



Competitive Tendering Policy

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thesovereigntrust.uk

The Sovereign Trust is a Multi Academy Trust registered in England No. 09666511. Registered Office: Manor Academy Sale, Manor Avenue, Sale M33 5JX



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Version	Date	Amendments	Author	Status
6.0		An Related Party Checklist available and Guidance App1		To be Approved at Autumn Meeting 3-10-2024
6.1		Includes updates from MJ - reflect new Procurement Act 2023 (now coming into force Feb 2025) and disbanding of ESFA in March 2025.	CFO	
6.2		Remove date for valuation thresholds		
5.3	01/07/2023	Academy Related Party thresholds adopted – Review completed by Elderflower (email 28/6/23)	CFO	Approved at Autumn Meeting
5.2	01/07/2023	Removed references to EU and checked post Brexit details	CFO	Approved F&R 27/06/2023
5.1	26/06/2023	Review of document and thresholds	CFO	Draft comments received from F&R 27/06/2023
4.0	12/05/2022	Additional info to cover Framework Agreements Tender Evaluation and Procedures EU Thresholds reviewed	CFO	To be approved 12/05/2022
3.0	10/11/2021	Circumstances when 3 quotes/tender can be waived has been reviewed	CFO	Archived
2.0	01/07/2021	Reviewed	CFO	Archived
1.0	Jan 2018 July 2019 June 2020		CFO	Archived

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Background

Subject to any special rules imposed by the Department for Education (DfE) in The Academy Trust Handbook other funding bodies and external authorities, this tendering policy applies to all significant purchases made by The Sovereign Trust and its constituent Academies. The Chief Financial Officer shall be responsible for publicising and ensuring compliance with this policy and rules.

A well-thought out approach to procuring goods and services can help deliver very significant benefits for the Trust, including the following:

- immediate cost savings that can be re-invested in delivering educational outcomes;
- more effective long-term relationships with key suppliers that provide much greater value for money;
- shorter supply chains and quicker delivery of goods and services;
- opportunities to pursue social value outcomes; and
- a powerful incentive for other schools and academies to consider joining our Trust

High value purchases caught by competitive tendering rules

The Trust is classed as a ‘body governed by public law’ because: (a) it was established ‘for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character’ and (b) it is financed for the most part by grant funds received from the state.

Consequently, when the Trust makes purchases of goods, works and services, it will be classed as a ‘contracting authority’ in its own right and required to comply with the Public Contracts Regulations 2015 (‘the Regulations’ or ‘PCR’) and any successor legislation including the new Procurement Act 2023 which comes into force on 24.02.2025.

The Regulations require contracts in excess of the following value thresholds, (these are subject to adjustment by the Government from time to time) –

Goods and services £214,904 Inc VAT

Works £5,372,609 Inc VAT

For contracts with estimated values above relevant thresholds, we must publish notices on the Government’s [Find a Tender service](#) and run a fully compliant procurement under the appropriate regulations.

At the time of writing, the purchase or commissioning of certain types of social, educational and health-related services may qualify for the ‘Light Touch Regime’. See Schedule 3 of the Regulations [here](#) or Regulation 42 and Schedule 1 of the Procurement Regulations 2023 (as from February 2025). This will apply if the value of the contract is in excess of £663,540 inc VAT (below that value threshold the contract may be exempt if the nature of the service qualifies). The Light Touch Regime still requires that the opportunity be published and a ‘notice of award’ filed with the Government’s [Find a Tender Service](#).

We will seek legal advice to determine if any procurement run by The Trust qualifies.

Lower value purchases

Regulations require that most public contract opportunities over £10,000 (even if not caught by the full tendering rules) must still be publicised on the Government's Contracts Finder at www.contractsfinder.service.gov.uk/ for more information [Contracts Finder - GOV.UK \(www.gov.uk\)](http://www.gov.uk). This does not currently apply to contracts let by Academy Trusts (Regulation 109(5)), but we may still choose to advertise opportunities on that portal to generate market interest.

It is The Trust's internal policy that any contract opportunity with a total value in excess of £10,000 (net of VAT) should be subject to a degree of competition in order to ensure value for money is obtained. At least 3 written quotes shall be sought for any purchase of goods, works or services with a total value in excess of £10,000. The purchaser is not bound to accept the lowest offer, but instead shall select the most economically advantageous offer for the Trust based on objective criteria, including social value (see further below).

The requirement to seek 3 quotes may only be waived in the following circumstances:

- The Board has resolved to dispense with the requirement because there is realistically only one supplier for the item(s) in question and the circumstances are recorded in the minutes;
- Where the service or goods are called off from a Framework or similar arrangement which has already been competitively procured;

or

- The situation is urgent and, in the reasonable opinion of the Chief Executive, there is insufficient time to gather three quotes, provided a written record is kept of the circumstances and the matter is reported to the Board in writing at the next available opportunity. Value for Money statement form should be completed.

Further guidance on the appropriate procedures can be obtained from the Company Secretary.

Taking into account Social Value

In accordance with the duty under the Public Services (Social Value) Act 2012, when making purchases and commissioning services, the Trust will consider how procured goods and services can be purchased on terms that improve the economic, social and environmental well-being of our areas of operation. It is the Trust's belief that the worth of an activity or service should be measured not just in financial terms, but wherever possible on the wider benefits it brings to our pupils and staff and society in general.

However, when considering how a procurement process might improve the social, economic or environmental well-being, the Trust must only consider matters which are relevant to what is proposed to be procured. The Trust can only consider those matters to the extent it is proportionate, in all the circumstances, to take those matters into account.

Framework agreements

Where possible, we will use a framework agreement to contract suppliers. These are arrangements that a contracting authority, such as a public sector buying organisation, makes with suppliers. The benefits of

frameworks are that they have already been through a competitive tender process and they have favourable terms and conditions. In addition, the framework provider may offer advice and support.

Depending on the framework we choose, we will either pick the best value supplier from a list, or run a mini-competition between listed suppliers. In either case, we will follow the DfE guidance on procurement (see section 2 of this policy) to ensure good practice. The reasons for the choice of Framework, and for the choice of supplier, will be clearly recorded.

The Finance & Risk Committee are to approve the use of all Frameworks.

Evaluating tenders

Tenders will be evaluated against the criteria and weighting outlined in the tender document. The criteria should include: Cost / Quality / Delivery / Performance / Risk

We may specify additional criteria based on the type of tender, as outlined in the tender document.

Conflicts of interest

Care must be taken if there is any kind of relationship between the proposed supplier of goods and services and a member of the Trust board, members or senior managers. The rules set out in our Code of Conduct and Conflicts of Interest Policies must be adhered to.

DfE provide a [check-list](#) that can be used to ensure impartial consideration is given to evaluating bids from related parties. Download here

[https://assets.publishing.service.gov.uk/media/66cedf101aaf41b21139cfa7/Checklist - things to consider when transacting with a related party.odt](https://assets.publishing.service.gov.uk/media/66cedf101aaf41b21139cfa7/Checklist_-_things_to_consider_when_transacting_with_a_related_party.odt)

See [Appendix 1](#)

The Trust must report all contracts and other agreements with related parties to the DfE in advance of the contract or agreement commencing or being renewed, using the [related party on-line form](#).

DfE have guidance on what MUST be reported - <https://www.gov.uk/government/publications/related-party-transactions-information-for-academy-trusts/declare-or-seek-approval-for-related-party-transactions-summary-guidance>

Related parties include persons and entities with control or significant influence over the academy trust, and members of the same group (e.g. parent and subsidiary companies, key management personnel and close family members). This description is not comprehensive. See section 33 of [Financial Reporting Standard 102](#).

The Trust will obtain the DfE's prior approval for contracts and other agreements for the supply of goods or services to the Trust by a related party where any of the following limits arise:

- A contract or other agreement over £40,000
- A contract or other agreement of any value that would mean the cumulative value of contracts and other agreements with the related party exceeds, or continues to exceed, £40,000 in the same financial year ending 31 August

The 'at cost' requirement applies to contracts with 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.

Tendering procedure: Under £50,000 in value

When a contract or purchase has a value under £50,000 and a framework agreement is not in place, the Trust will use the process outlined below.

Create a specification – a specification document will set out what suppliers need to understand about what we are looking to buy, including the quality, quantity and delivery date

Compare suppliers – a comparison of different suppliers, including their reputation, will help the Trust develop a shortlist of at least 3 suppliers we want to approach for a written quote.

Assess quotes – award criteria will be developed to assess suppliers' quotes. Criteria may include:

- How well the supplier meets our specification
- The whole-life cost of the contract, which may include:
 - The sale price of the goods, works or services
 - VAT
 - Delivery charges
 - Maintenance costs
 - Running costs
 - The cost of removing and disposing of an item or service once we no longer need it
 - Whether there will be price increases or decreases over the life of the contract
 - Value for money

Each aspect of the criteria will be scored on a scale of 1 to 5, with 5 being the highest score. A record of how the quotes are evaluated will be kept.

A member of the school leadership team will evaluate quotes with support from the Chief Finance Officer & the Central Team.

When we contact suppliers, we will send them:

- The specification
- Deadlines for quotes and when decisions will be made
- Instructions for how to ask clarification questions about the specification

Place an order – when the best value quote is identified, we will send the supplier a purchase order, which includes details of the:

- Goods, works or services we are purchasing
- Price
- Delivery address
- Delivery deadline and any other important dates
- Payment schedule

Tendering procedure: high-value purchases & contracts – Over £50,000 (but below the PCR procurement threshold)

The Trust will make high-value purchases without a framework only in rare circumstances and only with legal support. When this does happen, we will use the process below.

Create a specification (see section 10)

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

Check the Academy's position in relation to the procurement thresholds (see page 4)

Develop a contract – a contract will include terms and conditions, service levels expected, a contract management plan and an exit strategy

Reduce the number of bids – to reduce the number of bids The Trust needs to evaluate, we will either use an expression of interest process to gauge interest in the contract or a pre-qualification questionnaire

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

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

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
- 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

Advertise the contract – the contract will be advertised where suppliers are likely to look, such as:

- The Find a Tender service – this is a requirement if the contract is over the PCR procurement threshold
- The Government's Contracts Finder service
- Local or national newspapers
- Education publications or websites
- Trade magazines

Run the tender process and provide clarifications

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.

Notify suppliers and award the contract

Finalise the contract (and advertise the award, if the contract was advertised in Contracts Finder or the Find a Tender service).

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.

Record keeping

Records will be kept securely, only for as long as necessary and in line with data protection law, our privacy notices and Records Management Policy.

Payment of Invoices

The procedures for making all payments shall be in a form specified by the Chief Financial Officer.

The Chief Financial Officer is responsible for deciding the most appropriate method of payment for all categories of invoice. Payments to UK suppliers will normally be made by BACS direct bank transfer.

Suppliers should be instructed to submit invoices for goods or services, FAO the Chief Financial Officer at the Trust's Head Office.

The Chief Financial Officer is responsible for ensuring that expenditure does not exceed budgets and funds available.

Payments will only be made against invoices which have been certified for payment by an appropriate signatory. By certifying an invoice, the signatory confirms the following:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- Invoice details (quantity, price, discount) are correct.
- The invoice is arithmetically correct.
- The invoice has not previously been passed for payment.
- An appropriate order number and/or account code is quoted.

Invoices must be passed to the Chief Financial Officer as soon as they have been certified. Care must be taken by the budget holder to ensure that any discounts receivable are obtained.

Appendix 1 - Checklist: things to consider when transacting with a related party



Education & Skills Funding Agency

Autumn 2024 Version

Can be downloaded -

[https://assets.publishing.service.gov.uk/media/66cedf101aaf41b21139cfa7/Checklist -
things to consider when transacting with a related party.odt](https://assets.publishing.service.gov.uk/media/66cedf101aaf41b21139cfa7/Checklist_-_things_to_consider_when_transacting_with_a_related_party.odt)

This checklist will help academy trusts consider if transactions with a related party:

- are justifiable
- are conducted fairly and transparently
- can withstand scrutiny

Using this checklist is optional.

If you are unsure if a transaction is with a related party, you should seek expert advice.

Using the checklist

To use the checklist, you should answer 'yes' or 'no' to each question.

There is space at the end of each section to make notes.

On completion of the checklist, you should review your responses to ensure they are correct, and to determine if you need to take any further action.

Purpose of the transaction

Question	Answer
Is the transaction necessary?	Yes or No
Is the transaction in the best interests of the academy trust and is there documented evidence to support this?	Yes or No
Could the transaction: compromise the integrity of the academy trust? cause reputational damage? cause unnecessary risk or challenge?	Yes or No

Question	Answer
Could the transaction be considered novel, contentious, or repercussive?	Yes or No

Comments

Add comments here to support your answers.

Decision making and transparency

Question	Answer
Was a party with a conflict of interest involved in the decision-making process?	Yes or No
Has the conflict of interest and actions taken to mitigate it been recorded in the board or committee meeting minutes?	Yes or No
Is the conflict of interest documented in the academy trust's register of interests?	Yes or No
Is the register of business and financial interests for members, trustees, local governors, and accounting officers published on the academy trust's website?	Yes or No
Have alternative suppliers or options been considered?	Yes or No
Have all decisions regarding the transaction been documented appropriately?	Yes or No

Comments

Add comments here to support your answers.

Procurement: value for money

Question	Answer
Was a party with a conflict of interest involved in the decision-making process?	Yes or No
Have similar goods or services been compared (for example, by benchmarking or obtaining quotes from other suppliers) and are the costs proportionate?	Yes or No

Question	Answer
Has a value for money assessment been conducted?	Yes or No
Does the academy trust have a competitive procurement policy in place? Is it incorporated into the academy trust's financial framework or procurement policy?	Yes or No

Comments

Add comments here to support your answers.

Procurement: 'at cost'

This section applies to transactions with a person or organisation set out in the 'at cost' requirements in the [Academy trust handbook](#).

Question	Answer
Is the transaction provided 'at cost' save for the £2,500 de minimis?	Yes or No
Have the goods or services been procured through open and fair process? If so, what process was used?	Yes or No
Are the goods or services supported by a statement of assurance ?	Yes or No
Are the goods or services on the basis of an open book agreement?	Yes or No

Comments

Add comments here to support your answers.

Alignment with your academy trust's own policies and its scheme of delegation

Question	Answer
Have you followed your academy trust's procurement, recruitment, or other relevant policies?	Yes or No
Have you followed your academy trust's scheme of delegation?	Yes or No

Comments

Add comments here to support your answers.

Adherence to statutory and regulatory requirements

Question	Answer
Is the transaction above public contract thresholds? If so, has the contract been advertised on the Find a Tender service ?	Yes or No
Could the transaction be considered a subsidy?	Yes or No
Has the transaction been reported to DfE in advance of the contract or agreement commencing? (This does not apply to salaries and other payments made to individuals under a contract of employment through the academy trust's payroll).	Yes or No
Has DfE approval been sought if the transaction exceeds £40,000 or where it is novel, contentious or repercussive? (This does not apply to transactions with some schools as set out in the Academy trust handbook or with the religious authority of an academy trust that is providing services relating to the academy trust's religious character and ethos).	Yes or No

Comments

Add comments here to support your answers.

Off payroll

Question	Answer
Is there transparency regarding the appointment of an off-payroll Accounting Officer (AO) or Chief Financial Officer (CFO) from a related party?	Yes or No

Comments

Add comments here to support your answers.

Donations

Question	Answer
Has the academy trust previously received a donation from the related party? If so, were any conditions attached?	Yes or No

Comments

Add comments here to support your answers.

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