**Tender Specification**

**NORTH EAST ACCESS TO FINANCE LIMITED**

**Procurement of Group Audit and Tax Services**

**Tender Reference: NEA2F/029**

**October 2015**

**3rd Floor**

**Baltimore House**

**Abbots Hill**

**Gateshead**

**NE8 3DF**



**1. INTRODUCTION**

* 1. **Invitation to Tender**

The Contracting Authority for the purpose of this Invitation to Tender is North East Access to Finance Limited (‘NEA2F’).

You are invited to submit a tender to provide the following services for the financial year 2015/16, with an option for NEA2F to renew the contract for one additional year to include the audit for the year 2016/17:

1. External audit services for NEA2F and its subsidiaries (excluding North East Finance Holdco Limited), namely:
* Enterprise Development North East Limited
* North East Regional Investment Fund Three Limited
* North East Regional Investment Fund Partner Limited
* Northern Film and Media (Holdco) Limited
* Street North East Limited
* NEA2F Subco Limited
* NEA2F Partner Limited.
1. Taxation services and advice to the companies listed at (i) above as detailed in section 2 below.
2. Audit of the consolidated group accounts of the entire NEA2F group, including North East Finance (Holdco) Limited.

The criteria that will be used in the evaluation of bids are set out at section 4 below.

All enquiries in connection with this tender should be addressed to James Arkless, Company Secretary and Compliance Manager, at james.arkless@nea2f.co.uk.

* 1. **North East Access to Finance Limited**

NEA2F is a company limited by guarantee. Its registered office is 3rd Floor, Baltimore House, Abbots Hill, Gateshead NE8 3DF. Its responsibilities include:

* Stewardship of legacy from previous Access to Finance initiatives in North East England.
* Acting as group holding company to the North East JEREMIE programme.
* Supervising the re-deployment of legacy returns from previous initiatives in the region, and working with partners to plan and develop new funds.

**2. SPECIFICATION OF REQUIREMENTS**

Tenders are sought for the provision of the following services for the financial year ending 31 March 2016, with the option to renew the contract for the year 2016/17:

Audit Services

The primary role of the external audit is to report on the consolidated group financial statement of NEA2F and to carry out such examination of the statements and underlying records and control systems as is necessary to reach an opinion on those statements.

The opinion will be required to cover primarily whether the statements give a true and fair view and have been properly prepared in accordance with UK GAAP and the Companies Act 2006. We intend to adopt FRS 102.

Draft consolidated accounts have to be submitted to NEA2F’s stakeholders and then to its independent Members for approval within six months following the year end but we aim to complete this within five months of the year end.

Taxation Services

The primary role of the provision of taxation services is, on behalf of NEA2F and its subsidiaries as listed at 1.1 (i) above:

1. To prepare, advise on and explain, as required, calculations to support the provision for corporation and deferred taxation to be made in the annual statutory accounts. This work will include advising on the disclosure of taxation information in the annual statutory accounts under UK GAAP.
2. To prepare corporation tax returns and supporting computations for timely submission to HM Inspector of Taxes via iXBRL.
3. To lodge a formal notice of appeal against any incorrect assessments to corporation tax or determination of losses and other amounts available for group relief where notices of such assessments or determinations or copies thereof are received by you.
4. To notify us of due date(s) for payment of any corporation tax, recommending the amounts(s) to be paid and advising on possible further payments on account.
5. To advise us of HMRC’s agreement to the returns and supporting computations, where appropriate, and of any tax liabilities or repayments arising, as well as updating, as appropriate, the draft computations in your possession.
6. To advise us of the necessary formalities in respect of claims and elections to the extent that they are not fully reflected in the return.
7. To review potential claims and elections and to identify and make recommendations as to those that may be beneficial from a tax point of view.
8. To assist with the annual reporting to HMRC required under the FATCA legislation.

Additional services

* To co-operate with other auditors and evaluators, including representatives of NEA2F, DCLG, British Business Bank or independent third parties.
* To provide ad hoc services as required relating to any tax-related issues in respect of NEA2F and its subsidiaries, the funds under the Group’s control or any funds that it may acquire or develop in the future.
* To co-operate with other auditors and evaluators as specified above or as required.
* To attend meetings with NEA2F or its subsidiaries as required.
* To manage conflicts of interest and any other issues that may arise.
* To comply with such additional requests as may be necessary for the proper performance of the contract.

Bidders are required to provide evidence of registered auditor status and, if appointed, will be expected to comply with all relevant national and EU laws and regulations.

**3. CONTRACTUAL ARRANGEMENTS**

**3.1 Fees**

Bidders are asked to provide a price for delivering the services outlined in section 2 above.

Bids should demonstrate a focus on value for money, and include fixed prices for the annual audit and for other specific pieces of work, together with a competitive hourly rate or fixed fee for ad-hoc additional work required.

Prices must be clearly broken down to show the different elements of the contract. Please give an indication of the grades of staff to be used for delivery of the Services, the anticipated number of hours to be spent on the particular Services and the relevant rates per hour.

**3.2 Term**

It is anticipated that the appointment will be made initially for one year, to commence in or before December 2015, and that the contract will be to act as auditor for the financial year ending 31 March 2016. There will be an option for NEA2F to renew the contract for one additional year to include the audit for the year 2016/17.

Should the performance received be deemed unsatisfactory, we reserve the right to terminate the contract by giving immediate notice in writing.

**3.3 Payment**

The Company will pay all invoices within 30 days of receipt, provided that the services to which the invoice relates have been performed fully in accordance with the contract.

**3.4 European Regional Development Funding**

Some of the costs to which this Invitation to Tender relates may be funded by contributions from the European Regional Development Fund.

1. **EVALUATION OF TENDERS**

**4.1 Selection requirements**

All bidders are required to satisfy the selection requirements set out below, assessed on a Pass/Fail basis, before being scored against the Award Criteria at section 4.2 below:

* Bidders must be an established FCA registered accountancy and audit firm with sufficient PI insurance cover to meet the potential liabilities of the contract.
* Bidders must demonstrate a proven track record of delivering comparable services in a similar sector.
* Bidders must be able to satisfy NEA2F that they are of sound financial standing.

**4.2 Award Criteria**

Bids which satisfy the selection requirements above will be shortlisted and assessed against the award criteria set out in the table below.

The contract will be awarded to the shortlisted bidder who submits the most economically advantageous tender based on these criteria.

NEA2F reserves the right to invite shortlisted bidders to attend an interview with the selection panel before finalising its scores against the selection criteria.

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| **Criteria** | **Weightings** |
| 1. **Ability to fulfil the contract requirements**, consisting of:
* Suitability, skill and relevant expertise of the team delivering the contract
* Appropriate range of specialists within the proposed team, including partners, junior and senior fee-earners
* Understanding of emerging regulatory requirements affecting NEA2F
* Ability to meet timescales specified for completion of audit
 | 30101010 |
| 1. **Price and value for money**, consisting of:
* Contract price/ fee structure for audit (including estimated hours spent, personnel involved and relevant hourly rates)
* Ability to provide one-off specialist tax advice when required at competitive fixed or hourly rates
 | 3010 |
| **Total** | 100 |

1. **TENDER SUBMISSION**

If you intend to submit a tender **please register an expression of interest** by emailing james.arkless@nea2f.co.uk. Any supplementary information or clarifications will then be circulated to all parties who provide a contact email. You may submit a tender without having submitted an expression of interest, but registering your interest is designed to ensure that all potential bidders receive the same information.

**Please submit one hard copy and one electronic copy. The closing date for submission of tenders is 12 noon on Monday 9th November 2015.**

**Please limit the overall length of your submission to 20 pages of A4.** It should include:

* details of your proposals for delivery of the contract;
* an indication of the resources you expect to devote to it and the unit cost of these;
* details of the team delivering the contract, their relevant experience and track record.

Hard copies should be in a sealed envelope marked ‘**CONFIDENTIAL TENDER DOCUMENTS’** addressed to James Arkless at North East Access to Finance:

3rd Floor, Baltimore House

Abbots Hill

Gateshead NE8 3DF.

Electronic copies must be e-mailed to james.arkless@nea2f.co.ukby the same deadline. In the interests of fairness we will not open hard copy or email submissions until the deadline.

To ensure a fair and transparent process, no other approach of any kind in connection with this tender should be made to anyone associated with NEA2F other than your formal tender documentation. Failure to comply with this may result in disqualification from the process.

1. **CONFIDENTIALITY**

You must not disclose to anyone else any information which will be contained in your tender submission before the decision on award of the contract is notified to you.

You must not try to obtain any information about anyone else’s tender submission or proposed submission before the decision on award of the contract is notified to you.

You must not make any arrangement with another party about whether they should tender, or otherwise share details of tender prices with any other party.

**NEA2F**

**October 2015**