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Policy agreed	January 2018
To be reviewed	Annually
Owner	Lisa Hughes
Designation	CFO

Competitive Tendering Policy

Background

Subject to any special rules imposed by the Education and Skills Funding Agency in the Academies

Financial Handbook, other funding bodies and external authorities, this tendering policy applies to all significant purchases made by The Sovereign Trust and its constituent schools. 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

1 High value purchases caught by EU 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') and any successor legislation.

The Regulations require contracts in excess of the following value thresholds to be advertised and conducted in accordance with appropriate EU tendering rules:

Goods and services £164,176

Works £4,104,394

The purchase or commissioning of certain types of social, educational and health-related services may qualify for the 'Light Touch Regime'. This will apply if the value of the contract is in excess of £589,148 (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 Official Journal of the EU at <https://simap.ted.europa.eu/web/simap/standard-forms-for-publicprocurement>. (NB These value thresholds are subject to review and adjustment by Government from time to time and may be impacted by Brexit).

2 Lower value purchases

Regulations require that most public contract opportunities over £25,000 (even if not caught by EU rules) must be published on the Government's Contracts Finder at

www.contractsfinder.service.gov.uk/ . This does not currently apply to contracts let by academy trusts, but we may 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 always 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;

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.

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

3 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.

4 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 direct bank transfer. In exceptional circumstances, the Chief Financial Officer will prepare cheques for emergency payments.

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.

5. Avoidance of 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 Conflicts of Interest Policy and Code of Conduct must be adhered to.