



# Lincoln Christ's Hospital School

## Tendering Policy

**Link member of staff:**

**Finance Manager**

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## 1 Overview

Lincoln Christ's Hospital School (LCHS) wants to achieve the best value for money from all purchases. This means that the Academy wants to get what it needs in the correct quality, quantity and time at the best possible price. The majority of the purchases will be paid using Public money; therefore the Academy needs to maintain the integrity of these funds by following the general principles of:

- Probity, it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the Academy.
- Accountability, the Academy is publicly accountable for its expenditure and the conduct of its affairs.
- Fairness, that all those dealt with by the Academy are dealt with on a fair and equitable basis.

## 2 Purchasing/Contracts

All orders must be made or confirmed, where possible, in writing using an official order/requisition form which is approved in line with the Scheme of Delegated Authority.

The Academy has established preferred suppliers based on competitive costs /consistent delivery of value for money, recommendations, experience and vetting of those companies. The suppliers (per type of service) are reviewed on an annual basis. The Academy should strive to achieve best value for money by arranging special purchase deals with companies from their preferred supplier list.

Without authority from the Finance Manager or the Headteacher, supplier(s) should be chosen from the approved suppliers list maintained by the Finance office. Prices must always be obtained before any order is placed. If the budget holder considers that best value for money can be obtained by ordering from a supplier not on the approved list, the reasons for this decision must be discussed and agreed with the Finance Manager in accordance with the financial limits outlined within the Scheme of Delegated Authority and documented.

## 3 Orders up to £1,000

At least one verbal quotation should be obtained and this should be confirmed in writing either by the supplier or by the school to the supplier, ideally before the work proceeds. Requisition form approved by Budget Holder.

## 4 Orders over £1,000 and up to £2,500

At least one verbal quotation should be obtained and this should be confirmed in writing either by the supplier or by the school to the supplier, ideally before the work proceeds. Requisition form approved by Budget Holder and Finance Manager.

## 5 Orders over £2,500 and up to £5,000

Except in the case of work required in an emergency, at least three written quotations should be obtained to identify the best source for the goods/services. Telephone quotations are acceptable if these are evidenced by faxed/e-mailed confirmation of quotations received before a purchase decision is made.

Details of quotations should be retained for audit purposes. Quotes over £2,500 should be confirmed in writing before the work/order proceeds. The order should be agreed beforehand with the budget holder and Finance Manager alongside a signed requisition form.

## 6 Orders over £5,000 and up to £25,000

Except in the case of work required in an emergency, at least three written quotations should be obtained to identify the best source for the goods/services.

Details of quotations should be retained for audit purposes. Quotes over £2,500 should be confirmed in writing before the work/order proceeds. The order should be agreed beforehand with the budget holder, Finance Manager and Head Teacher alongside a signed requisition form.

## 7 Orders over £25,000 but less than £40,000

Except in the case of work required in an emergency, at least three written quotations should be obtained to identify the best source for the goods/services.

Details of quotations should be retained for audit purposes. Quotes over £2,500 should be confirmed in writing before the work/order proceeds. The order should be agreed beforehand with the budget holder, Finance Manager, Head Teacher and the Finance and Audit Committee alongside a signed requisition form.

## 8 All goods and services over £40,000

For goods and services over £40,000 or a series of contracts which in total exceed £40,000, any order must be subject to formal tendering procedures. Purchases over £181,302, excluding VAT (supplies and services) and £4,551,413 excluding VAT (capital projects/works) might be subject to EU procurement rules which require advertising in the Official Journal of the European Union. Guidance on the OJEU thresholds should be sought at the time of tendering to ensure threshold limits are still current and are applied correctly. In practice, any tender with a value over £150,000 should be considered for subjection to EU regulations as the final tender price might well be over the EU threshold. The OJEU thresholds are to be revisited if and when the U.K has officially left the EU should this happen prior to the next policy review.

## 9 Forms of Tender

There are three forms of tender procedure: open, restricted and negotiated and the guidance for 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 and agree with the Finance Manager 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 may be appropriate where:
  - a) there is a need to maintain a balance between the contract value and administrative costs,
  - b) a large number of suppliers would come forward
  - c) the nature of the goods are such that only specific suppliers can be expected to supply the academy's requirements, or
  - d) 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 may be appropriate in specific circumstances:
  - a) the above methods have resulted in either no or unacceptable tenders,
  - b) only one or very few suppliers are available,
  - c) extreme urgency exists, or
  - d) additional deliveries by the existing supplier are justified.

## 10 Preparation for Tender

Full consideration may be given to:

- Objective of project,
- Overall requirements
- Technical skills required
- Form of contract and
- After sales service requirements.

It might 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 in order to help reach an overall decision.

## 11 Invitation to Tender

If a restricted tender is to be used then an invitation to tender should 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 may include the following:

- scope and objectives of the project,
- technical requirements,
- implementation of the project,
- introduction/background to the project,
- terms and conditions of tender,
- form of response, and

- deadline for submission.

The invited tenderer will also have to provide:

- references,
- details of experience,
- details of staff involved. All staff working on the school site must have the correct
- DBS check and
- substance of the tenderer (correct insurance/liability)

Any invitation to tender should make it clear that the school does not bind itself to accept the highest or any offer

## 12 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 extra costs.
- Is there scope for negotiation?
- It may be appropriate to have an accountant or similarly qualified person examine audited accounts etc.

Technical/Suitability:

- Qualification 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
- That the tender could be a phased process

## 13 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 considered. Tenderers may be invited to interview.

## 14 Tender Opening Procedures

All tenders should be opened at the same time and the tender details should be recorded (See Appendix A) Two persons should be present for the opening of the tenders, either the Headteacher or the Finance Manager, plus a member of the Finance and Audit Committee.

A record should be established to record the names of the firms submitting tenders and the amount tendered (Appendix A). This record must be signed by both people present at the tender opening.

No tender received after the date and time specified for its opening shall be accepted or considered by the academy unless the academy is satisfied that there is sufficient evidence of the tender having been dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply and the tenders have not been opened.

Late tenders can only be accepted by the Governing Body who will minute the reason for their decision.

## 15 Tendering Procedures

The evaluation process should involve at least two people. Those involved should 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 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.

Where required by the conditions attached to a specific grant from the DfE, the department's approval must be obtained before the acceptance of a tender.

The Headteacher, Finance Manager, Chair of Finance + one other member of the Finance and Audit Committee have the authority to authorise the award of orders or contracts above £40,000 but less than £250,000.

Any award of orders or contracts must be reported to the full Governing Body.

Above £250,000 the full Governing Body should authorise the advertising of tenders and authorise the award of such tenders.

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.

The accepted tender should be the one that is economically most advantageous to the academy. All parties should then be informed of the decision.

16 Appendix A

**Lincoln Christ's Hospital School**

**TENDER/QUOTATION OPENING FORM**

File Ref:

Open/Restricted Tender

Contract Title

Department

Description of Works

Date Invited

Date and time due

Date Opened

Budget

The above information, together with the names of all tenderers, is to be completed before the opening of tenders.

	<b>Tenders Invited</b>	<b>Tenders Received</b>	<b>Tender Prices</b>
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		Yes	No	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Tenders opened in the presence of (at least two people)			
Signatures			
Names			
Dates			