

GUIDANCE FOR USING THE FRAMEWORK AGREEMENT FOR:

Audit Services – Internal, External and Tax.

PFB1028AP

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12 months

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1. What Is APUC Ltd?

Advanced Procurement for Universities and Colleges (APUC) Ltd. is the procurement centre of expertise for all of Scotland's Universities and Colleges. It is a private limited company, owned by its client Institutions and established in response to the McClelland Report: 'Review of Public Procurement in Scotland', which made recommendations for public procurement reform.

APUC Ltd is one of the six regional University Purchasing Consortia in the UK which together form the United Kingdom University Purchasing Consortia (UKUPC) group

APUC Ltd's primary purpose is to work closely with its member Institutions to establish collaborative Framework Agreements to drive economies of scale and value for money.

More information about APUC Ltd. can be found at: <http://www.apuc-scot.ac.uk/#&home>

2. Can I access this Framework Agreement?

This Framework Agreement can be accessed by members of APUC Ltd. and the following organisations;

Scotland Excel and members
NHS National Procurement and members
Historic Environment Scotland
Scottish Children's Reporter Administration
Care Inspectorate/Scottish Social Services Council
Police Scotland
National Library of Scotland
Bòrd na Gàidhlig
Royal Botanic Garden Edinburgh
Sportscotland
Scottish Public Pension Agency
National Record Scotland
SEPA
Scottish Fire and Rescue Service
Highlands and Islands Enterprise
Wave Energy Scotland (subsidiary of Highlands and Islands Enterprise)
Revenue Scotland

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3. What can I procure from this Framework Agreement?

This Framework Agreement has been tendered by APUC Ltd. The purpose of this Framework Agreement is to deliver an efficient and compliant route to market for participating public bodies, by minimising the resource and providing value for money for the provision of Audit Services – Internal, External and Tax.

This Framework Agreement was procured via the Open Procedure tendering process and advertised on Public Contracts Scotland (PCS) and in the OJEU 2018/S 047-103320.

LOT	LOT DESCRIPTION
Lot 1	Internal Audit - Large - Universities, NHS and Scotland Excel
Lot 2	Internal Audit - Small - Colleges and SG Bodies
Lot 3	External Audit - Universities and non-incorporated Colleges
Lot 4	UK and International Tax Advice and Specialist Tax Advice

What are the Key Aspects of the specification?

Contractors on this Framework Agreement can provide, as a minimum:

- Internal Audit
- External Audit
- Tax Services
- EU Project claims in the role of Inter-reg controller
- Other related specialist services

Please see Appendix B for a copy of the specification as used in the Invitation To Tender document or contact the Contract Manager Anne Martin. Contact details are available [at the start of this document](#).

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4. Who are the Contractors?

The following Contractors are appointed to the Framework Agreement for the various lots as follows:

Lot	Description		Appointed Contractors
1	Internal Audit - Large - Universities, NHS and Scotland Excel	1	BDO
		2	MHA Henderson Loggie
		3	Azets formerly known as Scott Moncrieff
			PricewaterhouseCoopers
			Ernst & Young
			KPMG
			RSM
			TIAA
2	Internal Audit – Small – Colleges and SG Bodies	1	BDO
		2	Azets formerly known as Scott Moncrieff
		3	RSM
			Wylie & Bissett
			TIAA
			MHA Henderson Loggie
			KPMG
			Mazars
3	External Audit – Universities and non-incorporated Colleges	1	MHA Henderson Loggie
		2	Ernst & Young
		3	Azets formerly known as Scott Moncrieff
			KPMG
			Mazars
			RSM
			Wylie & Bissett
4	UK and International Tax Advice and Specialist Tax Advice	1	Azets formerly known as Scott Moncrieff
		2	RSM
		3	Ernst & Young
			MHA Henderson Loggie
			PricewaterhouseCoopers
			KPMG
			Deloitte
			Mazars

To appoint a Contractor please refer to the Call-off mechanisms below.

Full Contact Details for each appointed Contractor are located in Appendix A – Contractor’s Full Contact Details

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5. How do I Call-off from the Framework Agreement?

Call-off from this Framework Agreement is by means of Ranking, Mini-Competition or Desktop evaluation.

Institutions will determine the correct lot to use when placing a Call-off Contract from the Framework Agreement by assessing their requirement against the available lots.

Option One - Ranked

Institutions are required to contract directly with the first ranked Contractor (unless the first ranked Contractor confirms that they do not have capacity to undertake the work; or cannot respond within the required timescales as detailed in the Specification of Requirements; or there are other relevant issues such as conflict of interest, in which case the second ranked Contractor should be appointed). If the second ranked Contractor cannot meet the need (by reason of issues detailed above), the third ranked Contractor should be approached and so on.

This award of a contract will take place after the Institution has discussed its specific requirements with the Contractor and agreement has been reached as to timescales, methodology/approach, specific service requirements and key milestones and performance indicators to be met. The Standard Terms and Conditions of any Call-off Contract shall be as those stated in the Framework Agreement and only minor points can be re-negotiated with the consent of the Contractor and the Institution such as Payment Terms. For individual assignments under longer term Call-off Contracts, instruction will be given and received as per the Specification of Requirements section of this ITT.

Option Two – Mini-Competition

Institutions wishing to undertake a mini-competition within a particular lot may do so. All the Contractor(s) appointed [to the relevant lot] must be invited to submit responses to the Institution's mini-competition tender document.

The original Framework Agreement evaluation criteria should be applied in the mini-competition tender document, though some of the criteria may be removed or weightings amended if deemed irrelevant to the Institutions requirements. As this is a Most Economically Advantageous Tender (MEAT) Framework Agreement, both technical and commercial evaluation criteria must be used in a mini competition tender process.

Evaluation Criteria that should be used for evaluating mini-competitions should be as follows:

Evaluation Criteria

Award Criteria	Weighting
Technical Criteria	70%
Service Delivery – Methodology	25%

Service Delivery – Quality Assurance, Security and Confidentiality	20%
Key Personnel	20%
Sustainable Procurement	5%
Commercial	30%
Total	100%

Please note: No additional technical criteria can be introduced. Sub-criteria under the criteria above can be introduced but must be relevant to the requirement and criteria. The weighting of the criteria can be amended depending on importance to the requirement.

Buyers cannot request that Contractors must have particular sectoral experience i.e. University/HEI or ask Contractors to detail their past experience within a specific sector.

Option Three – Desktop Award

There are two forms of desktop evaluation methods that can be considered.

Method 1:

Institutions wishing to undertake a desktop evaluation within a lot may do so. All the Contractor(s) appointed to the relevant lot(s) must be included unless a Contractor has stated they are unable to meet the Institutions individual requirements.

The original Framework Agreement evaluation scores for technical criteria must be applied. Award Criteria and Sub-criteria weightings may be altered for both Technical and Commercial percentages in line with the Institution’s requirement, but these should be reasonable and defensible. Both Technical and Commercial sub criteria must be used. Any sub criteria deemed as not relevant to the Institutions requirements may be moved to zero percent. Where the Framework Agreement Commercial pricing structure is not a direct match to the Institutions requirement then all Contractors must be contacted for specific pricing. Irrespective of any changes, the total weightings must always add up to 100%.

Institutions must be aware that excessive adjustments could breach the EU Regulations, by distorting competition and transparency.

Method 2:

Institutions wishing to undertake a direct desktop award within a lot may do so. Where a specific aspect of the technical or commercial evaluation sub criteria are deemed of significant importance to an Institutions requirement then the Institution may select the successful Contractor based on the ranking of the Framework Agreement Contractors in that specific area. If more than one criteria are of high importance, then the relevant scores from the Framework Agreement will be added together and compared to ascertain the correct Contractor to appoint.

If Technical criteria was the area deemed of importance and where the Framework Agreement Commercial pricing structure is not a direct match to the Institutions requirement, then the Contractor selected may be contacted directly for specific pricing.

Commercial Evaluation Criteria

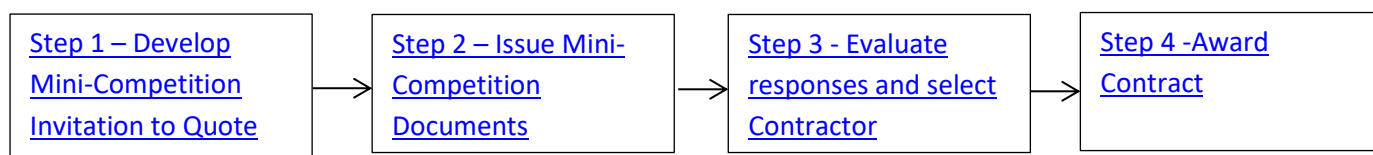
Charges submitted at the ITT stage are capped and will be the highest rate charged by a Contractor at mini-competition stage.

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6. How do I run a Mini-Competition?

When running a mini-competition Institutions must ensure that **ALL** Contractors on the Lot are invited to submit a Quote via the Invitation to Quote (ITQ)

The mini-competition **must not** be issued to Contractors that have not been awarded a place on the Framework Agreement or are not part of the Lot.



Step 1 – Develop Mini-Competition Invitation To Quote (ITQ)

Institutions should develop a detailed specification which sets out their specific requirements. When developing the specification please take into consideration the following.

- 1) Under no circumstances should brand names or brand-specific descriptions of goods be used (e.g. Hewlett-Packard printer or BiC Biro pen). Descriptions should give reference to the characteristics and outputs of the product or service. Where no other description is possible, any reference should be qualified by adding the words 'or equivalent'.
- 2) It is highly recommended that an 'output-based' specification is used wherever possible to clearly define requirements. This enables Contractors to quote for provision of goods/services that meet your minimum requirements and does not unfairly eliminate a Contractor that cannot supply the exact brand/manufacturer of goods specified. This can also reduce the risk of unnecessarily over-specifying your requirement.

The ITQ must state the weightings to be applied to the evaluation, and the evaluation methodology to be used. In line with this Framework Agreement, the following criteria should be used, no additional technical criteria can be added but sub-criteria can be introduced but must be relevant to the requirements. However, weightings can be adjusted to reflect individual requirements.

Award Criteria	Weighting
Technical Criteria	70%
Service Delivery – Methodology	25%
Service Delivery – Quality Assurance, Security and Confidentiality	20%

Key Personnel	20%
Sustainable Procurement	5%
Commercial	30%

It is important that questions which have already been asked in the original ITT are not re-evaluated at mini-competition stage. The evaluation criteria, and weighting applied to each, must be notified to Contractors at this first stage of inviting them to quote. For a full break down of questions asked at ITT stage please see Appendix C Section 3 - Tender Questions and Evaluation Criteria in the ITT.

Step 2 – Issue Mini-Competition documents

The ITQ must be issued to all Contractors on the applicable lot on the Framework Agreement at the same time via PCS or the PCS-T tender (PCS-T) module where applicable. It is extremely important that all Contractors are treated equally.

It is important that a reasonable timeframe for responses is set, and which reflects the complexity of the requirement.

Please Note:

- Specific previous experience of either Universities or Colleges should not be requested.
- The Terms and Conditions of the Framework Agreement cannot be altered.
- Contractors who are not on the Framework Agreement must not under any circumstances be included in the mini-competition.
- Where there are multiple lots, Contractors can only be selected for the lot in question. Contractors must not be selected from multiple lots

Step 3 - Evaluate responses and select Contractor

Responses must be evaluated on the basis of Most Economically Advantageous Tender (MEAT) using the previously stated Award Criteria:

If you would like any further clarification on the process, please contact the Contract Manager Anne Martin. Contact details are available [at the start of this document](#).

Step 4 -Award

Once the evaluation stage is completed, the Call-off contract can be awarded. All Contractors should be notified of the outcome of the mini-competition. You do not have to observe a standstill period following award of a mini-competition, nor is there an obligation to provide a debrief. However, it is considered to be best practice and can be an effective method of dealing with a disgruntled Tenderer without suffering legal challenge.

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7. What are the Standard Terms and Conditions?

APUC Ltd. has overarching Terms and Conditions that govern the Framework Agreement and any Call-off Contract created through the use of the Framework Agreement.

Please refer to the APUC Ltd. Terms and Conditions found on the Buyers Portal and in Appendix D of this document. Note also that certain Contractors have negotiated separate Framework Agreement Terms and Conditions with APUC Ltd; these are located in Appendix F

The Terms and Conditions of the Framework Agreement have been defined and agreed at the tender stage and must not be amended. Call-off contract Terms and Conditions such as Payment Terms can only be revised in agreement with the Institution and the Contractor.

What are the Commercial and Payment terms of the Framework Agreement?

Where applicable Commercial Terms are capped on the Framework Agreement and will be the maximum that can be charged on a Call-off Contract. This capped pricing may be reduced at the time of Mini Competition.

APUC Ltd will advise any such change in pricing via ezine, uniBuy and can be obtained from the APUC Ltd. Contract Manager. Contact details are available [at the start of this document](#).

Charges submitted at the ITT stage are capped and will be the highest rate charged by a Contractor at mini-competition stage.

Standard Payment terms are 30 days from receipt of a valid invoice. However Institutions are advised to discuss their own particular payment requirements with Contractors if these terms are not suitable. Contractors have been advised to be accommodating to any such request.

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8. How do I issue my Call-off Contract?

A Call-off Contract or a Purchase Order should be issued to the relevant Contractor for each order to be placed. Order frequencies can be daily, weekly, or as otherwise agreed with the Contractor in line with your preferences and needs. Institutions should have contacted the Contractor to finalise the request.

Purchase Order's should detail, as a minimum:

- Text that states "This Purchase Order forms a Call-off Contract from the Framework Agreement for the Audit Services – Internal, External and Tax. (Reference PFB1028AP)
- Name and Address of the Institution for invoice purposes
- Description (Where Applicable)
- Deliverables and timescales
- The charges including any discounts (as contained in the discount structure)
- Invoicing arrangements and settlement terms

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9. How do I update my Contract Register (Hunter)?

Once the Call-off Contract has been placed and a Purchase Order raised the contract details should be logged on your contract register (Hunter or equivalent)

Create a new record on Hunter and update with the following information

- Title of Call-off Contract
- Which Commodity the contract sits under
- Who the Tendering Organisation is i.e. institution name
- Call-off Contract Procurement Lead
- Update the Commodity Status (Contracted, In-Progress, Scheduled)
- Awarded Contractor
- On Hunter 'Like' the Framework Agreement the Call-off Contract is from
- On Hunter click 'Master' on the new Call-off record
- Any Award Notes
- Expenditure and Savings details
- Contract Award/Start and Duration in months.
- Any Extensions

10. How will the Contractor's performance be measured?

APUC Ltd. will contract manage and monitor the performance of the Contractors on the Framework Agreement throughout the duration of the Framework Agreement and will use the following agreed Key Performance Indicators (KPI's) as a benchmark for MI reporting. It is intended that this list will be developed throughout the lifetime of the Framework Agreement as it evolves and will be reviewed annually (as a minimum) in consultations with the Contractor(s) and the User Intelligence Group (UIG).

The Contract Manager will:-

- Undertake regular Contract review Meetings
- Liaise with Institutions and UIG's to gain feedback on Contractor Performance
- Review and Manage Contract Uptake
- Monitor MI Spend and reporting
- Monitor Savings Performance
- Manage the following KPI's

KPI	Category	Measure	Data Source	Calculation Method
1	Framework Management	Attendance at Framework Agreement meetings requested	No. of meetings attended	No of meetings attended / No. of meetings requested
2	Framework Management	Response times of Framework Manager to requests for information	No. of requests for info from the Authority responded to within 2 days	No of requests for information responded to satisfactorily within 2 days / total no. of requests for information x 100
3	Reporting	Number of Progress, Management Information and Annual Reports received on time with the	Reports submitted to the Authority	No. of accurate timely reports submitted / total number of reports required x 100

		correct information		
4	Quality	Number of incidents raised	No. of complaints received	No. of incident or issues reported / total no. of projects x 100
5	Responding to mini competitions	Number of Bids and No bids and whether these were lost or won	No of bids responded to	No of bids v's No of no bids No of bids won v's No of bids lost

Please ensure you feedback any Contractor Performance issues to the Contract Manager or alternatively the Contract Uptake website to ensure performance can be managed and maintained.

<http://www.contractmanage.apuc-scot.ac.uk> [Back to Contents](#)

11. What are the benefits of using this Framework Agreement?

This Framework Agreement offers the following benefits:

- A pre-competed and compliant route to market providing a vehicle to centralise procurement spend;
- Mitigation of Procurement risk surrounding EU Procurement;
- Reduction in administrative costs and efforts;
- Provides flexibility to Institutions to determine specific requirements at Call-off Contract in line with the Framework Agreement specification;
- Ceiling rates/maximum pricing defined and agreed for the duration of the Framework Agreement. This pricing can be reduced further at time of mini competition;
- Effective reporting mechanism to obtain accurate, timely and relevant management information;
- Corporate Social Responsibility – adherence to minimum standards;
- Pre-defined and agreed Terms and Conditions;
- Shared risk and management of Contractors.
- Pre-defined and agreed Terms and Conditions;
- Shared risk and management of Contractors.

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12. Frequently Asked Questions

Q: A Contractor isn't listed on the Framework Agreement; can I invite them to quote / mini-competition?

A: *No; you must only invite the Contractors who have been appointed to the Framework Agreement for the lot you wish to Call-off against. No additional Contractors can be invited.*

Q: Can I invite Contractors from multiple Framework Agreements to quote / mini-competition?

A: *No; you must only invite the Contractors who have been appointed to the Framework Agreement for the lot you wish to Call-off against.*

Q: Can you 'de-select' a Contractor from the Framework Agreement because you don't like them or have had issues in the past?

A: *No; you must invite all the Contractors who have been appointed to the Framework Agreement for the lot you wish to Call-off against. Any issues must be raised with the Contract Manager or via the Contract Uptake website.*

Q: Can you ask for references or evidence of a Contractor's relevant experience?

A: *No: This is non-compliant with The Public Contracts Scotland (2012) Regulations. The Contractors appointed to the Framework Agreement will already have proved their capability to fulfil the requirements of the Framework Agreement. You may, however, seek relevant information to demonstrate key personnel's capabilities if they are directly involved in delivery of the Framework Agreement.*

Q: When setting up a Call-off Contract from a Framework Agreement does the Contract have to expire on or before the Framework Agreement expires?

A: *No: The Call-off Contract has to be awarded before the Framework Agreement expires, but it can be for any length (ideally no more than 5 years) and the expiry date does not have to be concurrent with the expiry date of the Framework Agreement.*

Q: Can you combine Contractors from different service lots or geographical lots from the Framework Agreement when inviting participants to a mini-competition?

A: *No: You can only invite Contractors appointed to the specific geographical or service lot you are calling off against. Where a combined requirement is expected against a range of service lots, a 'one-stop' lot may have been created and this should be utilised.*

Q: Can I select any Contractor I want from the Framework Agreement and purchase from them directly?

A: *You can only purchase directly from a Contractor if the Framework Agreement has been set up with pre-defined Call-off criteria, otherwise you must go through the Ranking process or a mini competition as set up in the Framework Agreement.*

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13. Glossary

Buyer's Guide

A document produced by APUC Ltd (or other contracting authority) which provides an overview of the Agreement that has been let and guidance on how Institutions can access and use the Agreement.

Call-off Contract

The Call-off contract is the legally binding contract between the institution and the Framework Agreement Contractor which defines the goods/services to be provided.

Framework Agreement

A Framework Agreement can be described as a general term for legally binding agreements with providers which set out terms and conditions under which specific purchases (Call-off) can be made throughout the term of the Agreement.

Mini-Competition

A Further-competition or mini-competition are terms used to describe one of the processes for selecting a Contractor on a Framework Agreement to place a Call-off contract with. The terms 'further-competition' and 'mini-competition' are used interchangeably, and within this document, we refer to 'mini-competition'.

Lot

A discrete sub-division of the Authority's requirements. These sub-divisions can be based on Region, technical / service requirement or any other relevant criteria

OJEU Notice

Advertisement issued in the Official Journal of the European Union in respect of this Framework Agreement.

Contractor

The successful Tenderer(s) who will be party to the Framework Agreement with responsibility for supplying the goods and/or services.

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