

# Frank Field Education Trust



## Trust Tendering and Procurement Policy

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### Approved by CEO:

Tom Quinn

### Approved by Chair of Trustees:

Dr Chris Hampshire



Frank Field  
Education Trust

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## **Statement of intent**

The Frank Field Education Trust aims to achieve value for money on all its tendering and procurement activities by ensuring that a competitive tendering policy, compliant with the rules and thresholds in the Public Contracts Regulations 2015, is consistently applied. With that in mind, this policy has been created to establish procedures to ensure all members of staff involved in tendering and procurement are aware of the standards that they must follow.

Preferred suppliers will be used, wherever possible, where the Trust has had previous positive interactions with these suppliers. During tendering and procurement processes, the following four key objectives will always be kept in mind:

- **Achieving value for money** – including the cost of goods and services, the quality of goods and services, and administrative costs
- **Ensuring fairness** – ensuring that all parties are treated in a fair and equitable manner
- **Establishing accountability** – taking responsibility for expenditure and the conduct of all members of staff
- **Allowing probity** – ensuring there is no private gain from the Trust's financial affairs

## 1. Legal framework

- 1.1. The [Academies Trust Handbook](#) states that academy trusts are required to have a competitive tendering policy, and ensure that the Public Contracts Regulations (PCR) procurement thresholds are observed

This policy is based on:

- [Department for Education \(DfE\) guidance on buying procedures and procurement law](#)
- [The Public Contracts Regulations 2015](#)
- ESFA (2022) 'Academies financial handbook 2022'
- The Academies Act 2010
- Equality Act 2010
- DfE (2020) 'Governance handbook'
- ESFA (2019) 'Declare or seek approval for related party transactions: summary guidance'
- HM Treasury (2012) 'Review of the tax arrangements of public sector appointees'

- 1.2. This policy is implemented in conjunction with the trust's:

- **Data Protection Policy**
- **Financial Procedures Policy**
- **Reserves and Investments Policy**

## 2. Small and medium purchases

- 2.1. Any purchase or service estimates below **£10,000** are considered to be 'small' purchases, and any between £10,000 but below **£40,000** are considered to be 'medium' purchases.
- 2.2. The Board of Trustees is presented, by the executive team, with a budget and five year forecast for approval budget **six weeks** before the start of the academic year.
- 2.3. All purchases are as per the delegated authority limits as set out in the Trust's Financial Procedures Policy and Organisational Governance and Scheme of Delegation.
- 2.4. Quotes and prices are always obtained prior to purchasing.
- 2.5. To avoid legal challenges, the trust:
  - Does not open any bids before the deadline.
  - Does not open any late bids.
  - Treats all bids fairly and equally.

- Keeps confidential, secure and, auditable records.
  - Buys from the highest scoring supplier using a prior-approved scoring methodology.
- 2.6. Where a relevant approved supplier list exists, approved suppliers are used unless written prior permission is received from the board of trustees outlining the reasons for using an alternative supplier.
- 2.7. The trust ensures that at least **two** people assess and score each bid using the approved methodology. When they compare scores, they:
- Discuss where they have scored differently.
  - Reach an agreed score for each supplier's tender.
- 2.8. The **COO** is responsible for overseeing the arrangements for the delivery of goods and checking items upon delivery.
- 2.9. The trust sends a contract, such as a purchase order, to the chosen supplier, including:
- What has been purchased.
  - The total cost.
  - The delivery address
  - The delivery date and any other important dates
  - When the trust will pay the cost
- 2.10. All receipts and invoices are kept for a period of **18 months** after the initial purchase.
- 2.11. The **COO** oversees financial processes ensuring documentation is available for inspection and Audit where necessary.
- 2.12. Goods are inspected upon delivery. Any items that are either not part of the order, damaged or not fit for purpose are returned.
- 2.13. When goods are returned, the finance officer/ office manager records:
- The name and product code of the item.
  - The cost of the item.
  - If damaged, photographic proof.
  - Details of the item.
  - The reason for rejection.
- 2.14. A record of goods rejected and delivered is maintained.

### **3. Large purchases**

- 3.1. The trust seeks legal advice before making large purchases.
- 3.2. Any purchase or service estimated to cost over **£40,000** is put to formal tender.

- 3.3. In the case of major building works or construction, the services of a professional project management provider are sought before the tendering process is undertaken.

**Large purchases under the Government Procurement Agreement (GPA) procurement threshold**

- 3.4. When the trust makes purchases with a value under the GPA procurement threshold, it:
- Assesses the market.
  - Prepares the contract and tender documents.
  - Advertises in the right places.
  - Considers using an expression of interest to cut the number of bids needed to assess later.
  - Sends an invitation to tender to people who reply to the advert.
  - Fairly assesses all the bids received, using the same process.
  - Chooses the bid that offers the best value for money.
  - Awards the contract to the highest scoring bidder (based upon suitable contractual terms).

**Large purchases over the GPA procurement threshold**

- 3.5. When the trust makes purchases with a value over the GPA procurement threshold, it:
- Assesses the market.
  - Checks the relevant frameworks to see if the purchase is available via an alternative route.
  - Prepares the contract and invitation to tender.
  - Considers whether to use the restricted procedure to reduce the number of bids to assess later, or the open procedure to let anyone bid.
  - Advertises a contract notice using the e-notification service Find a Tender (FTS).
  - Makes the invitation to tender and all other documents available electronically from the time that the contract notice is published.
  - Assesses all the bids fairly, using the same process.
  - Chooses the supplier that offers the best value for money.

- Awards the contract to the highest scoring bid supplier (based upon suitable contractual terms).

#### 4. Procurement and spending decisions

##### Procurement basics

4.1. The trust ensures that:

- Spending is for the purpose intended and there is probity in the use of public funds.
- Spending decisions represent value for money.
- Internal delegation levels exist and are applied.
- The tendering policy is in place and applied, and GPA procurement thresholds are observed.
- Professional advice is obtained where appropriate.

##### Procurement limits

4.2. The following limits are placed on the number of bids which are to be obtained before purchasing or confirming a service:

Number of bids/tenders	Order value
One bid or negotiation	Less than £2,000
Three bids	£2,000 – £25,000
Four tenders	£25,000 – £172,000
Government regulations apply	Over £172,000

#### 5. Invoices

5.1. All invoices are recorded and stored for future reference, with checks on the following information:

- The mathematical validity
- The purchase ledger
- The goods or services ordered and delivered
- Any difference between the agreed and delivered price
- The authorisation for payment
- The amount paid in VAT
- The total payment made

## 6. Risk management

- 6.1. The trust maintains a risk register and manages risks to ensure its effective operation.
- 6.2. The board of trustees retains ultimate responsibility for risk management, including ultimate oversight of the risk register, drawing on advice from the audit and risk committee.
- 6.3. The board of trustees reviews the risk register annually, although the Risk & Audit committee review more frequently.
- 6.4. The trust's risk management includes contingency and business continuity planning.
- 6.5. The trust is protected financially from some risks by the RPA.
- 6.6. The trust cooperates with risk management auditors and risk managers, implementing any reasonable risk management audit recommendations.

## 7. Open tender

- 7.1. Open tender is the trust's preferred method of tender due to its open and competitive nature.
- 7.2. All interested suppliers are invited to tender.
- 7.3. The budget holder has the final say in selecting the successful tender.
- 7.4. Open tender is used for all goods or services under **£5,000**.

## 8. Restricted tender

- 8.1. In this scenario, only specified suppliers chosen by the **COO** are invited to bid following prior discussion and agreement with the CEO.
- 8.2. The trust establishes a shortlist of **five** bids during the restricted tender.
- 8.3. Restricted tender is used in any of the following circumstances:
  - There is a need to maintain a balance between the contract value and administrative costs
  - The service required is specialised
  - The cost of public advertisement outweighs the potential benefits of open tender

## 9. Negotiated tender

- 9.1. In this scenario, the terms of the contract are negotiated with the supplier.
- 9.2. Negotiated tender is only used in any of the following circumstances:
  - Other types of tender have been used and have not found any suitable suppliers



- Very few suppliers are available
- There is an urgent need for a service

## **10. Preparation for tender**

10.1. In preparing for a tender, the **COO** considers the following:

- The overall objective of the project
- Any technical skills required to complete the project
- Any after-sales services required
- The form of the contract

## **11. Invitation to tender**

11.1. The trust makes all necessary documents available online when the advert has been placed in the FTS. These include:

- A covering letter
- A timeline
- How to ask questions
- How to submit a bid
- Specifications
- A list of things the trust requires prices for
- The award criteria
- The level of service required
- Any contract management needs, such as regular meetings or contact
- If needed, an invitation for suppliers to give a demonstration
- The standard selection questionnaire
- The proposed contract drafted as far as possible

## **12. Tender evaluation**

12.1. When making purchases, the Executive team:

- Decides the method of assessing the bids.
- Gets bids from at least three suppliers.
- Assesses all the bids received fairly.
- Chooses the supplier that offers the best value for money.
- Recommends the supplier to the Trust Board where the Scheme of delegation dictates

12.2. When evaluating a tender, the following financial implications are considered:

- Lower costs may not necessarily be the most favourable, e.g. when they result in a reduced service
- The price being considered should be the total cost, without extra fees or hidden costs
- Where there is scope for negotiation, the **COO** needs to ensure the best possible value for money

12.3. When evaluating a tender, the following technical requirements are considered:

- Certificates of conformity
- Conformity of standards
- The qualifications and experience of the supplier
- Descriptions of technical services and facilities
- Quality control procedures
- Details of previously delivered services
- References from previous customers

12.4. When considering a tender, the following other requirements are considered:

- Pre-sales demonstrations
- After-sales service
- The financial viability of the supplier

### **13. Tender acceptance**

13.1. Invitations to tender always state the date and time the completed tender documents are to be received by the **COO**.

13.2. Suppliers are required to submit documents in marked brown envelopes clearly stating they are tender documents.

13.3. All envelopes are clearly marked upon arrival and securely stored in the **main office**.

13.4. Tender documents received after deadlines are not considered, unless the supplier provides proof of exceptional circumstances and the Trust agrees to extend the deadline.

#### **Informing unsuccessful bidders**

13.5. The trust provides a letter including the following information to all unsuccessful bidders at the same time:

- The name of the winning bidder
- The award criteria used
- The summary score for the winning bid
- The reasons for the decision, including the characteristics and relative advantages of the successful tender
- When the standstill period ends
- Their scores and feedback

13.6. The trust provides information regarding the cost of the winning bid upon request, provided it does not reveal any commercially sensitive information.

#### **Informing the successful bidder**

- 13.7. The trust provides a letter including the following information when informing the successful bidder that they have won. This must include:
- The award criteria used.
  - The summary scores.
  - Why the trust thinks their bid is the most economically advantageous.
  - When the standstill period ends.
- 13.8. The trust uses the letter as an invitation to finalise a contract. The letter makes it clear that:
- The trust will only award them the contract if the standstill period passes without a challenge from another supplier.
  - There are no commitments, and no work should begin, until both sides have signed the contract.

#### **14. Tender opening**

- 14.1. All offers for tender are opened at the same time, with a minimum of **two** members of staff present, one of whom is the **COO**.
- 14.2. A record is kept of all the suppliers who submitted tenders, along with the amount tendered.
- 14.3. A record is signed by all members of staff and Trustees who are present at the opening of a new tender.
- 14.4. The record is stored in line with the trust's **Records Management Policy**.

#### **15. Staff involvement in evaluating offers for tender and quotes**

- 15.1. The **COO** is responsible for ensuring that none of the members of staff and Trustees involved in the tender process are subject to conflicts of interest.
- 15.2. Members of staff and Trustees who are involved in decision making never accept gifts or hospitality from suppliers.
- 15.3. A full record of the evaluation process is maintained by the **COO**.

#### **16. Contracts**

- 16.1. Non-routine tenders or purchases, such as leases, are subject to a contract, which is signed before the work begins or goods are delivered.
- 16.2. All contracts include the following details:
- The scope of the work including accurate specifications
  - The timeline and completion date of the work
  - Quality control measures
  - The agreed fees or charges
  - The payment terms
  - Specifications of the goods or service

- 16.3. Copies of all contracts are securely stored in the central record located in the Trust central Office.
- 16.4. The trust ensures it places a contract award notice in the **FTS** (The e-notification service Find a Tender) within 30 days of awarding the contract.

#### **Challenges from unsuccessful bidders**

- 16.5. The trust maintains a standstill period of **10** calendar days between notifying the winning bidder and awarding the contract. If this period ends on a non-working day, this is extended to the end of the next working day.
- 16.6. During the standstill period, if an unsuccessful bidder challenges the fairness of the contract award decision or process, the trust contacts them and explains the assessment process was conducted fairly and that the trust has maintained good records – legal advice may be sought depending on the nature or seriousness of the challenge.
- 16.7. If an unsuccessful bidder makes a legal challenge, the trust will not finalise the contract, and seeks legal advice before proceeding.

### **17. Related party transactions**

#### **The principles we adhere to**

- 17.1. Trustees and employees avoid any conflicts of interest, declare their interest in proposed transactions and arrangements, and do not accept benefits from third parties.
- 17.2. All members, trustees, local governors and senior employees complete the register of interests.
- 17.3. No member, trustee, local governor, employee or related individual will use their connection to the trust for personal gain, including payment under terms that are preferential to those that would be offered to an individual or organisation with no connection to the trust.
- 17.4. Payments to trustees by the trust are only made where permitted by its articles of association, or by the authority of the Charity Commission, and comply with any relevant agreement with the Secretary of State.
- 17.5. The trust fully considers its obligations where payments are made to other businesses who employ a trustee, are owned by a trustee or in which the trustee holds a controlling interest.
- 17.6. Where the trust believes a significant advantage exists in paying a trustee for acting as a trustee, the Charity Commission's approval will be obtained prior to payment.
- 17.7. The trust adheres to 'at cost' requirements.

- 17.8. The Chair of the board of trustees and Accounting Officer ensure their capacity to control and influence does not conflict with related party transaction requirements.
- 17.9. Personal relationships with related parties are managed in a manner that avoids both real and perceived conflicts of interest, promotes integrity and openness and is in accordance with [‘The Seven Principles of Public Life’](#).
- 17.10. The trust is aware of relationships with related parties that may attract greater public scrutiny, such as:
- Transactions with individuals in a position of control and influence, including the Chair of the board of trustees the Accounting Officer.
  - Payments to organisations with a profit motive, as opposed to those in the public or voluntary sectors.
  - Relationships with external auditors beyond their duty to deliver a statutory audit.

### **Record keeping**

- 17.11. The trust keeps sufficient records, and makes sufficient disclosures in the annual accounts, to show that related party transactions have been made in accordance with accountability and transparency standards.

### **Approval by the ESFA**

- 17.12. The trust obtains the ESFA’s approval for related party transactions that are novel, contentious or repercussive. Transactions involving the Chair of the board and the Accounting Officer are carefully considered against this requirement.
- 17.13. The trust obtains the ESFA’s prior approval for contracts supplying goods or services by related parties agreed on or after 1 April 2019 where any of the following limits apply:
- The contract exceeds £20,000
  - The contract would take the total value of contracts with the related party to beyond £20,000 in the same financial year ending 31 August
  - The contract relates to a party already in receipt of contracts exceeding £20,000 individually or cumulatively in the same financial year ending 31 August
- 17.14. For the purposes of reporting to, and approval by, the ESFA, related party transactions do not include salaries and other payments made by the trust to a person under a contract of employment through the trust’s payroll.
- 17.15. When seeking approval, the trust ensures it has the relevant information about the supplier, including the supplier’s name, address and company number. The trust also:

- Confirms the statement which best describes the relationship between the supplier and the trust.
- Confirms that the supplier is listed in the trust's register of interests.
- Confirms that the trust has a statement of assurance from the supplier.
- Confirms that the trust has an open-book agreement with the supplier.
- Provides a short description of the goods or service, details of the proposed cost and the start and end date of any contract or agreement.

In addition, the trust provides evidence of the following:

- How the trust agreed to the related party transaction, e.g. minutes of any Board meeting where it was discussed
- That the trust followed this policy to the letter
- That the trust tested the market before making a decision
- How the trust has managed any conflicts of interest

17.16. The trust provides a copy of the agreement or proposed contract to the ESFA.

17.17. The trust uploads any additional documents the trust feels are relevant as part of its submission.

17.18. The trust ensures the information and documentation listed in 17.15 has been received before the trust completes the online related party transaction form.

#### **Register of interests**

17.19. The trust documents all relevant business and pecuniary interests of members, trustees, local governors and senior employees, including:

- Directorships, partnerships and employments with businesses.
- Trusteeships and governorships at other educational institutions and charities.
- For each interest, the name of the business, the nature of the business, the nature of the interest and the date the interest began.

17.20. The register of interests identifies all relevant material interests from close family relationships between the trust's members, trustees or local governors. It also identifies relevant material interests arising from close family relationships between those individuals and employees.

17.21. The trust considers any other interests for inclusion on the register of interests – if there is any doubt about whether an interest should be registered, it is registered.

17.22. Each Trustees is responsible for keeping the register of interests up-to-date.

17.23. The trust publishes on its website the relevant business and pecuniary interests of members, trustees, local governors and Accounting Officer.

17.24. The publication of interests belonging to any other individuals named on the register is at the discretion of the trust.

### **'At cost' requirements**

17.25. The trust will not pay more than 'cost' for goods or services provided by the following:

- Any Member or Trustee of the trust
- Any individual or organisation related to a Member or Trustee of the trust, namely:
  - A relative of a Member or Trustee: defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner.
  - An individual or organisation conducting business in partnership with the Member, Trustee or a relative of the Member or Trustee.
  - A company in which a Member or the relative of a Member (taken separately or together), and/or a Trustee or the relative of a Trustee (taken separately or together), holds more than 20 percent of the share capital or is entitled to exercise more than 20 percent of the voting power at any general meeting of that company.
  - An organisation which is controlled by a Member or the relative of a Member (acting separately or together), and/or a Trustee or the relative of a Trustee (acting separately or together) – an organisation is controlled by an individual or organisation if that individual or organisation is able to secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes.
- Any individual or organisation given the right under the trust's articles of association to appoint a Member or Trustee of the academy trust, or any body connected to the individual or organisation.
- Any individual or organisation recognised by the Secretary of State as a sponsor of the trust, or any body connected to the individual or organisation.

17.26. A body is connected to an individual or organisation if it is controlled by the individual or organisation, controls the organisation, or is under common control with the individual or organisation, namely any of the following:

- Holding a greater than 20 percent capital share or equivalent interest
- Having the equivalent right to control management decisions of the body
- Having the right to appoint or remove a majority of the board or governing board

17.27. 'At cost' requirements do not apply to the trust's employees unless they are employed by one of the parties outlined in 17.24.

17.28. 'At cost' requirements apply to contracts for goods and services from a related party agreed on or after 7 November 2013.

- 17.29. 'At cost' requirements apply to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. Where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.
- 17.30. If any of the parties outlined in 17.24 are based in, or work from, the trust's premises, the trust will agree an appropriate sum to be paid to the trust for use of the premises, unless the party is conducting work on behalf of the trust.
- 17.31. 'At cost' requirements apply to legal advice or audit services when the organisation's partner directly managing the service is a Member or Trustee of the trust, but not in other cases.
- 17.32. The trust will ensure that any agreement with an individual or organisation referred to in 17.25 is procured through an open and fair process and is:
- Supported by a statement of assurance from the individual or organisation to the trust confirming their charges do not exceed the cost of the goods or services.
  - On the basis of an open book agreement including a requirement for the supplier to demonstrate clearly, if requested, that their charges do not exceed the cost of supply.
- 17.33. The cost will be the full cost of all the resources used in supplying the goods or services and will not include any profit. Full cost includes:
- All direct costs – the costs of any materials and labour used directly in producing the goods or services.
  - Indirect costs – a proportionate and reasonable share of fixed and variable overheads.

### **Reporting**

- 17.34. The trust reports all related party transactions taking place on or after 1 April 2019 to the ESFA in advance of the transaction taking place, using the ESFA's online form.

## **18. Monitoring and review**

- 18.1. This policy is reviewed every two years by the COO. The next scheduled review date for this policy is September 2024. Any proposed changes will be considered by the Trust Board for approval.



## Declaration of Conflicts of Interests Form for Governors and Trustees

I hereby certify that I understand that it is my responsibility to declare the nature of all business or personal interests, whether direct or indirect, of myself, my partner and/or members of my immediate family, that could unfairly benefit from my relationship and connection with the Frank Field Education Trust.

I also understand that it is a criminal offence to:

- Withhold information relating to conflicts of interest.
- Provide falsified information.
- Fail to notify the Trust board of any changes which might invalidate this declaration.

I agree to inform the board of trustees of any changes to aforementioned interests, or new conflicts of interest, at the earliest possible opportunity.

I confirm that I do not have any actual or potential conflicts of interest to declare:

I wish to declare an actual or potential conflict of interest and have included further details below:

<b>Name:</b>	
<b>Role:</b>	
<b>Signature:</b>	
<b>Date:</b>	

**Declaration (example)**

Details of the declared conflict of interest	Nature of business or organisation	Brief description of the conflict of interest declared	Is the declared conflict of interest an actual conflict or a potential conflict of interest?	Date of appointment or acquisition	Date of cessation of interest
<u>Director at John Smith Stationers</u>	<u>Stationery retailer</u>	<u>Managing director with responsibility for tendering for school stationery contracts</u>	<u>Actual</u>	<u>Date</u>	<u>N/A</u>
<u>Councillor at Sleaford Town Council</u>	<u>Political body</u>	<u>Chair of the planning committee</u>	<u>Actual</u>	<u>Date</u>	<u>Date</u>

**Managing the conflict of interest (example)**

Identified conflict of interest	Agreed process for managing the identified conflict of interest	Person confirming agreed processes on behalf of the board of trustees		
		Name	Role	Date
<u>Director at John Smith Stationers</u>	<p><u>All governing board and committee meeting agendas will include an opportunity for existing and new conflicts of interest to be declared at the start of the meeting.</u></p> <p><u>Governor to leave the meeting at any point a discussion or vote is taken relevant to the conflict of interest declared.</u></p> <p><u>Tendering and Procurement Policy In place which ensures a transparent process.</u></p>			