



Procurement & Tendering Policy

PURPOSE

This Policy outlines Ark's approach to procurement and achieving value for money across all key purchases within the network.

Date of last review:	September 2014	Author:	Head of Procurement
Date of next review:	September 2017	Owner:	CFO
Type of policy:	<input checked="" type="checkbox"/> Network-wide <input type="checkbox"/> Set for school <input type="checkbox"/> Tailored by school	Approval:	Board
School:	N/A	Key Contact Name:	Governance Team
Key Contact Email:	governance.team@arkonline.org	Key Contact Phone:	0203 116 6333

POSITIONING WITHIN ARK OPERATIONAL MODEL

Component	Element
<input type="checkbox"/> Strategic Leadership & Planning <input type="checkbox"/> Monitoring, Reporting & Data <input type="checkbox"/> Governance & Accountabilities <input type="checkbox"/> Teaching & Learning <input type="checkbox"/> Curriculum & Assessment <input type="checkbox"/> Culture, Ethos & Wellbeing <input type="checkbox"/> Pathways & Enrichment <input type="checkbox"/> Parents & Community <input checked="" type="checkbox"/> Finance, IT & Estates <input type="checkbox"/> Our People	Procurement

1. Summary

1.1. Ark Schools wants to achieve the best value for money from all purchases and at all times. This means purchases need to be in the correct quality, quantity and completed within the appropriate timeframe and at the best price possible. Purchases should follow the general principles of:

- Probity - it must be clear that there is no private gain in the academy's contractual relationships;
- Accountability - the academy is 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.
- Value for money - covering cost of goods or services, quality of good or services and administrative cost (including time) of procurement

2. Routine Purchasing

- 2.1. Budget holders will be informed of their budgets at the latest at the beginning of the academic year. It is their responsibility to manage the budget and to ensure that the funds available are not overspent. A report detailing actual expenditure (including commitments) against budget will be supplied to each budget holder by the Finance team on a regular basis.
- 2.2. A quote or price must always be obtained before any order is placed. Either Ark Schools Kingsway or the FRD (or designated person in the school where there is no FRD) may create approved supplier lists for some types of purchases. If a relevant approved supplier list exists, budget holders must obtain the FRD's agreement to purchases from alternative suppliers.
- 2.3. All requisitions from budget holders must be made using Soprano, or relevant purchase ordering system such as PSF, in line with the academy's or Ark Schools' Kingsway's scheme of delegation. Where a new supplier is to be used, new supplier details should be passed to finance to put on the the Purchase Order system.
- 2.4. Once authorised budget holders can 'dispatch' orders to suppliers who have email addresses on the system. If not orders can be placed by either the budget holder or finance as agreed between the parties.
- 2.5. The budget holder must make appropriate arrangements for the delivery of goods to the academy or Ark Schools Kingsway. On receipt the budget holder must undertake a detailed check of the goods received against the goods received note (GRN) and make a record of any discrepancies between the goods delivered and the GRN. Discrepancies should be discussed with the supplier of the goods without delay and the academy's Finance Team (or Ark Schools central finance team for Ark Schools Kingsway purchases) advised.
- 2.6. If any goods are rejected or returned to the supplier because they are not as ordered or are of sub-standard quality, the academy's Finance Team (or Ark Schools central finance team for Ark Schools Kingsway purchases) should be notified. The designated person within the team will keep a central record of all goods returned to suppliers.
- 2.7. All invoices should be sent to the Finance Officer All invoices need to be authorised by the relevant individual on the relevant system before payment procedures are initiated. Orders are authorised in line with the academy's scheme of delegation however any spending in excess of £50,000 must be authorised by the governing body.
- 2.8. Invoice receipt will be recorded by the academy's Finance Team (or Ark Schools central finance team for Ark Schools Kingsway purchases) or on the Soprano (or relevant) system.

- 2.9. Before submitting for payment the budget holder must make a detailed check against the order and the GRN.
- 2.10 If a budget holder is pursuing a query with a supplier the Finance Officer must be informed of the query and periodically kept up to date with progress. The Finance Manager will then input the details of payments to be made to the purchase ledger and generate the payments.

3. Orders up to a de Minimis Level

A de minimis level is to be established for each ARK School and Ark Schools central of £1,000 below which Purchase Orders do not have to be raised. A school LGB may approve a lower limit if it chooses to. Ark Schools central de minimis level is set at £1,000.

Such invoices can only be paid with appropriate manager sign off.

4. Orders up to £5,000

Where appropriate, orders up to £5,000 require up to two quotes from different suppliers.

5. Orders over £5,000 but less than £30,000

Where appropriate, at least two written quotations should be obtained for all orders between £5,000 and £30,000. Written confirmation of oral quotes must be obtained before a purchase commitment is made. Confirmations by email and/or fax are acceptable. Budget holders should retain quote details for audit purposes.

6. Orders over £30,000

- 6.1. All goods/services ordered with a value over £30,000, or for a series of contracts which in total exceed £30,000 must be subject to formal tendering procedures.
- 6.2. Purchases over £100,000 in value may fall under EU procurement rules which require advertising in the Official Journal of the European Union.
- 6.3. Ark Schools may also notify the academy of suppliers from whom purchases will fall under the EU rules.
- 6.4 All purchases from established Buying Consortia (e.g. Crown Commercial Services, Crescent Purchasing Consortium) are deemed to comply with this Procurement Policy. Goods and Services can be bought via pre-existing, EU compliant Framework Agreements/Contracts (ensuring the specific process applicable to the Framework Agreement/Contract is followed) without running a full Tender process as detailed above. It is the purchaser's responsibility to ensure that any identified pre-existing Framework Agreement/Contract is fully EU compliant, and the appropriate method (e.g. mini-competition) to procure within the Framework Agreement/Contract is adhered to.
- 6.5 Credit Card usage should follow the above process and, additionally wherever practicable, pre-approval should be obtained.

7 Forms of Tender

- 7.1 There are three forms of tender: open, restricted and negotiated. The circumstances in which each should be used are described below. Before entering into any tendering process this should be discussed with Ark Schools.
- 7.2 *Open Tender*. This is where all interested suppliers are invited to tender. The budget holder must discuss and agree with the FRD or Ark Schools Kingsway Finance team (for Ark Schools Kingsway purchases) on where to advertise 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 avoidance of corruption – but needs to take into account the cost of procurement for both Ark Schools and suppliers, and may not therefore be the most proportionate process in all cases.

7.3 *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 might come forward or the nature of the goods is such that only specific suppliers can be expected to meet the requirements,
- The costs of publicity and advertising are likely to outweigh the potential benefits of open tendering.

7.4 *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,
- Urgency exists,
- Additional deliveries by the existing supplier are justified.

8 Preparation for Tender

Full consideration should be given to:

- The objective of the project;
- Overall requirements;
- Technical skills required to meet the tendering criteria;
- After sales service requirements; and
- 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.

9. Invitation to Tender

9.1 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.

9.2 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.

10. Aspects to consider when evaluating the tender

10.1. 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.
- Is there scope for negotiation? If so, the academy should always aim to achieve best value for money.

10.2. 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; and
- Details of previous sales and references from past customers.

10.3. Other Considerations

- Pre-sales demonstrations;
- After sales service; and
- 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.

11. 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 unless there are exceptional circumstances.

12. Tender Opening Procedures

All tenders submitted should be opened at the same time. At least two people should be present for the opening of tenders, normally the FRD or Principal, plus a member of the governing body or Ark Schools (or for Ark Schools Kingsway an agreed designated person).

A record should be kept of the names of the firms submitting tenders and the amount tendered. This record must be signed by the people present at the tender opening.

13. Tendering Evaluation Procedures

The evaluation process should involve at least two people with no conflicts of interest in the tender. Those involved in making a decision must not accept gifts or hospitality from potential suppliers that could compromise or appear to compromise their independence.

Full records should be kept of each tender evaluation and a report should be prepared for the governing body highlighting the relevant issues and recommending a decision. Where required by the conditions attached to a specific grant, the grantor's approval must be obtained before acceptance of a tender.

14. Contracts

Any non-routine tenders or purchases, such as leases, are subject to a contract between the academy and the supplier which is to be signed before the contracted work begins or the delivery of goods. The contract(s) should clearly set out (as applicable):

- The scope of work with detailed and accurate specifications;
- The timeline and completion date of the work(s);
- Dates for completion of works;
- Quality controls on work(s);
- The agreed fees/charges and payment date(s);
- Specification of the goods to be delivered (as applicable).

Copies of all contract documentation must be filed in a Contracts Register (held at academy level for academies, and at Ark Schools Kingsway for Kingsway led purchases).

The signing of a contract and/or lease should be treated like the placing of an order and the signing of a cheque.