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# Invitation to tender – Internal Audit Service 2024 to 2026

**Tender return date & time: 12 noon – 23rd October 2023**

# Table of Contents

Contents

[Invitation to tender – Internal Audit Service 2024 to 2026 1](#_Toc146726381)

[Table of Contents 2](#_Toc146726382)

[Background 3](#_Toc146726383)

[Introduction 4](#_Toc146726384)

[Appendix 1 – Specification/Requirements 10](#_Toc146726385)

[Appendix 2 – Tender Submission Template 12](#_Toc146726386)

[Appendix 3 – Declaration 14](#_Toc146726387)

[Appendix 4 – Quality Assessment. 15](#_Toc146726388)

# Background

* 1. Osprey Housing is an ambitious, dynamic, caring housing and service provider with a clear vision of “making a difference every day”. With a focus on quality, we aim to provide a range of great homes in great places where people want to live - helping support and contribute to communities throughout Aberdeenshire, Moray and the City of Aberdeen. We cater for a broad spectrum of housing needs and have a clear social purpose in striving to help a wide cross section of people.
  2. Osprey Housing has approx. 1800 social rented homes across the North East of Scotland with a growth ambition to continuing developing more and better homes whilst delivering continually improved services for our tenants and customers.
  3. We are passionate about the homes we provide and, as an organisation we are constantly evolving and embracing change. Our culture envelops both equality and sustainability whilst making tenants the focus of everything we do. We have a clear commitment to continuously improving efficiency, performance, and value for money. We have invested in new technology and digital services to provide 24/7 access to services whilst retaining the right balance of personal contact and support to our customers.
  4. We invest in our people, value our staff team and, have a strong ethos of professionalism and respect.
  5. Governed by a Board of voluntary serving non-executive directors, Osprey Housing has 33 full time and 4 part time members of staff. The organisation is managed by a CEO and Senior Leadership Team with an operational and business support structure that is agile and responsive.
  6. OUR VISION – To make a difference every day.
  7. OUR MISSION – To provide high quality affordable housing and services to the people in the communities we serve.
  8. OUR VALUES
* Ambition and Achievement – we are a high performing organisation delivering through innovation and challenge.
* Equality and Respect – we recognise and celebrate the unique value in everyone.
* Quality and Professionalism – we strive to deliver high standards.
* Agile and Responsive – we are flexible and quick to deal with change without diminishing our delivery.

# Introduction

* 1. Osprey Housing is following procedure in accordance with the requirements of the [public contracts (Scotland) regulations 2015](https://www.legislation.gov.uk/ssi/2015/446/contents) and the [procurement reform (Scotland) act 2014]](https://www.legislation.gov.uk/asp/2014/12/contents) to appoint a Provider to provide it with **Internal Audit** services. At all stages in the tender procedure, including contract conclusion, the information which your organisation provides in response to this ITT must remain valid and you must inform Osprey Housing of any changes to the information which your organisation provides in response to this ITT.
  2. No legal relationship or other obligation shall arise between any tenderer and Osprey Housing unless and until the contract has been formally executed in writing by Osprey Housing and the successful Provider.
  3. Osprey Housing reserves the right, subject to the appropriate procurement regulations, to change without notice the basis of, or the procedures for, the competitive tendering process or to terminate the process at any time. Under no circumstances shall Osprey Housing incur any liability in respect of this ITT or the tender process more generally. Osprey Housing shall not be liable for any costs or expenses incurred by potential providers in participating in the tendering process.
  4. Direct or indirect canvassing of any Osprey Housing board member, Osprey Housing employee or agent by any potential provider concerning this requirement, or any attempt to procure information from any Osprey Housing Board member, Osprey Housing employee or agent concerning this ITT may result in the disqualification of the potential provider from consideration for this requirement.
  5. Osprey Housing is a registered social landlord. Osprey Housing is also a Scottish charity (SC029461) and is registered under the co-operative and community benefit societies act 2014. Through direct development and stock transfer, Osprey Housing now provides services to c1,800 households.
  6. It is expected that service provision will commence on 1st January 2024. It is expected that the contract will last until 31st March 2026 and may be extended for 2 additional years upon agreement on costs and performance.
  7. Osprey Housing’s specification in relation to this requirement is set out in [appendix 1](#_Appendix_1_–) to this ITT.
  8. While the information contained in this ITT is believed to be correct at the time of issue, neither Osprey Housing nor its advisors accept any liability for its accuracy, adequacy or completeness, nor will any express or implied warranty be given. This exclusion extends to liability in relation to any statement, opinion or conclusion contained in, or any omission from, this ITT, including its appendices, and in respect of any other written or oral communication transmitted or otherwise made available to any tenderer.
  9. Osprey Housing will not be liable for any bid costs, expenditure, work or effort incurred by a tenderer in proceeding with or participating in this procurement, including if the procurement process is terminated or amended.

1. **Process**
   1. Any requests for clarifications relating to this ITT must be to [gwalker@ospreyhousing.org.uk](mailto:gwalker@ospreyhousing.org.uk).
   2. Osprey Housing will respond to all reasonable clarifications as soon as possible.
   3. Osprey Housing reserves the right, but shall not be obliged, to seek clarification of any aspect of a tenderer’s tender during the evaluation phase where necessary for the purposes of carrying out a fair evaluation. Tenderers are asked to respond to such requests promptly. Vague or ambiguous answers are likely to score poorly or render the tender non-compliant.
   4. Please provide name, company and contact details for at least two organisations willing to act as reference sites/referees to which your organisation has provided services similar to those required by Osprey Housing pursuant to this procurement exercise.
   5. Osprey Housing may invite tenderers to deliver a presentation to representatives of Osprey Housing in support of their tenders, as set out in the timetable. You should keep this date free.
   6. Set out below is the proposed procurement timetable. This is intended as a guide and whilst Osprey Housing does not intend to depart from the timetable it reserves the right to do so at any stage.

|  |  |
| --- | --- |
| **Target date** | **Activity** |
| 2nd October 2023 | Invitation to tender issued |
| 16th October 2023 | Providers confirm intention to tender |
| 16th October 2023 | Receipt of clarifications deadline |
| 23rd October 2023 | Tender return deadline |
| 1st December 2023 | Contract awarded |
| 1st January 2024 | Project commences |

* 1. An electronic copy in pdf format of all documents must also be submitted before 12 noon on 23 October 2023 to [gwalkwalker@ospreyhousing.org.uk](mailto:gwalkwalker@ospreyhousing.org.uk)
  2. If the terms of the Conditions of Contract render the proposals in any tenderer’s tender unworkable, the tenderer should submit a clarification/condition in [appendix 1](#_Appendix_1_–_1) and Osprey Housing will consider whether any amendment to The Conditions of Contract is required. Any amendments shall be provided to and apply to all tenderers.
  3. A template proposal for the Contract is attached as [appendix 2](#_Contract_Information).
  4. A signed declaration as set out in [appendix 3](#_Appendix_3_–), will be required.
  5. Providers should note that this ITT qualified by their tender response, any subsidiary documentation recording discussions during the procurement process, and an agreed time schedule will be incorporated into the contract. Any attempt to limit the contractual validity of this requirement will result in any tender being rejected.
  6. The following documents shall form the contract between Osprey Housing and the Provider:

This ITT.

The Conditions of Contract.

The Provider’s tender response (including the pricing schedule and any clarifications thereto).

* 1. This ITT is made available on condition that tenderers shall treat this ITT as private and confidential and that it is not copied, reproduced, distributed or passed to any other person at any time, except for the purposes of enabling the tenderer to submit a tender.
  2. Tenderers shall not disclose their tender response in whole or in part to any third party without the express permission of Osprey Housing until after Osprey Housing has made its final decision regarding award of the contract.
  3. Tenderers should advise Osprey Housing as soon as practicable in the event of discovering a potential or actual conflict of interest arising in respect of their tender response. In such circumstances, Osprey Housing may require further information from the tenderer but reserves the right to disqualify the tenderer from further involvement in the tender process.

1. **Tupe**
   1. Osprey Housing does not envisage the terms of the transfer of undertakings (protection of employment) regulations 2006 (“Tupe”) being applicable in this instance. However, it is the responsibility of tenderers to consider whether or not tupe is likely to apply in the particular circumstances of this procurement exercise and act accordingly.
2. **Pre-qualification**

N/A.

1. **Consortia and sub-contracting**
   1. Where a tenderer is a consortium, please note that only one tender response from the consortium, identifying the lead consortium member (which will be responsible for administration of the contract and which shall also act as the central point for all purposes), will be accepted. The contract and ancillary documentation will be entered into with all members of the consortium, who will in these circumstances each be required to execute the contract and all ancillary documentation, evidencing their joint and several liability in respect of the obligations and liabilities of the contract.
   2. Osprey Housing requires all tenderers to identify if they propose to sub-contract the service provision to a sub-contractor and which sub-contracting arrangements will apply in the case of their tender. For the avoidance of doubt, only one tender response should be completed and returned providing separate information in respect of each sub-contractor.
2. **Award criteria and tender evaluation model**
   1. Any contract(s) awarded as a result of this procurement will be awarded on the basis of the offer that is the most economically advantageous to Osprey Housing on the basis of the best price-quality ratio. Tenders will be evaluated using the following award criteria:
   2. Cost will have a weighting of 50%. Quality will have a weighting of 50%.
   3. A fee proposal which includes and acknowledges that the scope, and consequently the time requirement, of internal audit work will be determined by the Resource and Governance Committee, having regard to the advice of Officers and the internal auditors. It is anticipated that the annual Audit Plan will be approximately 20 days including general account management and follow up reviews. Your fee proposal should be set out as per [appendix 2](#_Contract_Information).
   4. Costs quoted should be fully inclusive of expenses and exclusive of VAT.
   5. Quality will have a weighting of 60% broken down as follows:

|  |  |
| --- | --- |
| Q1 Experience and current level of activity in providing internal audit services to other Registered Social Landlord Clients. | 30% |
| Q2 Service Delivery Methodology – a description of your audit methodology and approach, explaining how this would be tailored to Osprey Housing, supporting our commitment to continuous improvement, enhancing governance/assurance and strengthening internal controls. | 30% |
| Q3 Provide details of at least 2 case studies highlighting your work with Registered Social Landlords (anonymised) including relevant Internal Audit reports. | 30% |
| Q4 Demonstrate your sustainability credentials. | 10% |

* 1. Scores are arrived at following the application of the evaluation criteria set out below.
  2. Tenderers are required to submit a tender strictly in accordance with the requirements set out in this ITT, to ensure Osprey Housing has the correct information to make the evaluation. Evasive, unclear or hedged tenders may be discounted in evaluation and may, at Osprey Housing’s sole discretion, be taken as a rejection by the tenderer of the terms set out in this ITT.
  3. The tender evaluation model showing the evaluation criteria and the maximum scores attributable to them is set out below.

Marks will be allocated to cost as outlined in the table below:

|  |  |
| --- | --- |
| **% points** | **Pricing evaluation** |
| 100% | Lowest priced Provider |
|  | Other Providers will receive a % score calculated by reference to the following formula:  lowest price/  x 100  Provider’s price  For example, a bid that is 10% more expensive than the lowest priced Provider will receive a score of 91, one that is twice as expensive will receive a score of 50 and so on. |

* 1. Tenderers must provide information on each of the quality assessment areas to allow Osprey Housing to evaluate the potential Provider.
  2. Where the Tenderer is unknown to Osprey Housing, we will seek references from other organisations.
  3. Marks will be allocated to responses in the quality section as outlined in the table below:

|  |  |  |
| --- | --- | --- |
| **Performance** | **Judgement** | **Score** |
| Meets all the Client’s requirements in the area being measured in accordance with the Contract Documents so that the Works will be delivered in an excellent way that will be highly responsive to the needs of Customers, the Client and other stakeholders. | Excellent | 10 |
| Meets most of the Client’s requirements in the area being measured almost completely so that the Works will be delivered in a nearly excellent way that will be responsive to the needs of Customers, the Client and other stakeholders. | Nearly Excellent | 9 |
| Meets the Client’s requirements in the area being measured well although not completely in one or two aspects but still so that the Works will be delivered in a very good way that will be responsive to the needs of the Customers, the Client and other stakeholders. | Very Good | 8 |
| Meets the Client’s requirements and standards in the areas being measured well but not completely in some aspects, but still so that the Works will be delivered well and in a way that is reasonably responsive to the needs of the Customers, the Client and other stakeholders. | Good | 7 |
| Meets the Client’s requirements in the areas being measured in the majority of aspects, but fails in some aspects, so that the Works will be delivered in a reasonable way that recognises the needs of Customers, the Client and other stakeholders. | Reasonable | 6 |
| Meets the Client’s requirements in the area being measured in the majority of aspects, but fails in some fundamental aspects, so that there will be only satisfactory arrangements for the Works. | Satisfactory | 5 |
| Meets the Client’s requirements in the area being measured in some fundamental aspects, but fails in the majority of aspects so that there will be only moderately satisfactory arrangements for the Works. | Moderately Satisfactory | 4 |
| Meets the Client’s requirements in the area being measured in some minor aspects, but fails in the majority of aspects so that there will be unsatisfactory arrangements for the Works. | Unsatisfactory | 3 |
| Fails to meet the Client’s requirements in the area being measured in nearly all aspects so that there will be poor delivery of the Works. | Poor | 2 |
| Significantly fails to meet the Client’s requirements in the area being measured so that there will be very poor delivery of the Works. | Very Poor | 1 |
| Either no answer is given or the Tenderer’s proposals in that area completely fail to meet the Client’s requirements in the area being measured or do not answer the question raised. | Extremely Poor | 0 |

# Appendix 1 – Specification/Requirements

**Internal Audit services**

Osprey Housing wishes to arrange a formal contract for the provision of Internal Audit Services, commencing in January 2024.

Internal audit forms part of Osprey Housing’s overall approach to continuous improvement. The purpose of the internal audit service is to initiate a robust and comprehensive analysis of strategic, financial and operational activities. The intended outcome of the service is to provide assurance to the Resource and Governance Committee and Board that Osprey Housing:

* has sound internal controls.
* is effectively managing its activities.
* is effectively managing risk.
* is compliant with regulatory standards.

This brief covers the appointment of an appropriately qualified organisation to provide the following internal audit services:

* Performing the internal audit of the Osprey Housing in accordance with relevant professional and regulatory requirements.
* Planning, management of, and delivery of a planned programme of compliance based audits per year.
* Identify, test and evaluate key systems and controls.
* Provide appropriate levels of assurance with regard to the design and effectiveness of key controls.
* Evaluate the operational effectiveness of and staff compliance with the key controls in Osprey Housing’s core business areas.
* Work together with the Resource and Governance Committee and Senior Leadership Team to produce a three year audit programme and annual Internal Audit plans for consideration and approval of the Resource and Governance Committee.
* Complete an annual follow up audit to ensure recommendations from previous audits have been implemented.
* Reporting on internal audit progress to Osprey Housing’s Resource and Governance Committee, including attendance at Committee meetings as appropriate.
* Provision of advice to Osprey Housing Senior Leadership Team and Resource and Governance Committee as required.
* Liaison and coordination with Osprey Housing’s external auditors to ensure full exchange of information.

**Internal Audit Plans**

The internal audit plan is expected to follow a risk-based approach. In addition, regulatory expectations around Internal Audit set out by the Scottish Housing Regulator in Regulation of Social Housing in Scotland: Our Framework, and specifically Regulatory Standards 4.3 and 4.5 are expected to be addressed within the plan.

The internal audit plans will be agreed annually in February preceding the start of the financial year in April. **However, upon appointment, 3 separate audits will be required to be carried out no later than 31st March 2024.** Thereafter, 3 separate audits will be required during each financial year.

Internal audit activity is expected to be conducted across a number of business areas such as:

* Financial Management
* Housing Management
* Housing Support Services
* Asset Management
* Repairs and Maintenance
* Development
* Corporate Services
* Human Resources
* ICT and Digital Services
* Governance

This is list is not exhaustive.

Osprey Housing is prepared to consider audits being carried out remotely.

**Tenderers clarifications**

|  |
| --- |
|  |
|  |
|  |
|  |

Signature on behalf of Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Appendix 2 – Tender Submission Template

## Offer for Provision of Internal Audit Services 2024 - 2026

**To: Osprey Housing**

**22 Abercrombie Court**

**Westhill**

**Aberdeenshire**

**AB32 6FE**

Sir,

Having perused the Conditions of Contract, and considered the above requirements, I/we \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereby offer to execute the above mentioned work all in accordance with the above mentioned documents and do hereby agree to complete the work all in accordance with the above mentioned documents and do hereby agree to complete the work to the entire satisfaction of the Contract Administrator for:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Cost | | |
|  |
| Year 1 (23/24) | Year 2 (24/25) | Year 3 (25/26) |  |
| £ | £ | £ |  |
| Initial Set Up & Plan Production |  |  |  |  |
|  |
| Audit Work |  |  |  |  |
|  |
| Standard Audit Report Production |  |  |  |  |
|  |
| Follow Up Audit Reports |  |  |  |  |
|  |
| Attendance at Committee Meetings\* |  |  |  |  |
|  |
| Total Cost |  |  |  |  |
| Anticipated Number of Days |  |  |  |  |
|  |

\* Expected to be once per annum

Signature on behalf of Provider: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Appendix 3 – Declaration

The following declaration is to be completed for and behalf of the Provider.

To: Osprey Housing

I/We submit this tender in support of our application to tender for the provision of Response Repairs and Void Works.

I/We certify that the information supplied is accurate and to the best of our knowledge and that I/We accept the conditions and undertakings requested in the ITT.

If this offer is accepted, I/We will execute such documents in the form of the contract within five days of being called on to do so.

We agree that before executing the contract (and associated schedules) in the form set out in the ITT, the formal acceptance of this tender in writing by Osprey Housing or such parts as may be specified, together with the contract documents attached hereto shall comprise a binding contract between Osprey Housing and the Company

I/We further agree with Osprey Housing in legally binding terms to comply with the provisions of confidentiality set out in section 2.16 of the ITT.

I/We further undertake, and it shall be a condition of any contract, that:

The amount of the tender has not been calculated by agreement or arrangement with any person other than Osprey Housing and that the amount of the tender has not been communicated to any person until after the closing date for the submission of tenders and in any event not without the express consent of Osprey Housing.

I/We have not canvassed and will not, before the evaluation process, canvass or solicit any member or officer, employee or agent of Osprey Housing in connection with the award of the contract and that no person employed by us has done or will do any such act.

I/We warrant that I/we have all requisite authority to sign this tender and confirm that I/we have complied with all the requirements of the ITT.

Organisation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and status \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Appendix 4 – Quality Assessment.

|  |  |
| --- | --- |
| Q1 Experience and current level of activity in providing internal audit services to other Registered Social Landlord Clients. | Quality weighting 30% |
| In the context of Osprey Housing’s requirements provide full details of two examples of a similar project that fully demonstrates your organisations relevant experience (preferably to RSL’s) to the requirements of this Contract.  Statements should not exceed 800 words. | |
| Q2 Service Delivery Methodology – a description of your audit methodology and approach, explaining how this would be tailored to osprey Housing, supporting our commitment to continuous improvement, enhancing governance/assurance and strengthening internal controls. | Quality Weighting 30% |
| In the context of Osprey Housing’s requirements provide details of your organisation in relation to its governance structure, including the location of your head office. Provide information as to how the quality of your service is established and monitored, including performance review. Outline the main challenges posed by the commission, and outline how you would propose to resolve those challenges. Detail how the service you would provide will comply with relevant Professional Standards and any legislative requirements.  Statements should not exceed 800 words. | |
| Q3 Provide details of at least 2 case studies highlighting your work with Registered Social Landlords (anonymised) including relevant Internal Audit reports. | Quality Weighting 30% |
| In the context of Osprey Housing’s requirements provide full details of two examples of similar projects that fully demonstrate your organisations relevant experience to the requirements of this Contract.  Statements should not exceed 800 words. | |
| Q4 Demonstrate your Sustainability credentials. | Quality weighting 10% |
| In the context of Osprey Housing’s requirements provide a copy your organisations’ Sustainability Strategy/Policy and provide a statement of examples where this has been demonstrated and made a real difference ‘on the ground’.  Statements should not exceed 800 words. | |