

External Audit Services

Invitation to Tender

Name of person setting the tender: Kelly Furniss

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I. Introduction

I.1 About the Trust

Students First: raising standards and transforming lives.

Outwood Grange Academies Trust (OGAT) is a not for profit sponsor of primary and secondary academies and is recognised nationally as one of the highest performing chains of schools and is the highest performing family of schools in the North of England. We have developed our educational blueprint from the original school at Outwood Grange Academy and used this to sponsor schools, having a transformational effect on children's life chances within very quick timescales.

All academies work closely with each other as a 'family of schools'. Indeed, each academy individually and collectively forms the trust: the trust as a whole is not a separate body or group of people but rather one single organisation made up of all our academies with one single vision and shared set of values. Together we all work to ensure that all children, irrespective of their starting point, receive an excellent education. We relish the opportunity to be part of the much needed regeneration of all areas we work in.

We pride ourselves in meeting the needs of all children in our care, including those who are most vulnerable or challenging. These groups of students are a major priority and we work closely with parents/carers in helping to raise their children's self-esteem, resilience and subsequent achievement and attainment.

Outwood Grange Services Limited (OGSL), also referred to as the Outwood Institution of Education (OIE) also forms part of the MAT and the consolidated statutory accounts.

The OGAT Multi-Academy Trust (MAT) currently comprises the following secondary academy schools and Primary Academies:

Secondary Academies

Outwood Grange Academy, Wakefield
Outwood Academy Acklam, Middlesbrough
Outwood Academy Adwick, Doncaster
Outwood Academy Bishopsgarth, Stockton on Tees
Outwood Academy Brumby, Scunthorpe
Outwood Academy Bydales, Redcar and Cleveland
Outwood Academy Carlton, Barnsley
Outwood Academy City, Sheffield
Outwood Academy Danum, Doncaster
Outwood Academy Foxhills, Scunthorpe
Outwood Academy Newbold, Chesterfield
Outwood Academy Ormesby, Middlesbrough
Outwood Academy Portland, Worksop
Outwood Academy Redcar, Middlesbrough
Outwood Academy Ripon, Ripon
Outwood Academy Shafton, Barnsley
Outwood Academy Valley, Worksop

Primary Academies

Outwood Primary Academy Darfield
Outwood Primary Academy Ledger Lane
Outwood Primary Academy Littleworth Grange
Outwood Primary Academy Lofthouse Gate
Outwood Primary Academy Kirkhamgate
Outwood Primary Academy Greystone

The Trust is planning to convert a further 7 schools (Easingwold School, and 6 ex WCAT academies) on the 1st of April 2018. The price requested is therefore for 30 schools, this document will be updated if this changes before the closing date, all updates will be noted in the change log in appendix C.

OGAT uses Civica's Resource 32000 as the financial software package. Each secondary academy has its own database with all of the primary academies sharing one database. Each database is linked to a consolidated database which includes all of the academies, plus OGSL and also the OGAT central costs, which also has a separate database.

The Trust operates a financial structure which includes a finance presence in each academy. This is in the form of Finance Assistants based in the schools, with shared Assistant Finance Managers covering two academies and Finance Managers covering between three to five academies. There is also a small central finance team covering the Trust as a whole, the central finances and OGSL. The primary academies have no direct finance presence in the academy and their finances are managed by a single Finance Manager and a Finance Officer.

There is a central payroll team including a payroll manager, and two payroll officers, including a specific pensions officer.

Further details of the Trust can be found on our website: www.outwood.com

1.2 About This Tender

The Trust is seeking a single supplier for the external audit services of OGAT.

The Trust intends to award a contract for an initial three year period plus a two year extension (dependent upon supplier performance).

The preferred supplier will be appointed in May 2018 to begin their contract for the year end accounts ended 31 August 2018 and the Teacher's Pension Scheme (TPS) audit for the financial year ended 31 March 2018.

Full contract activity will be formally reviewed on an annual basis.

The approximate value of the contract is between £40k and £60k per annum (excluding VAT)

1.3 Overview of Requirements

The provider will agree and provide:-

- OGAT – Audit of the financial statements
- OGAT – Assurance report on regularity
- OGAT – Audit assurance report on accounts return
- OGAT - Teachers Pension Scheme Audit
- OGSL – Audit and accounts
- OGSL – Corporation tax compliance

OGAT - Corporation tax compliance
OGAT – NCTL grants audit
OGAT – Supplementary grant audits as required
Ad-hoc advice as and when requested

1.4 Objective of Tender

The Trust wishes to achieve the following objectives following this tender process:

- Appoint a single provider of external audit and compliance processes across the Trust
- Ensure the Trust are achieving excellent value for money
- Ensure the supplier has the requisite knowledge and experience of the Academy Accounts Direction and charities SORP
- Ensure the supplier has the knowledge and experience of how large MATs work

1.5 Instructions to Tenderers

1.5.1 Queries Relating to the Tender

If tenderers have queries regarding the Invitation to Tender they should be submitted in writing to Kelly Furniss, Procurement Manager k.furniss@outwood.com. Queries should be submitted no later than 6th April 2018, one week prior to the tender closing. Any queries received later than this may not be responded to in time.

If the answer contains information of material significance then this document will be updated to provide clarification on the issue. The change log in appendix C will be updated so all parties can see at a glance if anything has changed before they submit their proposals.

1.5.2 Response Format

One of the major issues when evaluating large tenders is being able to accurately compare each company's proposal. To ensure this process is as straightforward as possible all of your responses will need to be submitted in a prescribed format.

The Trust, therefore, requires the following information within your tender to be provided on the templates provided in the appendices to this document:

1.5.2.1 Completion of Appendix A (Response to Tender) – Word document in which bidders respond to the requirements outlined in this Tender document

1.5.2.2 Financial Proposal Appendix B (Pricing Schedule) – Excel spreadsheet where bidders can put forward their prices for the services.

1.5.2.2 Suppliers own documentation – Please submit this as a PDF.

1.5.3 Completion of Tenders

Tenders must be submitted in accordance with all instructions contained within this document. Failure to comply with these instructions will result in your tender being marked down and could result in your expulsion from the process.

I.5.4 Return of Tender Documents

Completed tenders submissions must be received by the Trust no later than noon on 13th April 2018 and should be emailed to: k.furniss@outwood.com. Paper submissions will NOT be accepted.

The tender submission must be provided in an electronic format. The electronic copy of your tender response must be provided in either PDF format, MS Word or MS Excel or a combination of the above.

Your tender submission must not be e-mailed to any member of Trust's staff prior to the Tender Submission Date. Any tenders received after the closing date and time will not be included in this tender exercise.

I.6 Suppliers Presentations

Shortlisted suppliers will also be invited to present to the project team to allow them to expand on the key points of their proposal. These presentations will take place between the 16th April 2018 and 30th April 2018 so bidders will need to ensure that key staff are available to attend meetings in Wakefield on these dates. Following the evaluation process each supplier will be contacted to confirm whether or not a presentation is required.

I.7 Freedom of Information

The Freedom of Information Act (FOIA) 2000 applies to all information held by public bodies.

Outwood Grange Academies Trust is a designated body under the FOIA, and subject to the disclosure requirements and therefore all of the information the Trust holds about a company is potentially covered by the FOIA. Examples of the types of information which are within the scope of the legislation include:

- Information which we might gather in the run up to a procurement exercise
- Information provided by prospective suppliers as part of the tendering process
- Contracts and associated documents, such as the correspondence connected with negotiating a contract
- Information supplied by the contractor during the delivery of a contract, and information relating to our monitoring of the contract

Requests for this type of information have to be handled like any other FOIA request and therefore must be provided unless a valid exemption applies.

I.8 Award Criteria

The Trust will select a supplier based on the most economically advantageous tender, not necessarily the lowest price. The following criteria will be used to appoint a preferred supplier.

Criteria	Marks
Price	45
Service & Quality	45
Management Information	10

I.9 Evaluation

I.9.1 Scoring of Non-Financial Proposals

Price will be evaluated separately from the non-financial award criteria. The following process will be used to award marks for those non-financial criteria.

I.9.1.1 Weighting

For evaluation purposes each question has been allocated a category from the list below:

Relative Importance - Each question is given a rating of 1, 2 or 3 to confirm its relative importance to the Trust. The table below explains how the Trust will interpret the ratings during the evaluation process.

Rating	Relative Importance
1	'Nice to Have' – Added value products or service which may help distinguish between a good provider and a great provider
2	Highly Desirable – The Trust would expect that most providers would provide this.
3	Mandatory – providers will be excluded from the process if they do not meet the requirement described.

I.9.1.2 Award of Scores

The Service & Quality and Management Information requirements will be evaluated by awarding the evidence of how each requirement will be supported a score between 1 and 5 based on the definitions below.

- 5 - Fully meets the criteria and provides significant added value or innovation
- 4 - Fully meets the criteria and provides some added value or innovation
- 3 - Fully meets the criteria
- 2 - Meets most of the criteria
- 1 - Meets some of the criteria
- 0 - Question not answered/Does not meet the criteria

This score will then be multiplied by the weighting applied to each question (outlined above) to provide the final score for each question.

I.9.22 Scoring Provider Presentations

OGAT intends to invite no more than the top three bidders to present their service proposal to the Project Team. The scores awarded during the evaluation of the paper submissions described above will then be adapted to take into account additional information gathered during the presentations.

2. Specification

2.1 Service Requirements

2.1.1 Main Deliverables

- OGAT – audit of the financial statements. Staff at the Trust will prepare the statutory accounts and disclosure information, but this will be audited and confirmed by the supplier. (A copy of the Trust's most recent statutory accounts is available from companies house or from the Trust's website.)
- OGAT – assurance report on regularity
- OGAT – audit assurance report on accounts return. Staff at the Trust will prepare the annual return and disclosure information, but this will be audited and confirmed by the supplier.
- OGAT - Teachers Pension Scheme Audit - Staff at the Trust will prepare the TPS and disclosure information, but this will be audited and confirmed by the supplier
- OGSL – audit and accounts - Auditors will prepare the statutory accounts.
- OGSL – Corporation tax compliance – this information will be completed by the supplier
- OGAT - Corporation tax compliance - this information will be completed by the supplier
- OGAT – NCTL grants audit in accordance with annexe G and Grant terms and conditions
- OGAT – supplementary grant audits as required
- Any other Audits due to changing regulatory or legal requirements
- Ad-hoc advise as and when requested
- Attendance at the Trust Board or Annual General Meeting to present the statutory accounts and audit findings.
- Attendance at the Audit or Finance Committee agenda dependant
- A named partner and relationship manager.

Communication should be available with the relevant team members throughout the year.

We would expect the team to visit our academy sites on a rotation and risk driven basis.

All members of the audit team must have a satisfactory and up to date Enhanced DBS check.

2.1.2 Review Meetings

The supplier would be expected to arrange planning, progress and review meetings for the audits and compliance work in line with statutory compliance time lines.

These meetings will take place with the Chief Financial Officer and/or Assistant Finance Director and in addition the planning, progress and review elements these meetings will:

- Identify and discuss any on-going service issues that require resolution
- Identify any additional activities or potential opportunities that may add significant value for the Trust
- Issues which may impact on the future of the contract

Suppliers are to be responsible for arranging these meetings at a mutually convenient time, and identifying any additional items for consideration.

In addition the supplier will be expected to attend board meetings and subcommittee board meetings on an agenda dependant basis. This likely to be one meeting annually but no more than 4.

2.1.3 New Academy Engagement

The Trust has grown steadily over the last 7 years and this growth may continue in the future. The supplier will need to explain how they will manage the engagement and 'on boarding' of any new academies joining the Trust and provide estimated timeframes for this work and a pricing model.

2.1.4 Other

Bidders should also demonstrate the following:

- Technical expertise provided as part of the audit team
- Ability to offer support services such as advice on pensions, accountancy, VAT and key financial controls issues
- Commitment to working with the Trust to enhance the service offered
- Openess and transparency about any potential sources of conflict and if appropriate strategies to mitigate or avoid such conflicts
- Commitment to and experience of working within the academy sector
- At least two references from other MATs, ideally one reference from the Executive (e.g. Finance Director) and one from the non-Executive (e.g. Chair of the Board or Finance committee)

2.2 Contract Duration

The contract duration will be three years plus an optional two year extension. Performance during the contract will be monitored by the KPI's detailed below. In the unlikely event that a supplier is not able to meet the required level of performance, OGAT reserves the right to terminate the contract early. The extension would also be dependent on the performance of the chosen supplier during the initial three year contract term and will be granted at the sole discretion of the Trust.

2.3 Invoicing

The invoice format will comply with normal invoicing standards. Invoices should always refer to a PO number provided to the supplier for their services. Invoices should be addressed to Outwood Grange Academies Trust and include sufficient details as to what the invoice is being raised for.

2.4 Payment Terms

The Trust's payment terms are 30 days from date of invoice.

2.5 Key Performance Indicators

The Trust will evaluate the supplier's performance on annual basis using the KPIs detail below. Should any performance indicator not meet the required standard (2 or above), or the aggregate not average 3 or above then this may be cause for the contract to be terminated early.

Objective	How to be achieved	Results expected	Score 1-5
Technical Competence – Charities Sorp 2015, AAD, FRS102, plus any new guidance	Audit Partner, Managers and Senior members of Audit Teams expected to have a sound technical knowledge	Partners and managers to demonstrate sound knowledge in all aspects of the service	
Market awareness – Multi-Academy Trust and in particular system led MATs.	Audit Partner, Managers and Senior members of Audit Teams expected to have a sound knowledge of MAT's and understand the vision, strategies and culture of OGAT	Audit Teams to demonstrate their sector awareness at on-site audits tailoring adhoc guidance and audit approaches as necessary	
Continuity of Service	Audit teams should not change year on year. Senior Audit members, managers and partners should be a consistent presence, with junior members fully briefed prior to visiting on OGAT	Low level of Audit team “churn”. All audit team members to be aware of how academies and OGAT operate to minimise repeated discussions about OGAT or sector specific issues	
Timeliness of audits	All audits scheduled in agreement with OGAT and to be given operational considerations as well as meeting all statutory deadlines	At least 3 planning / audit sign off meetings per year, or more as required. All audits completed within agreed timescales and in advance of relevant deadlines	
Timeliness and Transparency of communications.	Reponses to queries or follow up of audit evidence provided conducted within reasonable timescales. PBC lists to be clear and provided in advance. Ad-hoc audit requirements fully quoted and fees agreed upfront.	All correspondence clear and timely. Quotes agreed up front	

3. Pricing

3.1 Pricing Structure

To make comparison of supplier's proposals easier suppliers must quote a price for the service required by the Trust as a total MAT cost, but also show the unit price per number of academies. Any additional services provided outside the required service should be priced separately and clearly marked as price per hour or per unit of day rate. The service price must cover the full cost of providing the services detailed.

The quoted prices must exclude VAT.

Suppliers must submit their proposed prices using the template provided in Appendix B.

3.2 Additional Costs

As part of their submission suppliers should outline any other additional costs that might be charged to the Trust in order to deliver the work detailed above.

4. Your Proposal

To ensure simple comparison of bids it is essential that each supplier provides all of the information requested by the Trust in the format in which it is requested. Therefore bidders must read the instructions contained within this section very carefully to ensure they provide their submission in the required structure.

4.1 Templates

Two templates have been provided by the Trust in which proposals should be submitted in addition to the bidders own documentation

4.1.1 Response to Tender (Appendix A)

Word document where bidders can respond to the requirements outlined in this Invitation of Tender

4.1.2 Financial Proposal (Appendix B)

Excel spreadsheet where bidders can put forward their prices for the various goods and services.

4.1.3 Bidder's Documentation

Bidders should provide additional information to demonstrate how they will meet the service requirements in section 2.1 and detail any additional value they feel they can offer. This should be submitted as an appendix to the two templates detailed above.

Appendix A – Response to Tender

TENDER TITLE :

- 1 We, _____ (Name(s) in Block Letters) hereby offer and undertake on the acceptance of this tender to supply goods and services as specified in your Invitation to Tender
- 2 Our Tender is fully consistent with and does not contradict or detract from anything in Part I of your Invitation to Tender or downgrade anything in your service requirements. I acknowledge you are entitled to reject our tender if this is deemed not to be the case.
- 3 We undertake that we shall as and when required by you to execute with you a formal agreement in the appropriate form incorporating the Conditions of Contract set out in this Invitation to Tender together with any further terms and conditions mutually agreed.
- 4 OUR OFFER IS VALID FOR ***** CALENDAR DAYS FROM THE CLOSING DATE OF THIS TENDER.
- 5 Our price (herein referred to as "the Contract Price") for the goods and services to be supplied by us is _____.
- 6 A breakdown of the Contract Price for the goods and services is given in the priced schedule attached.
- 7 We further undertake to give you any further information which you may require.
- 8 We warrant, represent and declare that we are duly authorised to submit, sign this tender, receive instruction, give any information, and accept any contract and act for and on behalf of _____ (Insert Name of company).

Authorised Signature

Name :

Designation :

Dated this _____ day of _____, 20_____

NOTICE: This Form duly completed and without modification MUST accompany every Tender Proposal

Appendix B – Pricing Schedule

See excel document attached

Appendix C – Change Log

Document History			
Date	Time	Author	Note of revisions
12/03/2017	0900	K Furniss	Original document