- Determine how you will monitor performance of the contract.

2.2 Structure of the Specification

Specifications vary in length and complexity depending on the nature of the product or service being procured but the following are common areas in most specifications, and should be included unless there is valid reason otherwise:

- Title page** - Describe the project and identify the Academy and the main contact person (or contract administrator).

- **Table of Contents** – ensure the document is well set out and easy to read, using plain language.
- **Definitions** – include a list of definitions, or a glossary of terms, to ensure that technical words and phrases in the specification are mutually understood to avoid misunderstandings and inappropriate solutions.
- **Introduction** - Briefly explain the requirement and the context of that requirement.
- **Scope** - Address areas such as:
 - anticipated demand or volumes,
 - whether the supplier is to supply only, supply and install,
 - providing training,
 - providing support documentation, etc. and, where appropriate,
 - identify specifically what is not to be included.
- **Background** – The more information a tenderer has, the better able he or she is able to respond to the tender. It may cover:
 - why the Academy is tendering,
 - its expectations,
 - the implications for the Academy implementing the solutions,
 - other options which have been considered by the Academy (and if dismissed, why),
 - how the solutions may link into other requirements and applications whether already implemented or planned for the future.
- **Service Conditions and Environmental Factors** – Explain any factors which may have a bearing on the operation of the goods or services e.g., if the physical environment may impact on the output design or performance, the specification must highlight these conditions. Examples are:
 - Operating and storage conditions,
 - The need for inter-changeability or compatibility with existing services and equipment,
 - Personnel and health and safety aspects,
 - Existing facilities to be maintained throughout a contract period and what has to be done to ensure this.

The specification must also cover any particular sustainability requirements, for example, energy usage and the recycling capability of the goods.

- **Statement of Requirements** - Must contain:
 - A description of the outputs for services OR functionality and performance

requirements for goods.

- Performance indicators and benchmarks to be monitored during the contract period.

The statement of requirements will vary significantly in scale and complexity depending on the size and nature of the contract but may contain some or all of the following:

Services:

- Required outputs and/or outcomes,
- Performance measures,
- Targets,
- Management of the contract,
- Transfer of assets and personnel,
- The hand-over process,
- Transition between service providers,
- Best Value.

Goods:

- Design and performance criteria,
- Functional characteristics,
- Performance characteristics,
- Technical characteristics,
- Reporting requirements,
- Standards,
- Compatibility and standardisation,
- Acceptance testing,
- Trade-ins

Works:

- List drawings and other guidance provided,
- Details of access, ground conditions and preparation work,
- Performance criteria including contractors' designs,
- Relationships with subcontractors and suppliers,
- Employer's contractual and legal requirements,
- Insurances of works and indemnities, Works management including completion and defects, Control of time and cost,
- Quality control, standards and checks required,
- Health and safety,
- Temporary facilities.

Technology, systems and management techniques - state where the Academy expects improvement in the use of systems and other management techniques.

Quality Requirements - address the quality processes and standards expected of the supplier, including the quality of the goods required.

Whole of life support - state what maintenance is required; any modifications or upgrades that may be required in the future plus any warranties required.

Security – if relevant ask suppliers about how the confidentiality of personal and commercial information will be handled and / or address security issues e.g. theft reduction measures.

□ **Training** - Any training required for the product or service in question should be clearly identified and the supplier should be required to state what will be provided, plus the cost of any additional training requirements that may be required above the levels agreed in the tender process.

□ **Implementation timetable** - The implementation timetable should be fully detailed including the commencement date, delivery date(s), milestones, and a completion date. The Academy must specify the required dates and not ask the supplier when he or she can deliver, although the supplier can be asked to provide costed variations if deemed appropriate.

3 Evaluation Criteria

The evaluation criteria that will be used to assess the submitted tenders must be developed at the same time as the specification. It must reflect the key needs of users. If the contract is subject to the EU Procurement rules, then the evaluation criteria must be selected from the criteria allowed under the EU rules.

4 Consulting with Users

When the specification is being developed it is important that the users of the product or service are consulted in order to ensure that what they actually need is clearly described in the specification (and not the perception of what they need). The process is usually strengthened by including some users in the tender development and evaluation process, taking account of their expertise and understanding of the required solution.

The Public Services (Social Value) Act 2012 also requires an authority to consider whether to undertake any consultation regarding the economic, social and environmental elements of a procurement exercise. 'Considering does not mean that consultation has to take place, but it is recommended that you note that you have considered this and the reason for consulting or not consulting. If you do undertake a consultation process, note the process undertaken and how it has affected the development of the specification.

5 Consulting with Suppliers

It is important that tenderers are given an opportunity to discuss the content of the specification before tenders are returned so that any ambiguities or uncertainties can be clarified. It is vital that when the contract is awarded the successful supplier has a clear and common understanding about the requirements of the specification and what the suppliers' commitments are under the contract. Problems often occur as a result of suppliers being unclear about some aspect of the contract or specification that they are being asked to deliver.

APPENDIX 4: TEMPLATES FOR TENDER PACK DOCUMENTS

Example 1: Invitation to Tender

<insert date>

Tender for: <insert description>

Dear Sirs

Invitation to Tender

The <insert Academy name> invites offers for the supply of <insert description>
Your tender must be submitted in compliance with the following documents which accompany this invitation to tender:-

- Instructions to Tenderers
- Form of Tender (including Certificate of Tender)
- Specification of Requirements for a <insert description>
- Contract Documents

It is the responsibility of the tenderers to ensure that offers are received by 10.30hrs on <insert date>.

Tenders received after this time shall not be considered, but shall be opened, recorded, marked "Late Tender" and returned to sender.

Please acknowledge receipt of this Invitation to Tender by sending an email marked for the attention of <NAME> to <insert email address>, confirming whether you intend to bid.

Yours faithfully

Example 2: Tender Acknowledgement Form

To:

<Insert Contact Name and Academy's Address>

Date: <insert date>

Dear Sirs,

Re: Tender for <insert description>

We acknowledge receipt of your Invitation to Tender package.

We have received all of the documents listed in the Invitation to Tender without damage and in usable condition.

We have read the Invitation to Tender and will tender in accordance with the requirements detailed. OR

We do not wish to tender and accordingly return the complete Invitation to Tender package with this letter.

Yours faithfully,

<insert name and title>

For and on behalf of:

Example 3: Instructions to Tenderers

<Insert Academy's Name> Tender for: <insert description>

Instructions to Tenderers (3 pages)

Terms and Conditions of Tender:

Tenders must be submitted with the enclosed Terms and Conditions of Tender, and must be supplemented by all other information and authorities requested in these Tender Documents. Tenderers should note that all attachments and appendices to the Terms and Conditions of Tender shall upon award of Contract be deemed part of the Contract.

Submission of Tenders:

The original Tender plus one copy must be submitted in a sealed package or envelope addressed as follows: <Insert Contact Name and Academy's Address> Your submission should also prominently display the following message: "TENDER FOR: <insert description> COMMERCIALY CONFIDENTIAL – DO NOT OPEN". The name of the tendering firm must not appear on the envelope, nor must it be visible through the envelope. The Tender must not arrive later than <insert date and time>. The Tender shall be valid for acceptance for a period of **90 days** from the date fixed for receipt of Tenders.

Award and Preparation Costs:

The <Insert Academy's Name> reserves the right to award the contract for goods and services as detailed in this invitation as it sees fit, and may reject any or all of the Tenders received with no obligation to disclose its reasons. The cost of Tender preparation shall be borne in full by the Tenderer, who shall have no recourse to the <Insert Academy's Name> for this or any related expense.

Currency, VAT and Summation:

The currency of the Contract shall be UK Pounds, and costings shall be prepared on this basis:

- All sums entered in the Tender are to be exclusive of VAT.
- All costs which may be directly or indirectly related to the satisfactory completion of the Contract and for which remuneration would be sought shall be clearly detailed and summarised in your tender, or in accompanying paperwork.
- No other additional charges which could reasonably have been anticipated shall be accepted.

(Service) Delivery and Installation:

The <Insert Academy's Name> is working to a target of site installation before <insert date> / a service implementation period from <insert dates>. This date may become critical and influence our selection; please consider this when calculating lead times. Please include a detailed schedule which you will implement in order to

meet the site installation requirement / service delivery dates.

Service start-up / Installation and acceptance protocols and procedures are to be provided. Your offer must include all delivery and on-site installation costs including adequate insurances.

Proposed Sub-contractors:

Details of proposed sub-contractors must be supplied, with associated work-scopes.

Fitness for Purpose:

The Tenderer shall be deemed to have reasonable knowledge of and satisfied itself as to the nature of the <Insert School's Name> requirement, and any conditions which may affect its tender to supply, in order that the goods and related services offered shall be fit for purpose (see note 12, Contact for Queries).

Training and Documentation (use if necessary):

Details of on/off-site training required for full local operation to be included, together with proposals relating to how this should be funded. Please detail user manuals and servicing documentation that will be provided to the <Insert School's Name> at no charge.

Equipment Lifetime Factors (use if necessary):

Alternative Proposals

You may wish to submit Alternative Proposals which include preferential costings based on closer association of partner organisations, an innovative approach to the supply or alternative means of delivering best value for money. Alternative Proposals must be clearly marked so, and be submitted as separate appendix to your main tender.

Change in Status of Tenderer:

In the event that after the date of this Invitation to Tender and prior to the award of any Contract, the status or identity or circumstances of the Tenderer is changed in any material way, including but not limited to merger, amalgamation, take-over or any other reorganisation, change of name, or involvement in any action relating to receivership, liquidation, bankruptcy, winding-up or similar action, such change will be notified to <Insert School's Name> immediately. Failure to comply with this may result in Tenderers being disqualified, or in the event of any award of Contract shall be deemed to be in breach of Contract.

Contact for Queries:

All questions relating to the Tender Documents must be addressed to <Insert Contact Name and School's Address>. Answers to technical queries shall be

circulated as necessary.

The authorised contact for this Tender is <Insert Contact Name >and in no circumstances should the substance of these documents be discussed with any other member of <Insert School's Name> without the specific written agreement of the authorised contact.

Please note: <Insert School's Name> reserves the right to refuse a Tender, which has not been submitted in accordance with the instructions detailed here.

Example 4: Terms and Conditions of Tender

<Insert Contact Details and address>

For the attention of < named contact>

Dear Sirs

Tender for: <insert description>

Having carefully examined the subject Invitation to Tender dated <insert date> and the documents detailed therein:

We confirm that we have fully satisfied ourselves as to the nature of the requirements of <Insert School's Name>.

We hereby offer to supply the goods and related services in accordance with your Invitation to Tender and its enclosures as follows:

- Instructions to Tenderers
- Terms and Conditions of Tender (including Certificate of Tender)
- Specification of Requirements for a <insert description>

In the event that our Tender is accepted we undertake to execute a formal contract with the <Insert School's Name> embodying all of the terms and conditions contained within this offer. Unless and until a formal agreement is executed, this Tender together with the <Insert School's Name>'s written or emailed acceptance shall constitute a binding Contract between us.

We agree to abide by our Tender for a period of 90 days fixed from the lodgement date of tenders, and it shall be binding upon us at any time before expiration of that period.

We understand that you are not bound to accept the lowest or any Tender received, nor assign a reason for the rejection of any Tender. We accept that any costs incurred in Tender preparation are for our own account.

We understand that this shall be deemed to be our only and final offer, and unsolicited retenders shall not be considered.

We confirm that the person whose signature is appended to this Tender is a duly authorised signatory of our Company and has full and formal legal authority to sign this Tender on behalf of our Company. We understand that if our Tender is accepted we shall be reimbursed for the goods and services in accordance with the terms and conditions of the Contract to be executed between us.

Certificate of Tender

We certify that this is a bona fide Tender, intended to be competitive, and that we have not fixed or adjusted the amount of the Tender in accordance with any other person, body or association.

Authorisation

Signed: -----

Name (Print): -----

Title: -----

For and on behalf of: -----

Date: -----

Full address, including postal code, to which all communications relating to this Tender should be despatched:

Telephone Number: -----

Email: -----

List of Documents Included with Form of Tender: -----

Example 5: Supplier Appraisal Form

<Insert School's Name>'s Supplier Appraisal Form

Please complete in BLOCK CAPITALS or typescript.

COMPANY DETAILS

Full Name -----

Full Address -----

Post Code -----

Telephone Number -----

Fax Number -----

E-mail address -----

Address of Headquarters (if different from above)

Telephone Number -----

Fax Number -----

E-mail address -----

Date your company was formed: -----

Type of company -----
----- Incorporated Partnership Sole Trader

Other (please specify) -----

BUSINESS ACTIVITIES

Describe briefly the range of goods supplied by your company: -----

Give brief details of the areas in which your company specialises:

How many people does your company employ?

Permanent staff:

Contract staff:

FINANCIAL AND GENERAL INFORMATION

Turnover in each of the last three years	20__	20__	20__
	£	£	£

Will you authorise us to obtain bank references if required?

YES / NO

Name and address of your company's bankers:

Please attach a copy of the audited accounts for each of the last two years.

If audited accounts are not available please state why below and attach any relevant financial information which is available.

Of what professional and/or trade associations, if any, is your company a member?

EXPERIENCE

Who are your major customers? May we seek references? YES / NO
Company Contact Name & Telephone Number:

Which other schools have you supplied goods/services to, and when?
School Supply Date / Contact Name / Telephone Number.

Describe any supplies undertaken during the past two years which may be relevant
to the proposed <Insert School's Name> supply: -----

Does your firm have a nationally recognised quality monitoring system in place? If
so, please provide details.

Any other information you wish to provide and/or list of documents you have
attached:

Signed for the Company

Name (block letters)

Date

Designation/Title