

Request for Supplementary Tender (mini-competition)

HEA - SYSTEM OF ROLLING REVIEWS

Review of Procurement Practices in HEA-funded Higher Education Institutions

Terms of Reference

Background

As part of the HEA role to promote, monitor and ensure good practice with regard to governance and accountability for the higher education sector, the HEA is required to review and improve processes for monitoring higher education institutions' (HEIs) compliance with codes of governance and take appropriate action where required¹. In order to discharge this role more effectively, the HEA has instigated a number of changes to governance oversight processes during 2015 including reviewing the annual governance reporting formats submitted by HEIs with a view to achieving more consistency and depth in returns and putting in place a process of ongoing engagement with the C&AG to serve as an early warning system of potential issues. An overview of the current governance framework which is in place for the higher education system, together with the relevant statements, templates and agreements which underpin this framework, are set out in **Appendix A**.

In addition, as part of the process to review and strengthen HEA processes in relation to oversight and follow-up on governance and internal control statements, it has been signalled that the HEA will introduce a programme of **rolling reviews**. The rolling reviews will cover specific elements of governance processes by combining desk research of the approach across the higher education sector with more detailed review of practice across a sample of institutions, with four key objectives:

- to provide assurance that governance processes are operating effectively; and
- to inform understanding of how particular aspects of governance are implemented within HEIs
- to assess whether there are any deficiencies to be addressed
- to assist in the development of best practice approaches across the sector.

¹ DES/HEA SLA 2015

The HEA's objective will be both to consider the operation of corporate governance in the individual institution concerned, and to assess whether there are any deficiencies to be addressed, and more generally to identify any wider learnings that might be applicable across the sector, and disseminate such learnings accordingly.

It has been agreed that the first rolling review will focus on **procurement practices** in HEA-funded institutions and will commence in 2016. Institutions are now required to provide more explicit confirmation that they are compliant with national procurement guidelines as part of the new governance reporting templates and if not, what corrective action has been taken. The Comptroller and Auditor General, in the context of reporting on institutions' accounts, has highlighted a number of cases of non-compliance with national public procurement guidelines both in respect of goods and services procured and minimum thresholds applied. The issue of non-compliance with national procurement guidelines has also been a subject of discussion at the Oireachtas Committee of Public Accounts. The issue of assuring good practice is further complicated by the implementation of a new system of procurement across the public sector with the establishment of the Office of Government Procurement and the rolling out of a series of procurement frameworks, with the Education Procurement Service also charged with specific responsibilities within this system.

Review Requirements

A panel of suitably qualified companies that can perform auditing and accounting services has been selected by the Department of Education and Skills via a competitive tendering process. The HEA now invites supplementary tenders from members of this panel that set out proposals to deliver on the following terms of reference:

- Review C&AG audited accounts for the last 3 available years, identifying and analysing any areas of procurement non-compliance identified across the sector
- Review the Annual Governance Statements submitted by the HEIs over this three year period and identify any divergence between declared procurement practice and the findings of the C&AG with regard to the published accounts
- Consider the procurement practices in a sample of 7-8 higher education institutions (agreed in advance with the HEA) including:
 - Institutional arrangements with regard to procurement (e.g. designated responsibilities, procurement office, staff) and adequacy of the resources available

- Identify any divergence between procurement thresholds applied by the institutions and the thresholds set out in national and EU public procurement rules
 - Review of procurement manuals and any other relevant documentation
 - Review of awareness of procurement requirements across management and relevant staff and any information sharing, training or development activities to ensure staff have capability and knowledge to apply good procurement practice
 - Chain of approval with regard to procurement and process by which appropriate sign-off is assured, including use of any systems to underpin this (e.g. Agresso)
 - Review of use of (and engagement with) central procurement arrangements through the Education Procurement service (EPS) and the OGP.
 - Identification and articulation of three case studies of specific procurements undertaken for each institution which demonstrate the approach taken by that institution. The overall base of case studies should include examples of both good and poor procurement practices.
- Review the adherence to national procurement regulations and procurement guidelines with regard to both goods and services procured and thresholds applying
 - Produce overall analysis of the current approach to procurement across the higher education sector based on the information and institutions considered
 - Recommend on best practice with regard to procurement practices in higher education institutions for wider dissemination in the sector.

Governance of the Review

It is anticipated that a small Steering Group will be set up to oversee the review, liaise regularly with the appointed consultants and review the draft and final outputs. Meetings will be scheduled with the Steering Group at the outset of the review and on a monthly basis until completion. The appointed consultants will also be required to submit short fortnightly progress reports.

Timescale

It is envisaged that the review will commence by 11th April 2016. A draft report will have to be produced by 31st July 2016, with a final report to be produced by 31th August 2016.

Estimated Days

It is estimated that the review will require 45-60 consultancy days to complete.

Request for Submissions

Interested members of the auditing and accounting services panel are now requested to submit a proposal to address the terms of reference outlined above. This proposal should include details of:

- the proposed approach to addressing the terms of reference
- the team proposed for undertaking the review, outlining relevant expertise and experience
- the resources to be deployed in undertaking the review, including the number of days to be delivered by each individual team member and the overall number of consultancy days proposed
- the proposed overall cost of completing the assignment

Deadline for Submissions

Proposals should be submitted to the Higher Education Authority by 5pm on Friday 1st April 2016. Electronic copies should be e-mailed to rollingreviewtender@hea.ie

Written requests for clarification can be submitted to this e-mail address before 5pm on Thursday 24th March 2016. Responses to all requests for clarification will be disseminated to all members of the panel within three working days.

Format of Tender

Tenders should be set out in the following format:

- Full details of the proposed service delivery plan, including an overview of the methodology and description of the discrete tasks proposed in order to deliver on the terms of reference
- Summary of the nature and structure of the team proposed to deliver the assignment, with details of the relevant expertise and experience of individual team members provided, and full CVs attached as an Appendix.
- The proposed cost of delivering on the terms of reference, both including and excluding VAT, and setting out any expenses to be incurred in the course of undertaking the assignment. Other requirements with regard to tender costing are set out below.

Cost

The tender should set out the proposed costs of undertaking the assignment. This must include specification of the consultants to be deployed in delivering the tasks set out in the service delivery plan, their respective daily rates and the number of days each will be deployed on each task. The total number of consultancy days in delivering the assignment must also be set out, along with the total cost, including both expenses to be incurred and VAT.

Evaluation Criteria

The evaluation of proposals will be based on the following criteria:

- Cost of the proposal (30%)
- Quality of tenderers service delivery plan, specifically tailored to meet the stated requirements of the Contracting Authority (50%)
- Suitability of the proposed team to meet the specific service requirements (20%)

Conflict of Interest

Any conflict of interest or potential conflict of interest on the part of the successful tenderer must be fully disclosed to the HEA.

Tax Clearance Certificate

Prior to the award of any Contract, the preferred tenderer shall promptly produce a Tax Clearance Certificate from the Irish Revenue Commissioners.

Freedom of Information / Confidentiality

The Contracting Authority undertakes to use its best endeavours to hold confidential any information provided by Framework Members in response to this SRFT, subject to obligations under law, including the Freedom of Information Act, 2014 <http://www.oireachtas.ie/documents/bills28/acts/2014/a3014.pdf>

Framework Members who do not want information supplied in their tender to be disclosed should identify such information clearly and specify the reason for its sensitivity (see **Appendix B**). The HEA will consult such Framework Members before making a decision on disclosure of the information concerned on foot of any relevant Freedom of Information (FOI) request, which may be received. However, the HEA can give no guarantee on the final outcome of any FOI request in any instance. The Contracting Authority may release all other information supplied by the Framework Member (without prior consultation with the candidate), in response to an FOI request. In addition, all Framework Members should note the commitment set out in the Public Service Reform Plan where details of purchase orders relating to the procurement of goods and services where the value is €20,000 and over (including VAT) may be published on the website of the Higher Education Authority.

The Contracting Authority requires that all information made available to Framework Members in the course of this tender competition be treated in strict confidence, unless indicated otherwise by the Contracting Authority in writing.

Acceptance of Tenders

The Contracting Authority reserve the right not to proceed with this supplementary tender (mini-competition) or any part of the supplementary tender process, or to change the basis of the supplementary tender and may terminate the supplementary tender (mini-competition) (or any part thereof) at any time. In such event, the Contracting Authority shall not be liable, howsoever, to any Framework Member. It is to be clearly understood by all Framework Members that nothing herein, or any communication between the Contracting Authority and Framework Members in connection with this supplementary tender (mini-competition) shall be relied upon as constituting a contract or agreement, or representation that any contract shall be offered in accordance herewith.

Insurance

Before being awarded a contract, a Service Provider **must** provide current certificates of insurance in relation to Public Liability Insurance and Employers Liability Insurance with an insurer licensed to carry on business in Ireland. Public Liability Insurance must contain appropriate Professional Indemnity cover with a limit of indemnity of not less than **€2.5 million** which must remain in place for the duration of any contract.

Higher Education Authority

March 2016