

## Invitation to Tender

**Title:** External Audit Provision

**Project:** AUD/FIN001

**Date:** 28<sup>TH</sup> June 2018

**Procurement:** Lester Demmer

**Owner:** Finance and Audit committee

**Client:** The Pirbright Institute

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## 1. Procurement Timetable

<b>Invitation to tender</b>	<b>Friday 29<sup>th</sup> June 2018</b>
<b>Tender submission deadline</b>	<b>Friday 31<sup>st</sup> August 2018</b>
<b>Notification of evaluation result</b>	<b>Friday 28<sup>th</sup> September 2018</b>
<b>Invite to present tender (top three scored submissions) which will be held on the same day</b>	<b>Monday 8<sup>th</sup> October 2018</b>
<b>Award of contract</b>	<b>Friday 30<sup>th</sup> November 2018</b>
<b>Contract commencement</b>	<b>Wednesday 2<sup>nd</sup> January 2019</b>

## About us

The Pirbright Institute is a company incorporated in England and Wales, limited by guarantee and a registered charity, with statutory Trustee Directors who form the Trustee Board. There are three sub-committees of the Institute, being Risk and Assurance, Nominations and Governance and Finance and Audit committees. The Finance and Audit committee controls all matters relating to finance and will be overseeing the process of appointing the Institute's Auditors. This committee also manages the process of completing the annual report and accounts based on the financial year ending 31<sup>st</sup> March which has a deadline of July of each year.

The Pirbright Institute is a unique national centre that works through its highly innovative fundamental and applied bioscience to enhance the UK capability to contain, control and eliminate viral diseases of animals and viruses that spread from animals to humans. We thereby support the competitiveness of UK livestock and poultry producers, and improve the health and quality of life of both animals and people.

The Institute employs around 350 staff plus research students and visiting scientists, and has recently moved to one campus in Pirbright, Surrey, where investment by Biotechnology and Biological Sciences Research Council (BBSRC) (As of April 2018 replaced by UK Research and Innovation, UKRI) has resulted in a redevelopment of the site and the construction of a high-level containment facility – the BBSRC (UKRI) National Virology Centre. The Plowright Building and a SAPO level two facility, BBSRC (UKRI) National Vaccinology Centre: The Jenner Building.

### 2.1 Our mission:

To be the world's leading innovative centre for preventing and controlling viral diseases of livestock.

### 2.2 Our vision:

Apply scientific research to prevent and control viral diseases, protecting animal and human health and the economy.

### 2.3 Our values:

The Pirbright Institute and its staff takes pride in being a world-class organisation where knowledge, expertise, facilities, professional excellence and rigorous academic, biosafety and ethical standards combine to generate global health and economic impacts. Our values include:

**Passion** – for the highest quality standards, delivery and performance

**Reliability** – in everything we do - leadership, learning, biosecurity, problem anticipation and containment of unexpected events

**Innovation** – is the driving force behind our fundamental and applied science. Our work is positioned at the cutting edge of science to deliver solutions for global good

**Dignity and respect** – we respect and trust all in our diverse community

**Excellence** – we aim to deliver the best in all aspects of our work including health, safety, biosafety, scientific research, customer service and protecting the environment.

## Specification

The technical requirements are those elements of the contract that relate directly to the delivery of external audit services. The primary role of the external auditors will be to report on the financial statements and to carry out whatever examination of the statements and underlying records and control systems is necessary to reach their opinion on the statements. The audit of the financial statements is generally undertaken in two stages, the first being January with an audit of control systems followed by the main audit taking place after the financial year ending

31st March with field work in May. The draft financial statements are required for review by the end of May.

### **Audit Personnel**

The external audit service supplier is expected to appoint a Senior Representative (Audit Partner) to oversee the audit programme and meet with the Finance and Audit Committee. An Audit Manager should also be in place to manage the audit process and the on-site team. Technical Expertise

The supplier should ensure that audits are staffed with suitably qualified and experienced personnel, and that work is properly controlled and reviewed. Tenderers are asked to provide CVs for both the Audit Partner and Audit Manager.

### **Audit Visits**

The planning meeting for the audit should take place in January annually, followed by the initial fieldwork regarding control systems in January and the main audit fieldwork in May. There will be an audit review meeting in early June and the financial statements will be finalised for forwarding to the Finance and Audit Committee meeting held in late June.

Date	Action
January	Plan audit process
January	Undertake initial audit covering control systems
Mid May	Audit fieldwork
Early June	Audit Meeting
End June	Audit Report and Draft Accounts to Finance and Audit Committee
July	Sign Annual Report and Accounts

Note. The dates above are indicative and will be agreed with the auditor apart from the July date for signing the Annual Report and Accounts which is fixed.

### **Annual Timetable**

The Audit Partner is expected to attend the Audit Committee meeting held in June each year to review the draft financial statements. In addition, the senior representative/partner may also wish to attend the Finance and Audit Committee meeting held in March when the audit plan is considered.

### **Audit Outcomes**

The supplier will report to The Pirbright Institute in the form of a management letter that highlights any significant accounting and control issues arising from the audit. The management letter will be drafted by early June for consideration at the audit-closing meeting and finalised for review by the Finance and Audit Committee in late June (papers for this meeting will need to be prepared by mid-June).

### **Additional Services**

On an ad-hoc basis, The Pirbright Institute may request additional services from the supplier, such as special investigations, taxation compliance & advice and consultancy. Any such service would be subject to a fee quotation being supplied and would only be requested if it did not conflict with the objectivity of the audit services being provided. The supplier should indicate what services they would be prepared to offer.

### **Added Value Services**

The supplier should state if there were any free-of-charge services, they would wish to provide to support The Pirbright Institute including training on new financial reporting statements.

### **Letter of Engagement**

The Pirbright Institute Finance and Audit Committee will need to agree the letter of engagement with the selected audit firm on an annual basis. A draft letter should be provided as an example.

### **Appointment Duration**

The initial appointment will be for five years, with a formal review after three years. The appointment will be renewable annually by the Finance and Audit Committee. Renewal would be dependent on satisfactory performance during the previous year's audit. The Pirbright Institute will also have an option to extend the contract by up to a further five years, again at the discretion of the Finance and Audit Committee based on satisfactory performance.

### **Account Management**

The supplier will nominate a senior partner to be responsible for The Pirbright Institute's audit services. This representative will be the main point of contact for The Pirbright Institute and the Finance and Audit Committee for any matters that require escalation where there has been a breach of protocol or a reportable incident.

### **Performance Monitoring**

The Finance and Audit Committee will assess the suppliers' work each year to ensure that it is of a sufficiently high standard to meet the Institute's requirements, and has been charged at a reasonable price. The Finance and Audit Committee will then make a recommendation to the Trustee Board regarding reappointment of the auditors.

### **Implementation Plan**

Suppliers should indicate what their programme would be from January 2019 if they were selected to provide external audit services for The Pirbright Institute. This should include what preparation they would undertake and what input, support or information is required from The Pirbright Institute.

### **Terms & Conditions**

Tenderers are required to submit a copy of their standard terms and conditions of contract for review by the Pirbright Institute. These will be reviewed and discussion or clarification of these conditions will be completed with the preferred supplier prior to the signing of the contract.

## Quotes for Services

As well as an overall cost of the provision of services, each Tenderer shall also provide:

- Daily or hourly rate of key staff
- Expected level of travel charges and expenses
- Any additional costs

## Price Changes

The Pirbright Institute will not accept an annual price increase without a clear justification showing costs to the appointed Supplier have increased. Tenderers should explain any mechanism they have in place for reviewing charges and provide details of categories of expenditure (e.g. rates of pay, cost of fuel) which might impact on the charges to The Pirbright Institute.

## Scope of Works

The tenderers will need to be able to demonstrate the following:

A strong and current track record of working with a scientific research organisation of a similar size / nature within this specialist field in which they are tendering.

The ability to deliver and supply the services as indicated in the specification as shown under point 3

As part of the tender process, contact details will be taken up of three client referees in support of the points above.

Demonstrate a track record of working with and delivering Audit management within the last 3 years.

Evidence of the Audit management will be assessed during the supplier presentation and throughout the tender response.

## Be prepared to attend a presentation day.

### Tender Submission Requirements

Tenderers should submit the following information/documents as part of their proposal:

Introduction to company.

Examples (up to 3) of previously delivered projects of a similar nature.

Details of the delivery team including previous experience.

Completed supplier pre-qualification survey (see appendix A).

## Tender Submission & Clarifications

Name	Position	Email & Telephone
Lester Demmer	Procurement Manager	<a href="mailto:lester.demmer@pirbright.ac.uk">lester.demmer@pirbright.ac.uk</a> 01483 231013

### Evaluation of Tendering Responses

In addition to the general criteria, once received all submitted tenders will be evaluated by the Finance and Audit committee of The Pirbright Institute.

Evaluation will take the form of scoring as detailed set out below.

Clarifications will be sought where required before scoring is performed.

Evaluation Criteria		Weight
1	Essential criteria	80%
	1.1 Experience of providing comprehensive external audit services to the not-for-profit sector and demonstrable technical expertise in accounting for charities.	20%
	1.2 Experience of advising science research organisations and charitable bodies with similar needs within the last three years and evidence of understanding the challenges and constraints within the sector	20%
	1.3 The quality and experience of the proposed external audit team	10%
	1.4 The suitability of the audit approach	10%
	1.5 The ability to provide the full range of services required including audit, taxation and specialist technical accounting advice.	5%
	1.6 The ability to provide local support to the main Pirbright site	5%
	1.7 The firm's approach to customer service, quality assurance and environmental considerations.	5%
	1.8 The added value that the audit process will bring to the organisation.	5%
2	Price Tenderers should define the cost of design and delivery.	20%
Essential + Price		100%

**Tenders will be assessed on the following criteria:**

Score	Definition
0	Non-compliant No response or partial response and poor evidence provided in support of it. Does not give the awarding committee confidence in the ability of the Bidder to deliver the Contract.
1	Weak Response is supported by a weak standard of evidence in several areas giving rise to concern about the ability of the Bidder to deliver the Contract.
2	Minor reservations Response is supported by a satisfactory standard of evidence in most areas but a few areas lacking detail/evidence giving rise to some concerns about the ability of the Bidder to deliver the Contract.
3	Good Response is comprehensive and supported by good standard of evidence. Gives the awarding committee confidence in the ability of the Bidder to deliver the contract. Meets the awarding committee's requirements.
4	Very good Response is comprehensive and supported by a high standard of evidence. Gives the awarding committee a high level of confidence in the ability of the Bidder to deliver the contract. Exceeds the awarding committee's requirements in some respects.
5	Excellent Response is very comprehensive and supported by a very high standard of evidence. Gives the awarding committee a very high level of confidence the ability of the Bidder to deliver the contract. Exceeds the awarding committee's requirements in most respects.

The awarding committee will invite the top three scoring tenders to present their bids. The invitation to present will outline any additional questions the awarding committee has with regard to the tenders bid. The invitation will also include a brief on the information that the presentation should cover.

The Pirbright Institute intends to award any contract based on the most economically advantageous bid based on the award criteria provided as part of the tender documentation. The Pirbright Institute reserves the right to award all or none of the business described.

The Pirbright Institute Terms and Conditions  
T & Cs are attached in Appendix C

### **Confidentiality**

By submitting a tender proposal in response to this ITT, the tenderer is agreeing to the following:

All information supplied to you by The Pirbright Institute, including this ITT and all other documents relating to this Procurement Process, either in writing or orally, must be treated in confidence and not disclosed to any third party (save to your professional advisers, consortium members and/or sub-contractors strictly for the purposes only of helping you to participate in this Procurement Process and/or prepare your tender Response) unless the information is already in the public domain or is required to be disclosed under any applicable laws.

You shall not disclose copy or reproduce any of the information supplied to you as part of this Procurement Process other than for the purposes of preparing and submitting a tender response. There must be no publicity by you regarding the Procurement Process or the future award of any contract unless the Pirbright Institute has given express written consent to the relevant communication.

This ITT and its accompanying documents shall remain the property of The Pirbright Institute.

The Pirbright Institute reserves the right to disclose all documents relating to this Procurement Process, including without limitation your tender response, to any employee, third party agent, adviser or other third party involved in the procurement in support of, and/or in collaboration with, the Customer Organisation. The Pirbright Institute further reserves the right to publish the Contract once awarded and/or disclose

Information in connection with supplier performance under the Contract in accordance with any public sector transparency policies (as referred to below). By participating in this Procurement Process, you agree to such disclosure and/or publication by the Customer Organisation in accordance with such rights reserved by it under this paragraph.

The Freedom of Information Act 2000 (“FOIA”), the Environmental Information Regulations 2004 (“EIR”), and public sector transparency policies, including the placing of contract award notices on the Contracts Finder database, apply to The Pirbright Institute (together the “Disclosure Obligations”).

You should be aware of The Pirbright Institute’s obligations and responsibilities under the Disclosure Obligations to disclose information held by The Pirbright Institute. Information provided by you in connection with this Procurement Process, or with any contract that may be awarded as a result of this exercise, may therefore have to be disclosed by The Pirbright Institute under the Disclosure Obligations, unless The Pirbright Institute decides that one of the statutory exemptions under the FOIA or the EIR applies. If you wish to designate information supplied as part of your tender response or otherwise in connection with this tender exercise as confidential, you must provide clear and specific detail as to:

The precise elements that are considered confidential and/or commercially sensitive.

Why you consider an exemption under the FOIA or EIR would apply.

The estimated length of time during which the exemption will apply.

The use of blanket protective markings of whole documents such as “commercial in confidence” will not be sufficient. By participating in this Procurement Process, you agree that The Pirbright Institute should not and will not be bound by any such markings.

In addition, marking any material as “confidential” or “commercially sensitive” or equivalent should not be taken to mean that The Pirbright Institute accepts any duty of confidentiality by virtue of such marking. You accept that the decision as to which information will be disclosed is reserved to The Pirbright Institute, notwithstanding any consultation with you or any designation of information as confidential or commercially sensitive or equivalent you may have made. You agree, by participating further in this Procurement Process and/or submitting your tender response, that all information is provided to The Pirbright Institute on the basis that it may be disclosed under the Disclosure Obligations if The Pirbright Institute considers that it is required to do so and/or may be used by the Pirbright Institute in accordance with the provisions provision of this ITT.

Tender responses are also submitted on the condition that the appointed supplier will only process personal data (as may be defined under any relevant data protection laws) that it gains access to in performance of this Contract in accordance with The Pirbright Institute’s instructions and will not use such personal data for any other purpose. The contracted supplier will undertake to process any personal data on The Pirbright Institute’s behalf in accordance with the relevant provisions of any relevant data protection laws and to ensure all consents required under such laws are obtained.

Appendices

Appendix A – Pre Qualification Questionnaire

Appendix B – Pricing Schedule

Appendix C – The Pirbright Institute Terms and Conditions