

## **THE FINANCIAL REGULATIONS AND PROCEDURES (Tender Process)**

### **Governors**

1. The Governing Body is responsible for setting the annual school budget. The budget should be used to enable the school to fulfil its Mission and Vision and achieve its educational objectives as stated in the School Development Plan.
2. The Headteacher is responsible for ensuring the agreed annual budget is submitted to the LEA by the appropriate deadline.
3. The Governing Body is responsible for ensuring the Staffing and Finance Committee has clear Terms of Reference and properly maintained minutes of all meetings.
4. The Finance and Staffing Committee is responsible for:
  - Drafting an annual school budget, following recommendations from the Headteacher, for consideration by the Governing Body.
  - Monitoring of the school budget on a quarterly basis and taking any necessary action to ensure that spending does not exceed the total resources available.
  - Receiving reports of all virements during the financial year. (Not over £10,000)
  - Deciding on journal transfers in excess of £10,000.
  - Annual reviewing and setting the charges to be made for use of the school's facilities.
  - Ensuring that the school's delegated funds are regularly audited including receiving auditors' reports and agreeing any required actions.
  - Ensuring an annual check of the balances and receipts of the school's non-delegated funds is completed.
5. All Governors must disclose any pecuniary interests

### **Financial Management**

#### **Headteacher (or person with overall financial responsibility)**

1. The Headteacher or person with overall financial responsibility must:
  - Prepare an annual budget profile to recommend to Governors, against agreed budget headings.
  - Monitor and report to Governors, on a quarterly basis, spending against the annual budget profile. Take the necessary action to ensure that the overall spending does not exceed the total resources available. This may include initiating journal transfers, up to the value of £10,000.

- Initiate virements to budget headings and report all changes in the school's budget to Governors on a quarterly basis.
- Designate a named person (budget holder) for each school budget heading.
- In the event of an absence of a budget holder of two weeks or more re-designate the budget to another named member of staff.
- Ensure all budget holders have an up-to-date copy of the school's financial regulations and procedures.

### **Budget Holders**

1. Budget holders are responsible for:
  - Planning and monitoring their designated budgets in keeping with the school's financial regulations and procedures.
  - Limiting spending to the total amount of resources available within their designated budget.
  - Completing the official school order form for all purchase of goods.
  - Ensuring an authorised purchase order has been raised on the school's management information system and an order number received prior to any order being placed with a supplier.
  - Checking the goods received against the delivery note.
  - Pas invoice to SM when checked.
2. All budget holders must declare to the Headteacher any pecuniary interests.

### **Financial Administration**

1. The schools' financial management information systems will be set up:
  - To separate duties of raising orders from the authorising of order.
  - To ensure an appropriate audit trail is available.
  - To include the bi-annual changing of passwords.
2. The School Manager will ensure that:
  - Orders are recorded on the school's financial management information system.
  - Debits are raised on the school's financial management information system.
  - An appropriate and secure system is in place for receiving of income including the issuing of receipts.
  - A list of approved suppliers and authorised signatories is maintained.
  - Proper accounting records, including orders, and signed invoices are maintained.

### **Voluntary Funds (PFM)**

- The School Manager will act as the Treasurer for the school's voluntary fund and maintain these funds in a separate account from the school's delegated budget.

- An annual report on the school's voluntary funds will be prepared in August by the School Manager and submitted to the Governors at their first meeting of the academic year.
- The school will appoint a suitably qualified person to check balances and receipts of the school's voluntary funds.
- The high quality management of the voluntary fund accounts must include the retention of receipts for expenditure and the issuing of invoices for income.
- Staff with individual responsibility for school fund accounts must ensure that expenditure does not exceed the total resources available to them in their account, (further information to staff is available in the staff handbook)
- Two signatories, from the list of authorised signatories maintained by the School Manager are required for each cheque issued. The signing of blank cheques is an unacceptable practice.
- The School Manager will produce a bi-annual reconciliation of the school's voluntary funds that will be agreed and signed by the Headteacher/Deputy Headteacher.

### **Approved List**

- An approved list of suppliers must be maintained on the school's management information system.
- Only approved suppliers may be added to the school's list on the basis of two written recommendations from other users of their services/goods and where appropriate:
  1. A Health and Safety Policy
  2. Contractor's Public Liability and Employer's Liability Insurance

### **Resource and Asset Management**

All staff are responsible for the safe custody and control of the school's resources. A higher level of care is expected from all Managers.

- Managers are responsible for maintaining stock books/inventories of equipment where the individual cost of each item exceeds £250. (Except ICT where the individual cost is over £25 and the Network Manager is responsible). An annual check of resources and assets against stock books/inventories must be completed.
- Resources may be taken off-site by any member of staff with the permission of their Line Manager. The safe custody of these resources, during their time off-site, and ensuring that appropriate insurance arrangements are in place is the responsibility of the member of staff and they must have signed the appropriate liability form (£1000-part of the ICT AUP), kept in School Manager's Office
- A record of items declared surplus or obsolete should be maintained by the School Manager, ICT equipment supplied by the ICT Network Manager.
- Where items of equipment are disposed of the School Manager will issue a receipt, including a VAT element, and the income credited to the school budget.

### **PROCEDURES FOR ENSURING VALUE FOR MONEY, OBTAINING COMPETITIVE QUOTES AND TENDERING**

## 1. Introduction

1.1 This document is intended to function as a working manual for budget holders to ensure that minimum standards are met and quality is ensured as the school strives to achieve best value for money in acquisition of goods, materials, services or execution of any work.

1.2 The document covers three related areas:

- Ensuring Value for Money. This covers the acquisition of goods, materials, services or execution of any work below the value of £5,000.
- Obtaining Competitive Quotations. This covers the acquisition of goods, materials, services or execution of any work between the value of £5,000 and £50,000.
- Tendering. This covers the acquisition of goods, materials, services or execution of any work in excess of £50,000. If tendering procedures are required then the Headteacher, prior to any process being initiated, will seek professional support.

2. Ensuring Value for Money (Goods, Materials, Services or execution of any work up to the value of £5,000)

2.1 Prior to any acquisition the budget holder must ensure that they are aware of the outcomes required of the goods, materials, services or execution of any work.

2.2. For goods, materials, services and execution of works likely to be in excess of £5,000 but less than £7,500 the budget holder must obtain permission from the Headteacher to proceed. The Headteacher may at her/his discretion decide to involve the procedures for "Obtaining Competitive Quotations" if s/he decides that the process may yield better value for money.

2.3 Once the budget holder is aware of the outcomes of her/his proposed acquisition then they should obtain costings either through a review of price lists/catalogues or by requesting quotes from a company, manufacturer, firm or individual on the school LEA's approved list.

2.4 The budget holder must select the lowest costings/quote that meets the outcomes required. If the lowest costing/quote is not accepted the reasons must be formally evidenced and presented to the Headteacher prior to the ordering of process being initiated.

2.5 All requests for goods, materials, services or execution of any work must be placed on the school's computerised financial management system prior to an order being placed with a company, manufacturer, firm or individual.

2.6 The purchase of goods, materials, services or execution of any work should not be artificially broken down into smaller packages to purposefully avoid the need to obtain competitive quotations or implement tendering procedures. There must be demonstrable operational advantage for the desegregation of work.

2.7 Where a budget holder may be compromised through a conflict of interest the matter must be referred

to the Headteacher.

3. Obtaining Competitive Quotations (Goods, materials, services or execution of any works between £5,000 and £50,000 in value)

3.1 For each contract likely to exceed £5,000 a budget holder must approach the Headteacher for permission to proceed.

3.2 Where the school intends to only obtain quotations from a preferred supplier the contract should be agreed by two of the following: Chair of Governors, Vice-Chair of Governors or any Chair of Governors' Committee (Staffing & Finance, Premises, Curriculum & Learning).

3.3 The Headteacher is responsible for appointing a Lead Contract Officer for each contract who will have overall responsibility for:

- Managing the production of a specification.
- Determining criteria and weightings for use in the evaluation process and producing a scoring matrix for use in the evaluation process.
- Selecting companies, from the school's/LEA's approved list, to obtain quotations from.
- Organising the documentation to go out to the company, manufacturer, firm or individual.
- Receiving and ensuring safe storage of competitive quotations.
- Leading the evaluation of competitive quotations received.

The Lead Contract Officer is responsible for informing the Headteacher of any possible conflicts of interest as they arise in the process.

3.4 In managing the overall process the Lead Contract Officer should directly correlate the documentary detail and number of organisations involved in providing quotes to the likely cost of the goods, materials, services or execution of any works. The greater the likely costs the more detailed the documentation should be and the greater the number of organisations asked to provide quotes.

3.5 The Lead Contract Officer should manage the production of a specification that itemises the goods, materials, services or execution of any works needed to fulfil the contract. Care should be taken to ensure sufficient detail is included within the specification to allow a company, manufacturer, firm or individual to fully understand the requirements of the contract and allow the school to hold them accountable for the quality of goods, materials, services or execution of any work provided.

3.6 Under no circumstances must the Lead Officer use or allow a company, manufacturer, firm or individual who may provide a competitive quotation for the contract to assist with or have input in to the drawing up of a specification.

3.7 Once a specification has been completed, the Lead Contract Officer should determine criteria and weightings for evaluating the competitive quotations received.

3.8 The Lead Contract Officer should identify, from the school's/LEA's approved list, between three to six

companies, manufacturers, firms or individuals to send the documentation to. The Lead Contract officer must ensure that any companies, manufacturers, firms or individuals selected do not engage in activities that compromise the Christian nature of the school.

- 3.9 If the contract is of a highly specialised nature and there are not three companies, manufacturers, firms or individuals who can provide the goods, materials, services or execution of work, permission must be sought from the Headteacher to proceed with the contract with fewer than three competitive quotations.
- 3.10 Documentation sent out should include:
- A letter inviting the company, manufacturer, firm or individual to submit a competitive quotation (see Appendix A)
  - The specification for the contract
  - The evaluation criteria and weightings for evaluating the competitive quotes received. (See Appendix B).
  - Any conditions associated with the contract.
  - Instructions to companies, manufacturers, firms or individuals submitting competitive quotations (See appendix C).
  - Quotation Form. (See Appendix D & E).
- 3.11 On receipt of a quotation the Lead Contract Officer should place the unopened envelope in the school's safe for storage. The unopened envelopes, containing the quotations for the contract, should remain in the school's safe until 24 hours after the closing date and time.
- 3.12 At an agreed date and time the Lead Officer should open the envelopes containing the competitive quotations in the presence of the Headteacher and one other person from the Governing Body or SLT.
- 3.13 The quotations should then be evaluated using the previously devised criteria to ensure that the most economically advantageous quotation is accepted. Written documentation of this process should be maintained to ensure an adequate audit trail. The quotation to be accepted should be agreed by two of the following Chair of Governors, Vice-Chair of Governors or any Chair of a Governors' Committee (Staff and Finance, Premises, Curriculum & Learning).
- 3.14 A copy of the documentation and recommendation of which quotation is most economically advantageous should be recorded by the Lead Contract Officer.
- 3.15 The Lead Contract Officer should then write to the successful and unsuccessful companies, manufacturers, forms or individuals to notify them of the Governors' decision.
- 3.16 The Lead Contract Officer must ensure all documentation relating to the process is retained and given to the School Manager. The School Manager should ensure the safe storage of the documentation for a minimum period of six years.
- 3.17 The Lead Contract Officer should then proceed with the acquisition of the goods, materials, services or execution of the work ensuring that all requests are placed on the school's computerised financial management system prior to an order being placed with a company, manufacturer, firm or individual.

3.18 The purchase of goods, materials, services or execution of any work should not be artificially broken down into smaller packages to purposefully avoid the need to implement tendering procedures. There must be demonstrable operational advantage for the de-segregation of work.

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**Appendix A**

**Letter of Invitation to Submit Quote**

Dear .....

Ref: (Name of contract)

I have pleasure in inviting you to submit a quotation for the scheme and in enclose the following documents:-

- List of documents which are to be sent to contractor\*

Quotes should be submitted in the enclosed Quote Return Envelope not later than 12 noon on \_\_\_\_\_

If you have any queries regarding this scheme please contact Mr(s) \_\_\_\_\_ at the above address or telephone number.

The school does not bind itself to accept the lowest of any quotes that it receives or any quote that it receives.

Yours faithfully

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Quote for: \_\_\_\_\_

Closing Date: \_\_\_\_\_

I/We confirm receipt of quote documents in respect of this contract.

Signed \_\_\_\_\_

On behalf of \_\_\_\_\_ (Capitals please)

## Appendix B

### Evaluation of Quotes – Method (Standard Paragraph)

To be inserted as a standard paragraph in contract documentation when criteria other than cost will be used for evaluation:-

The school will accept the tender that it considers to be the most economically advantageous, taking into account quality aspects of a quoter's proposals. It may take any relevant factor into account and reserves the right not to award the contract to the lowest or any quoter.

Details of the evaluation criteria to be used in the assessment of each quote and the information required by the school contained in the attached schedule.

The school's assessment will be based on:

- a) Quoted prices, costs/credits that the school would bear/realise in the event of awarding the contract to a particular quoter.
- b) Any method and quality statements or other documents submitted as part of the process and as per information requested in relation to the quality assessment criteria as per schedule.
- c) Quoter's responses (written or oral) to questions submitted by the school's Governors during formal interviews or presentations (if any) or at any point during the process.
- d) References provided by third parties concerning the quoter's experience/performance in operating similar contracts. References may be written or oral.
- e) Previous experience of the school in respect of any particular quoter.
- f) Any reports by consultants commissioned by the school to support the evaluation.

Where insufficient information is provided in relation to any specific evaluation criteria, no credit will be given for that aspect of quality.

## Appendix C

### Instructions to Quoters

(minimum requirement – further instructions/additional clauses may be required)

The Quotation Form, duly completed and signed must be enclosed and sealed in the Quote Return Envelope which shall bear no marks or indication of the identity of the sender and must be delivered to the Lead Contract Officer no later than 12 noon on \_\_\_\_\_

Any quote that is received after the last date and time specified will NOT be admitted for consideration and will remain unopened.

The Quote Form supplied herewith shall become a quote only when signed, and any alterations to the form and/or specification may invalidate the quoter. The blanks in the Quote Form must be completed by the quoter in ink.

Supporting information and appropriate documentation should be provided to assist the school in evaluating the quote. Reference should be made to the evaluation criteria to be used.

If the quoter wishes to obtain any additional information to enable her/him to complete her/his quote, or with regard to the true intent and meaning of any clause forming part of the Conditions or Specification, s/he shall obtain this information, in writing, from the Lead Contract Officer before her/his quote is submitted.

Key dates for the following are:

- (a) Quotation return \_\_\_\_\_
- (b) Quotation acceptance (approx) \_\_\_\_\_
- (c) Commencement \_\_\_\_\_
- (d) Completion \_\_\_\_\_

Quotes shall be submitted in a plain sealed envelope bearing the words "Quote ... (followed by the subject to which it relates)..." and shall not bear any name or mark indicating the identity of the sender. Returns must be sent.

If delivered by hand, the quote must be handed in to either the School Manager in the school office or the Lead Contract Officer. In this event please ensure that you obtain an official quote receipt.

Unsuccessful quoters will be notified in writing of the results when the contract has been let.

The school is not obliged to accept the lowest or any quote received.

**Appendix E**  
**Quotation Form**

I/We the undersigned hereby agree and undertake to carry out, execute and complete the following work i.e.  
\_\_\_\_\_ in accordance with the Specification prepared by the Lead Contract  
Officer and upon and subject to the General Conditions of Contract examined by me/us, for such sum as may be  
ascertained in accordance with the said Conditions of Contract/for the sum of:  
\_\_\_\_\_(in writing)

£ \_\_\_\_\_ : \_\_\_\_\_ p (in figures)

Signature and full name of Quoter \_\_\_\_\_

Date \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email \_\_\_\_\_

Address of Registered Office (if Limited Company) – if not registered please inset full names of Quoters (i.e. full  
forenames)

\_\_\_\_\_  
\_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax No \_\_\_\_\_

Email \_\_\_\_\_

Name and Address of Quoter's Bank

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone Number \_\_\_\_\_ Fax No \_\_\_\_\_

Email \_\_\_\_\_