

Nottinghamshire Police and Crime Commissioner
Notice of Decision



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|------------------------------------|------------------------------------|
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| For Decision or Information | Information |
| Date received*: | 30.03.15 |
| Ref*: | 2015.19 |

*to be inserted by Office of PCC

TITLE: Procurement of Internal Audit Services

EXECUTIVE SUMMARY:

The Office of the Police and Crime Commissioner for Nottinghamshire is looking to establish a single supplier Framework Agreement solely for the Offices of the Police and Crime Commissioners and Chief Constables representing the East Midlands Region of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire and Nottinghamshire. Individual Call-Off Contracts by means of Direct Award will then be entered into by each of the Office of the Police & Crime Commissioners and Chief Constables jointly, against the requirements and terms set out in the Framework Agreement.

This is a retender of existing contracts in the region. The service has historically been provided by Baker Tilly LLP. Four suppliers (Baker Tilly, Lincolnshire County Council, TIAA and Mazars) were invited to tender for this Framework using the OJEU Restricted procedure and a full tender evaluation process (including presentations) was undertaken involving EMSCU (procurement), PCC Chief Finance Officers and nominated Audit Committee Members from across the East Midlands Region. The Invitation to Tender stated that any award decision would be based on the 'most economically advantageous tender' received, taking into account both price and non-price award criteria.

The duration of the Framework Agreement is only four years, but individual Call-Off Contracts maybe for an initial period of four years from 10 April 2015 to 31 March 2019 with the possibility to extend for a further 3 periods of 12 months until 31 March 2012.

The outcome of the process in terms of: (a) scores awarded against the various award criteria stated in the Invitation to Tender and (b) the total evaluated costs, based on the full potential 7 years of the Framework Agreement applying, the composite day rates tendered and the number of likely audit days stated in the Invitation to Tender, are as follows:

The outcome of this process is summarised in the table below:

| Evaluation Area | £ / Evaluation Scores [percentages] | | | |
|-----------------|-------------------------------------|------------|------------|------------|
| | Baker Tilly | Lincs CC | Mazars | TIAA |
| Price & Cost | ██████████ | ██████████ | ██████████ | ██████████ |
| [out of 30%] | 23.40 | 30.00 | 27.45 | 28.50 |

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| Specification Requirements [out of 30%] | 20.40 | 16.20 | 20.10 | 16.50 |
| Contract Management – IA Charter [out of 5%] | 4.00 | 4.00 | 4.00 | 3.60 |
| Contract Management – Other [out of 5%] | 3.80 | 3.05 | 3.55 | 2.90 |
| Added Value [out of 10%] | 7.00 | 8.00 | 6.50 | 6.50 |
| Presentation [out of 20%] | 14.00 | 11.60 | 14.00 | 13.60 |
| TOTAL [out of 100%] | 72.60 | 72.85% | 75.60% | 71.60% |
| Ranking | 3 | 2 | 1 | 4 |

The total budget identified available for the initial four year period of the Framework Agreement, as set out in the SOR originally received by EMSCU, is £942,800 excluding VAT, made up of the following:

Derbyshire - £36.7K per annum
 Leicestershire - £53K per annum
 Lincolnshire - £50K per annum
 Northamptonshire - £45K per annum
 Nottinghamshire - £51K per annum.

Based on the extent of Programmes of Audits incorporated within the Invitation to Tender and the composite day rates submitted by each tenderer, the projected total costs for the successful tenderer (Mazars) over just the initial term of 4 years is [REDACTED].

Based on the total budget figure for the East Midlands region as outlined above, this equates to a potential saving of [REDACTED].

Whilst not the lowest cost tenderer, Mazars LLP still represents a competitive bid and provides overall best value for money taking into account the scores achieved in respect of the various non-price criteria also. On this basis it is recommended that Mazars are appointed to this Framework Agreement.

Each Office of the Police & Crime Commissioner will be billed monthly @ 1/12th of the overall annual sum due to be reimbursed to the appointed service provider in respect of each Office of the Police & Crime Commissioner.

INFORMATION IN SUPPORT OF DECISION: (e.g report or business case)

EMSCU Tender Award Report.

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FINANCIAL INFORMATION (please include if is it capital or revenue or both. What the split is and the totals being requested. Is this a virement/ something already budgeted for or something that requires additional funding. Are there any savings that can be offered up/or achieved)

As identified in the report above.

Signature:
Chief Finance Officer

Date: 31. 03. 15

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|--|-----|-------------------------------------|----|--------------------------|
| Is any of the supporting information classified as non public or confidential information**? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| If yes, please state under which category number from the guidance** | | | | |
| It will be necessary to issue the PCC a redacted version for publishing on their website which does not identify the respective tenderers costs. | | | | |

DECISION:

That the Framework Agreement be awarded to Mazars.

OFFICER APPROVAL

I have been consulted about the proposal and confirm that the appropriate advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:
Chief Executive

Date: 31.03.15.

DECLARATION:

I confirm that I do not have any disclosable pecuniary interests in this decision and I take the decision in compliance with the Code of Conduct for the Nottinghamshire Office of the Police and Crime Commissioner. Any interests are indicated below:

The above request has my approval.

Signature:
Nottinghamshire Police and Crime Commissioner

Date: 31. 3. 15

** See guidance on non public information