

Architects Registration Board

INVITATION TO TENDER FOR THE PROVISION OF AN INTERNAL AUDIT SERVICE

18 May 2021

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SECTION 1- INTRODUCTION AND BACKGROUND

This document is the property of the Architects Registration Board (ARB) and the information it contains is confidential.

Without the ARB's prior written permission, this document, either in whole or part, must not be reproduced in any form or by any means or disclosed to others or used for the purposes other than its evaluation by bidders. It may not be disclosed to any third party without the express agreement of the ARB.

Whilst care and attention has been exercised in the preparation of this document, it remains subject to contract and all warranties whether express or implied by statute, law or otherwise are hereby disclaimed and excluded.

These limitations are not intended to restrict continuing commercial discussions between the ARB and potential bidders.

Any proposal received by bidders is subject to contract with ARB.

Date of dispatch of Invitation to Tender: Tuesday 18 May 2021

Tender return date: 5pm on Tuesday 8 June 2021

Tenders shall be returned by email to: Marc Stoner, Director of Finance and Resources, corporate@arb.org.uk

Shortlisted firms will be invited to meet with the Chief Executive and the Director of Finance and Resources the week commencing 28 June 2021 and then deliver a presentation to members of the Audit and Risk Assurance Committee and representatives from Management a date to be confirmed.

For anyone wishing to tender, a phone call can be arranged with the Director of Finance and Resources. Please contact Kristen Hewett at corporate@arb.org.uk to schedule.

Checklist of documents to return:

Document	✓
Pricing Schedule	
Method Statement	
Form of Tender	
Tendering Certificate	

1.1 The reason for this tender exercise

The ARB is keen to ensure that it is receiving the best possible internal audit service available to it both in terms of quality and value for money. We are also seeking innovative solutions as to how it can deliver our statutory duties in a more effective way.

1.2 Our key purpose- protecting the public and maintaining the reputation of the profession

ARB was established by Parliament in 1997 to regulate the architects' profession in the UK. We are an independent, public interest body and our work regulating architects ensures that good standards within the profession are consistently maintained for the benefit of the public and architects alike.

Our duties are contained in the 1997 Architects Act, and cover five main areas:

- Prescribing – or 'recognising' – the UK qualifications needed to become an architect
- Keeping the UK Register of Architects
- Ensuring that architects meet our standards for conduct and practice
- Investigating complaints about an architect's conduct or competence
- Making sure that only people on our Register offer their services as an architect

We are a small organisation with c34 members of staff and an annual turnover of approximately c£5m

Our work is overseen by a Board of 11 members. The Board consists of one independent, non-executive Chair, alongside five architects and five lay members, all of whom are appointed by the Privy Council.

The business of the Board is governed by ARB's General Rules.

ARB's sponsoring government department is the Ministry for Housing, Communities and Local Government (MHCLG). The two bodies have drawn up and agreed a framework under which both will operate. The Framework Agreement sets out the responsibilities of MHCLG, along with the responsibilities of the Board, the Board's Chair, the Registrar and senior staff of ARB.

Architects Registration Board
8 Weymouth Street
London
W1W 5BU

SECTION 2 – INSTRUCTIONS TO TENDERERS

2.1 General Information and Instructions

- 2.1.1 All tenders submitted shall be in accordance with and subject to the terms of these instructions and other documents comprising the Invitation to Tender.
- 2.1.2 Any queries about the Tender documents which may affect the preparation of the Tender shall be raised without delay in writing with the Architects Registration Board's Director of Finance and Resources. Queries should be submitted by email to corporate@arb.org.uk.
- 2.1.3 If the ARB considers a query may have a material effect on the tendering process, all tenderers will be notified in writing.
- 2.1.4 This Invitation to Tender does not constitute an offer and the ARB does not undertake to accept any tender.
- 2.1.5 ARB reserves the right to cancel the tendering process at any point.
- 2.1.6 ARB will not reimburse any tendering costs.
- 2.1.7 Tenderers should respond on the basis of information given in this document. The ARB accepts no responsibility for the interpretation of the requirements by the responding tenderer.
- 2.1.8 The contact for this procurement is Kristen Hewett, Operations Manager at Architects Registration Board. Telephone: 020 7580 5861, e-mail: corporate@arb.org.uk.

2.2 Confidential Nature of Tender Documentation and Bids

- 2.2.1 Tenderers shall not discuss the bid they intend to make with any party other than with professional advisers or joint bidders who need to be consulted. Bids shall not be canvassed for acceptance or discussed with the media or any other tenderer or member or officer of the ARB.
- 2.2.2 The provisions of this condition shall apply during the continuance of this contract and after its termination howsoever arising.
- 2.2.3 If a tenderer does not observe paragraph 2.2.1, the ARB may reject the Tender and may decide not to invite the tenderer to tender for future work.

2.3 Freedom of Information

- 2.3.1 Please note that the ARB is classed as a 'Public Authority' within the meaning of the Freedom of Information Act 2000. The Act creates a general right of access to information held by public authorities (subject to certain exemptions.) Therefore any information you supply to the ARB may be made available on demand (in accordance with the Freedom of Information Act 2000.)
- 2.3.2 We cannot guarantee that information will not be disclosed in response to Freedom of Information Act requests. However, the Act does provide for certain types of information to be withheld. To enable us to evaluate the information you supply, you will need to clearly indicate if you would prefer it wasn't released and give an indication of why. Information labelled in this way will be examined in the light of the exemptions provided for in the Act, before a decision to disclose is made.

2.4 Preparation of Bid

- 2.4.1 If the ARB regards an amendment to the original Invitation to Tender documents as significant, an extension of the closing date may, at the discretion of the ARB, be given to all tenderers. Companies already having submitted a tender at this point may be invited to re-submit their tender at their discretion.
- 2.4.2 Tenders and supporting documents shall be in English and any contract subsequently entered into and its formation, interpretation and performance shall be subject to and in accordance with the law of England and Wales.

2.5 Submission of Tender

- 2.5.1 In order to evaluate the tender, the following information and documents are required:
- a) Pricing Schedule
 - b) Method Statement
 - c) Form of Tender
 - d) Tendering Certificate
- 2.5.2 Tender documents and other submitted items:
- Must arrive no later than 5pm on Tuesday 8 June 2021
 - Must be sent electronically to corporate@arb.org.uk
 - Be marked for the attention of Marc Stoner
 - Clearly marked 'Internal Audit Tender' in the email subject line
- 2.5.3 Tenderers shall ensure that their tender arrives on time. No tender will be accepted if it is received after the specified date and time, unless dispensation has been provided by ARB.
- 2.5.4 By submitting the Form of Tender, the tenderer confirms that it is able to and willing to enter into a formal contract with the ARB if awarded. The Form of Tender shall be signed by persons authorised to submit tenders and make contracts for the tenderer.

2.6 Award Criteria

2.6.1 Any tender that is accepted will be evaluated on the basis of the following mandatory requirements:

- a) Experience and capacity
- b) Quality and price
- c) Fees and Value for Money (Proposed fees and added value offered within the fee e.g. client seminars/briefings etc.)
- d) Appropriately qualified
- e) The provision of professional indemnity insurance to a level of at least £5m
- f) Evidence of internal audit experience within the Regulatory Sector
- g) Provision of satisfactory quality assurance arrangements
- h) Provision of satisfactory training and induction provided to staff assigned to regulation clients
- i) Satisfactory references from at least three existing clients in the Regulatory Sector or from clients for whom internal audit services have been provided in the last five years (2016 – 2021)
- j) Understanding of the Board's requirements
- k) Presentation
- l) Commitment to Equality, Diversity and Inclusion
- m) Commitment to supporting the Living Wage as defined by the Living Wage Foundation.

2.6.2 Note that the quality of the internal audit service is important to the ARB, including both the professionalism of the delivered service and the quality and availability of constructive advice that the ARB judges the firm can give to both staff and the Board. Whilst cost remains a factor, the ARB will not necessarily select the cheapest tender.

2.7 Award Process

2.7.1 The ARB will be inviting up to three firms to interview stage.

2.7.2 The ARB expects to decide on the award of contract by no later than 29 October 2021.

2.7.3 Tenderers will be notified simultaneously and within twenty days of any decision made by the ARB during the tender process, including award. When the ARB has evaluated the bids, it will notify all tenderers about the intended award.

2.7.4 The ARB reserves the right to withdraw from the procurement process at any point up to award of contract. ARB reserves the right to award all or part of the contract at its discretion.

2.7.5 No guarantee can be given as to any, or minimum number of instructions during the term of the agreement.

2.7.6 The tenderer in submitting the Tender undertakes that in the event of the Tender being

accepted by the ARB and the ARB confirming in writing such acceptance, the tenderer will, within 21 days of being called upon to do so by the ARB, execute formal contracts.

2.7.7 The identities of the successful tenderers will be published on the Government’s Contracts Finder within 90 days of the award of contract, together with the date the contract was entered into, the value of the contract, and whether the successful tenderer is an SME.

2.8 Procurement Timetable

2.8.1 It is intended that this procurement exercise for “Provision of internal audit services” will run to the following timetable. In the event that changes are required, ARB will keep you fully informed. Every effort will be made to avoid changes.

General	
Deadline for submissions	5pm on 8 June 2021
Selection of Tenderers meeting with the Registrar and Director of Finance and Resources	Week commencing 28 June 2021
Presentation to ARB Audit and Risk Assurance Committee	To be confirmed in due course
Board approval of contract	Anticipated to be no later than 27 October 2021
Contract Award date	Anticipated to be no later than 29 October 2021
Contract implementation and start dates	1 January 2022

2.9 Tenderer’s Warranties

In submitting its tender, the tenderer warrants, represents and undertakes to the ARB that:

- a) all information, representations and other matters of fact communicated (whether in writing or otherwise) to the ARB by the tenderer, its staff or agents in connection with or arising out of the tender are true, complete and accurate in all respects, both as at the date communicated and as at the date of tender submission;
- b) it has full power and authority to enter into the contract and perform the obligations specified in the contract documents;

- c) it is of sound financial standing and has and will have sufficient working capital, skilled staff, equipment and other resources available to it to perform the obligations specified in the contract;
- d) it will not at any time during the term or at any time thereafter claim or seek to enforce for the purposes of this contract any lien, charge, or other encumbrance over property of whatever nature owned or controlled by the ARB and which is for the time being in the possession of the tenderer.
- e) it shall have in place sufficient policy or policies that demonstrate a commitment to equal pay, minimum and living wage.

2.10 Assignment and Sub-Contracting

2.10.1 The contractor shall not assign or sub-contract any portion of the contract without the prior written consent of the ARB. Sub-contracting any part of the contract shall not relieve the contractor of any obligation or duty attributable to it under the contract or these Conditions.

SECTION 3 - TECHNICAL SPECIFICATION

Internal Audit Work

3.1 The ARB requires the provision of advice and execution of work in relation to the Internal audit services which will include but is not limited to:-

Assist in the development of an annual audit plan, to include information on:

- Detail on the risk assessment leading to identified audit areas
- Areas to be audited (historically, an average of three internal audits plus end of year re-testing have been carried out annually)
- Days required to complete each audit
- Outline timetable for delivery of audit plan

Reporting on internal audit activities to Management and Audit and Risk Assurance Committee. This will include the preparation of terms of reference for each audit, and an audit report at the end of each audit. The audit report should include:

- Scope and objectives of the audit
- Summary of work completed on the audit
- Findings from the audit
- Level of assurance provided
- Recommendations
- Management response to recommendations
- Agreed actions, with plan and timetable for implementation

The reports from the audits to be provided in draft and final versions to Executives named in the Terms of Reference. After signoff, the reports will be provided to the Audit and Risk Assurance Committee. The Audit Partner/Manager will be required to present reports at Audit and Risk Assurance Committee meetings.

- Preparation of Annual Audit Report, to be prepared at the conclusion of the year's annual audit plan. The report will need to be prepared and finalised ready for presentation at the second ARAC meeting of the year, usually held in May. The report should incorporate summaries of the audits undertaken, actual days spent on audit plan, summary of compliance with audit timetables and overall assurance rating for the year being reported.
- Regular reporting on the progress of internal audit
- Carry out annual re-testing on any identified findings
- Ensure that internal controls established by management are suitable for the needs of the business
- Monitoring compliance with the effectiveness of the internal controls
- Identifying areas of business risk and review the management of risk framework and risk assurance mapping
- Advising on proportionate improvements to systems

- Liaising and coordinating with the external auditors to ensure the full exchange of information

[It is important that the provider of internal audit services has dealt with regulatory bodies with similar needs, within the last three years]

SECTION 4 - PROPOSED CONTRACT

- 4.1 ARB requires internal audit services to be in place with effect from 1 January 2022, for an initial period of three years, with the potential for extensions of up to two further years. This will be subject to a review of performance, carried out on an annual basis.

ARB's Audit and Risk Assurance Committee invites suitably experienced firms to tender for the provision of internal audit services.

- 4.2 It is envisaged that approximately up to 30 days (to include contract management) will be required per annum. The successful firm will be required to attend all Audit and Risk Assurance Committee Meetings, normally around five per annum.
- 4.3 Tenderers are invited to submit proposals based on the following:
- 4.4 Meeting the core requirements as set out in Section 3, covering all management controls, with particular focus on risk
- 4.5 Provision of *ad hoc internal audit assignment* services as determined in the annually agreed Internal Audit work plan (scope and level to be agreed per activity)
- 4.6 ARB, as an organisation, is committed to continuous improvement and obtaining value for money. It is expected however, that the internal auditors will provide a quality service, which will bring added value to the organisation by shared learning and best practice.

SECTION 5 - TENDER DOCUMENT

You are asked to submit your response by completing and responding to the following sections of this Invitation to Tender.

5.1 Grounds for discretionary rejection

Important Notice

If you cannot answer 'no' to every question it is possible that your application might not be accepted. In the event that any of the following do apply, please set out (in a separate Annex) full details of the relevant incident and any remedial action taken subsequently.

Please state 'Yes' or 'No' to each question.

Has your company or any directors or partner or any other person who has powers of representation, decision or would be involved in the provision of service for the ARB:	
(a) <u>being an individual</u> , is bankrupt or has had a receiving order or administration order or bankruptcy restrictions order made against him or has made any composition or arrangement with or for the benefit of his creditors or has not made any conveyance or assignment for the benefit of his creditors or appears unable to pay or to have no reasonable prospect of being able to pay, a debt within the meaning of section 268 of the Insolvency Act 1986, or article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has granted a trust deed for creditors or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of his estate, or is the subject of any similar procedure under the law of any other state;	
(b) <u>being a partnership constituted under Scots law</u> , has granted a trust deed or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of its estate; or	
(c) <u>being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002</u> has passed a resolution or is the subject of an order by the court for the company's winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, or had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company's business or any part thereof or is the subject of similar procedures under the law of any other state?	
(d) been convicted of a criminal offence relating to the conduct of their business or profession;	

(e) committed an act of professional misconduct in the course of their business or profession;	
(f) failed to fulfil obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the relevant State in which you are established;	
(g) failed to fulfil obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which you are established; or	
(h) been guilty of serious misrepresentation in providing any information required of you under Regulation 57 of the Public Contracts Regulations 2015?	

5.2 Professional Experience

1	EXPERIENCE AND CONTRACT EXAMPLES			
Please provide details of up to three contracts that are relevant to the ARB's requirements. Contracts for the supply of goods or services should have been performed during the past five years.				
		Contract 1	Contract 2	Contract 3
1.1	Customer Organisation (name):			
1.2	Customer contact name, phone number and email			
1.3	Contract start date Contract completion date Contract Value			
1.4	Brief description of contract (max 150 words) including evidence as to your technical capability in this market.			

If you cannot provide at least one example, please briefly explain why (100 words max)

5.3 Pricing Schedule

5.3.1 Please provide a schedule of hourly rates charged by your organisation for each of the grades in the table. If these titles are not reflected in your organisation please provide information on your post qualification.

Grade	Hourly rate £ (ex of VAT)
Audit Partner (or equivalent)	
Audit Manager (or equivalent)	
Auditor (or equivalent)	
Other (please specify)	

Please note that any fees agreed will be fixed for the period of the contract.

5.3.2 Please confirm what your minimum chargeable time period is (in minutes)

5.3.3 Please provide a figure for any additional expenses including:

- a) Contract management time
- b) Document collation
- c) Travel time
- d) Other expenses and rates at which they are to be charged

5.4 Tender Preparation

The tender must contain the following information:

- 5.4.1 The daily rate for the contract period, specifying what is included in the charges
- 5.4.2 An indication of the daily rate for *ad hoc* services, if this varies from the daily rate specified above
- 5.4.3 C.Vs of senior staff, such as the Audit Partner and Manager and supporting personnel who would conduct the internal audit
- 5.4.4 An explanation of the internal audit approach that would be used, to include detail of the value and innovation that internal audit can bring to ARB.
- 5.4.5 Details of relevant experience within the sector and the business activities and issues addressed
- 5.4.6 Details of references
- 5.4.7 Details of any relevant services that may be appropriate to the needs of the ARB

5.5 Method Statement

Please provide a response to each of the questions below.

Question 1

- 1.1 Please provide details of the core team that you propose will provide the services should you be appointed. In addition, please explain:
 - a) How that team would deliver the services required immediately on appointment, particularly the process for reviewing historic audits and implementing the new contract
 - b) Who would be involved in providing services to the ARB (citing the various grades at the relevant stage of the process) and the percentage of work to be undertaken by each grade on each case; and
 - c) Some brief relevant publicly biographical information about each person to be involved in the contract, including their status within the firm and their experience relevant to the work tendered for.
- 1.2 Please describe how staff will be appropriately supervised for their level of expertise.
- 1.3 Please explain how you will deal with any absence cover and ensure continuity of service should any of the team members leave the organisation. If members of your core team work on a part time basis this should be indicated with an explanation of how you will ensure continuity of service during the periods they are absent.
- 1.4 Please explain who would be involved in the scoping of an internal audit contract.
 - a) Who would carry out the work
 - b) Who would quality assure the work
 - c) Who would sign off the report and if relevant, report to the Audit and Risk Assurance Committee

Question 2

- 2.1 Please describe how contract management would work; who would be involved and how a relationship with the organisation's Audit and Risk Assurance Committee would be built and maintained.
- 2.2 Please provide the name of three referees who would be willing to be contacted by the telephone in the result of the firm progressing to the presentation stage of this tender.

5.6 Form of Tender

UNCONDITIONAL AND IRREVOCABLE OFFER TO ARCHITECTS REGISTRATION BOARD

To: Architects Registration Board
8 Weymouth Street
London
W1W 5BU

Having read carefully the Invitation to Tender and in consideration of you considering this Tender:

1. We offer to supply services specified and to complete the contract in accordance with the Contract Documents and our Tender In accordance with the pricing schedules annexed to this Form of Tender.
2. We confirm that if our Tender is accepted we will request you to:
 - Produce evidence that all relevant insurances and compliance certificates with relevant legislation and policy are held and in force.
 - Sign formal contract documentation if required.
3. We agree that this Tender shall constitute an irrecoverable, unconditional offer which may not be withdrawn for a period of 90 days from this date.
4. (We are a subsidiary company within the meaning of Section 736 of the Companies Act 1985 and enclose a Parent Company Guarantee undertaking in the form set out in Section 7 duly completed by our ultimate holding company.) **DELETE IF NOT APPLICABLE**

Unless and until a formal Contract is prepared and executed this Tender, together with your written acceptance thereof, shall constitute a binding contract between us.

We understand that the ARB is not bound to accept all or part of any Tender it receives.

Signature.....

Print name..... (Position).....

For and on behalf of:.....
(Company's full registered name)

Company Registered Number:

Registered Office Address:

Trading Address if different:.....

Date:

5.7 Tendering Certificate

To: Architects Registration Board

I/We certify that this is a bona fide tender, intended to be competitive and that I/We have not (either personally or by anyone acting on my/our behalf):

1. Fixed the amount of the tender (or the rate and prices quoted) by agreement with any person.
2. Communicated to anyone other than the ARB the amount or approximate amount or terms of my/our proposed Tender (other than in confidence in order to obtain quotations, professional advice or insurance necessary for the preparation of the Tender).
3. Entered into any agreement or arrangement with any other person that he shall refrain from tendering or as to the amount or terms of any tender to be submitted by him.
4. Canvassed or solicited any member, officer or other employee of the ARB in connection with the award of this or any other ARB contract or tender.
5. Offered, given or agreed to give any inducement or reward in respect of this or any other ARB contract or tender.

SIGNED*

Position

for and on behalf of

Date:

***Note: to be signed by the same signatories as the Form of Tender**

5.8 Parent Company Guarantee

To: Architects Registration Board

TENDER FOR THE PROVISION OF INTERNAL AUDIT SERVICES

With reference to the tender for the above services submitted by [Insert Name of Contractor] (hereinafter referred to as "the Contractor"), as a condition precedent for and in consideration of the Architects Registration Board ("the Board") entering into a contract (hereinafter referred to as "the Contract") with the Contractor for the above services, we, as the Contractor's ultimate holding company do hereby enter into the following unconditional and irrevocable undertakings with the Board. These undertakings being on condition that the Board enters into the Contract with the Contractor for the above services and in consideration of the same:

1. The Contractor shall perform all its obligations contained in the Contract;
2. If the Contractor shall in any respect fail to perform the said obligations contained in the Contract or commits any breach thereof we shall ourselves perform on simple demand by the Board, or take whatever steps may be necessary to achieve performance of the obligations under the Contract of the Contractor, and shall indemnify and keep indemnified the Board against any loss, damages, costs and expenses howsoever arising from the said failure or breach for which the Contractor may be liable;
3. We shall not be discharged or released from our undertakings hereunder by any waiver or forbearance by the Board, whether as to payment, time, performance or otherwise;

This guarantee shall be unconditional and irrevocable and shall continue in force, notwithstanding any variations or additions to or deletions from the scope of services to be performed under the Contract, until all the Contractor's obligations thereunder have been performed; and

This document shall be construed and take effect in accordance with English Law and, furthermore, we submit to the jurisdiction of the English Courts.

Yours faithfully

Signed:

Position:

Name:

Date:

For and on behalf of **[Insert Parent Company Name]**