

PSAA

Pre-procurement informal market engagement with potential suppliers

26 January 2022

What we're going to cover

- Welcome and introductions
- Latest position of opt-in acceptances
- Recap on 23rd November webinar, including timescales
- Information to be provided about each audit and Lots
- TUPE update
- Key areas of the contract
- Procurement outcome
- Terms of Appointment
- Post-procurement auditor appointments process
- The Dynamic Purchasing System (DPS)
- Next steps
- Further information
- Q & A

Our aim

To provide additional information on our procurement approach and the opportunity for you to ask questions or offer comment before the formal procurement process commences.

Please ask questions via the Q&A facility as we go (anonymously if you prefer)

Latest number of opt-in acceptances

Authority type (inc. Pension Fund where applicable)	Number (%)
Chief Constable	9 (24%)
Combined Authority	1 (10%)
Commissioner F and R Authority	0 (0%)
County Council	9 (38%)
District Council	56 (31%)
Fire and Rescue Authority	13 (52%)
Functional Body	0 (0%)
GLA and its functional bodies	1 (25%)
LG Misc	2 (50%)
London Borough Council	2 (6%)
Metropolitan District Council	12 (33%)
National Park Authority	6 (67%)
Passenger Transport Executive	3 (75%)
Pensions Authority	1 (50%)
Police and Crime Commissioner	9 (28%)
Police Fire and Crime Commissioner	0 (0%)
Unitary Authority	20 (34%)
Waste Disposal Authority	2 (40%)

22 September 2021:
issued 476 opt-in
invitations

By 25 January 2022:
146 (30%)
acceptances received
a further **92** going
through governance,
and more expected

So far **only 4** bodies
confirmed as making
local arrangements

11 March deadline

Recap on 23rd November webinar

- Assumption that broadly a similar number of bodies will opt in
- 13x Lots ranging from 18% to 1% of our total portfolio
 - 10x Standard Lots (of which three Lots will not contain PIE audits – 5%, 5% and 4%)
 - 3x Development Lots (which will not contain MLA nor PIE audits)
- Bidding rule changes
 - May award a supplier one or two Lots from Lots 1 to 10 OR one Lot from Lots 11 to 13
 - Where there is no eligible bid for a Lot (due to the above rule), tenderers who submit a bid rate for that lot will be reactivated – **therefore we encourage you to submit a bid rate for ALL lots**
 - no Tenderer will be awarded more work than its maximum capacity as per its ITT response (Part D)
 - If we are unable to award all Lots, we will explore all options to fulfil our statutory role
- Option to provide a second bid rate per Lot to be applied if it is a subsequent Lot win
- Standard Lots you can specify up to four areas where audits are least convenient / attractive – if appointed to audits in these areas we will uplift the bid rate 30% (*see slide 12*)
- 13 Sept is the latest date for unregistered firms to become accredited to obtain a contract
we recommend you have an early discussion with the Recognised Supervisory Body
- Same SQ response form used to apply for DPS but must upload separately
- Discretion to abandon in the event of an unsuccessful outcome (*see slide 19*)

Final version of procurement strategy issued w/c 31 January 2022 to reflect changes to...

- the Appointing Person Regulations and
- our approach since Sept 2021 such as the Lot details and bidding rules

Indicative timescales for our procurements (no change)

Activity	Target date
Contract Notice published, procurement documentation including contract terms made available on Delta e-tendering platform – also Contract Notice published for DPS	7 February 2022
Deadline for submission of clarification questions on the SQ documentation	1 March 2022
Deadline for eligible bodies to submit their opt-in acceptance	11 March 2022
Final date by which responses to clarification questions made available to Potential Supplier	15 March 2022
Deadline for submission of completed SQ through Delta (SQ return date) and for applications to ICAEW to become a local auditor	Noon, 18 March 2022
Earliest date for SQ submission for DPS (submit same form of response as main procurement)	will avoid you needing to recheck or update before submission
Evaluation of selection questionnaire responses and PSAA Board to confirm shortlist to be invited to tender and also suppliers to be appointed to the DPS (a 10-day standstill period will follow)	19 March to 4 April 2022
Invitation to tender issued to shortlisted Potential Suppliers, via Delta	Noon, 7 April 2022
ITT Part E (information on bodies where an independence issue exists) and ITT Part F (Fee scale information on bodies) made available to shortlisted Potential Suppliers	
Deadline to inform PSAA of those attending the briefing session ap2@psaa.co.uk	Noon, 12 April 2022
Briefing session (via Zoom) for shortlisted Potential Suppliers	10am–12pm, 13 April 2022
DPS will become operational for use as and when required	May 2022
Deadline for submission of clarification questions on the ITT	14 June 2022
Final date by which PSAA will respond to clarification questions on the ITT	28 June 2022
Deadline for Tenderers to confirm their intention to submit a Tender Response	4 July 2022
Deadline for submission of completed invitations to tender through Delta (tender return date)	Noon, 11 July 2022
Tender evaluation	12 to 22 July 2022
Contract award decision made by PSAA Board	4 August 2022
Standstill period	5 – 16 August 2022
Contract award	late August 2022

Information to be provided about each Lot

Illustrative Lot content only (the actual allocation of audits to each Lot will be determined once the actual number of opted-in bodies is known and the procurement has concluded)

Lot	%	Single tier and county councils*	District councils	Police and fire bodies**	Other local government bodies	Pension fund audits***	Total audits	ABNV
1	18%	26 – 28	28 – 30	17 – 19	3 – 5	12 – 14	89 – 91	£5.9
2	16%	23 – 25	26 – 28	15 – 17	3 – 5	11 – 13	84 – 86	£5.3
3	14%	20 – 22	23 – 25	12 – 14	2 – 4	9 – 11	72 – 74	£4.6
4	12%	18 – 20	19 – 21	10 – 12	2 – 4	8 – 10	62 – 64	£4.0
5	8%	14 – 16	9 – 11	9 – 11	2 – 4	7 – 9	41 – 43	£2.6
6	7%	11 – 13	9 – 11	9 – 11	2 – 4	6 – 8	37 – 39	£2.3
7	6%	7 – 9	10 – 12	5 – 7	2 – 4	4 – 6	32 – 34	£2.0
8	5%	7 – 9	7 – 9	5 – 7	2 – 4	2 – 4	23 – 25	£1.6
9	5%	7 – 9	7 – 9	5 – 7	2 – 4	2 – 4	23 – 25	£1.6
10	4%	5 – 6	7 – 9	2 – 4	2 – 4	2 – 4	21 – 23	£1.3
11	2%	0	12 – 14	2 – 4	2 – 4	0	16 – 18	£0.7
12	2%	0	12 – 14	2 – 4	2 – 4	0	16 – 18	£0.7
13	1%	0	2 – 4	5 – 7	2 – 4	0	9 – 11	£0.3
Total number of audits	100%	147	180	112	29	73	541	
Total ABNV £M		£18.4	£8.5	£3.2	£1.0	£1.8	£32.9	£32.9

Notes

* Unitary Councils, Metropolitan Borough Councils, London Borough Councils and County Councils

** Also includes LG functional bodies, combined authorities, national parks, waste disposal authorities, pension authorities, and LG miscellaneous bodies

*** Pension fund audits are part of the administering body, so not separate bodies

Information to be provided about each audit (1)

- provided in Excel format as Part F of the ITT documentation
- available on 7 April 2022
- will contain:
 - Average scale fee data by body type (example see below)
 - Detailed scale fee and fee variation information by individual body (format shown on the next slide)

Body type	No. of bodies	Scale fee 2020/21 (£)	Scale fee 2021/22 (£)	Basis for bid ABNV (£)
Chief Constable	37	15,729	15,844	19,454
Combined Authority	10	31,241	32,180	37,485
Commissioner F and R Authority	4	31,249	31,999	38,660
County Council	24	85,884	88,680	99,411
District Council	180	39,573	41,071	49,381
Fire and Rescue Authority	25	25,289	26,044	32,478
Functional Body	1	13,860	17,080	22,869
GLA and its functional bodies	4	59,757	62,357	100,926
LG Misc	4	20,768	20,768	37,223
London Borough Council	32	127,097	129,403	145,492
Metropolitan District Council	34	117,884	121,130	138,345
National Park Authority	9	9,825	10,281	15,541
Passenger Transport Executive	4	29,064	29,064	34,053
Pension Fund audit	73	19,708	19,811	26,472
Pensions Authority	2	31,676	36,065	39,990
Police and Crime Commissioner	32	28,783	29,877	34,967
Police Fire and Crime Commissioner	3	23,986	23,986	32,330
Unitary Authority	57	101,939	104,269	118,457
Waste Disposal Authority	5	15,605	15,905	28,443
	540	51,547	52,954	62,351

- modest increase shown between the average 2020/21 and 2021/22 scale fees due to limited recurring fee variations
- more significant increase between 2021/22 scale fee and the basis for bid pricing due to the addition of actual and estimated recurring fee variations for 2019/20 audits

Information to be provided about each audit (2)

ITT Part F

					A	B				Sum of B=C	A+C=D	E					Sum of E=F	G	F+G=H	I	D+H+I=J	K				
					2020/21	2018/19 recurring fee variations -bake-in					2021/22	2019/20 approved recurring fee variations -bake-in											FOR INFORMATION ONLY			
Organisation	PIE	Sector Type	No. of bodies	2019/20 Fee variation submitted?	Scale fee 2020/21	Group	Pension valuation	Public Interest Entity	Property Plant Equipment valuation	Total 2018/19 recurring fee variations -bake in	Scale fee 2021/22	Group	Pension valuation	Public Interest Entity	Property Plant Equipment valuation	Increased FRC Challenge	PFI	Total 2019/20 approved recurring fee variations -bake in	Estimate of 2019/20 recurring fee variations to bake in	Total 2019/20 recurring to add to ABNV	Impact of rate card uplift 25%	ABNV	Estimate fee New Code	Estimate fee New / revised Standards	Estimate fee total	
Example Audit 1		District Council	1	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Example Audit 2		District Council	1	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£

A= Scale fee set by PSAA for audit year 2020/21

B= approved recurring fee variations by fee variation category for audit year 2018/19

C= the total of B, that is the total approved recurring fee variations for audit year 2018/19

D= A+C = 2021/22 scale fee, that is 2020/21 scale fee plus total approved recurring fee variations for audit year 2018/19

E= approved recurring fee variations by fee variation category for audit year 2019/20 less any already baked in for audit year 2018/19

F= the total of E, that is the total approved recurring fee variations for audit year 2019/20 less any already baked in for audit year 2019/20

G= for bodies where fee variations have not been submitted, an estimate based on the average approved recurring fee variation for that body type as a % of the scale fees

H= F+G, that is the total approved recurring fee variations for 2019/20 to be included in the ABNV

I= the impact of the 25% increase in the fee variation rate card for 2020/21 applied to approved recurring fee variations baked in or expected to be baked in are uplifted by 25%

J= D+H+I (ABNV) – 2021/22 scale fee plus total recurring fee variations (actual and estimated) for 2019/20 to be included in ABNV plus the impact of the increase in the baseline rate card by 25% from the 2020/21 audits

Notes

1) Bids should be based on the calculated ABNV (J)

2) K columns provided for information only. Bidders should not build into their bid rate the work in relation to the New Code and ISA 540. PSAA will include in the 2023/24 scale fees any recurring fee arising from the New Code and ISA540

To provide further context to the audits, we will also provide information on non-recurring fee variations.

TUPE update

- Wrote to incumbent firms to seek their views on application of TUPE
- Received responses from all five firms
- Consensus that TUPE is unlikely to apply, but it will only be possible to determine definitively once the outcome of the procurement is known

Key areas of the contract (overview)

- Remuneration mechanics
- Application of the geographic premium
- Fee variation mechanics
- Milestone-based payment mechanism
- Key performance indicators
- Contract management, aligned to CCS model services contract
- Information and reporting
- Contribution to the cost of the CIPFA subscription for LG
technical documents: incorporated into the contract, pro-rata to Lot size

Key areas of the contract (1)

Remuneration mechanics

Different to the 2017 contracts to increase transparency to:

- decouple the Audit Fee (paid by bodies) and the Services Fee (payable to a supplier)
- manage the payment of the geographic premium, where appropriate
 - achieved through use of “Out” and “In” versions of key terms to signal whether audits are outside of, or within the geographical areas you specify in your ITT

Outcome is the same, suppliers are remunerated in full as per their bid rate, plus the 30% geographic premium where appropriate

Key terms

- Audit Fee
- Audit Fee Adjustment (*for example to reflect the outcome of the procurement given that our national scheme pools suppliers' costs across all opted-in bodies*)
- Services Fee
- Bid Rate
- Remuneration Rate – used to reconcile the difference between Audit Fee and Services Fee, as a result of our national scheme in which the Audit Fees paid by each opted-in body are based on pooled suppliers' costs rather than the fees payable by their appointed auditor
- Fee variations
 - Audit Fee Variation (paid by bodies)
 - Services Fee Variation (payable to a supplier)
- Inflation / Indexation:
 - applied annually from 1 April 2024 to 1 April 2028
 - Services Fee and Fee Variation Rate Card

Key areas of the contract (2)

Application of the geographic premium

A supplier bidding for any of Lots 1 to 10 (the Standard Lots), can indicate up to four geographical areas from a predefined list of 40 areas that are least attractive / convenient for it to audit

If supplier is appointed to audits in these selected areas, we will uplift their bid rate 30% for those audits

The response to this question will apply to all Lots that the supplier has bid for

This question is not evaluated, it is for information only

A fictional example to show how will it work...

Supplier's Bid Rate = 100%

Supplier's tender response includes the area of the Tees Valley as a least attractive/convenient to audit

We appoint the supplier to Redcar and Cleveland Council (RCC) as they are the only independent contracted supplier

The ABNV for RCC listed in Part F of the ITT is **£135,000**

Scenario 1: no recurring fee variations are baked for the 2022/23 or 2023/24 audits...

- the supplier's Services Fee for the RCC audit in 2023/24 = $£135,000 \times (100\% \times 30\%) = \mathbf{£175,500}$

OR

Scenario 2: £30,000 of recurring fee variations are baked in for the 2022/23 audit, and a further £10,000 of recurring fee variations are baked in for the 2023/24 audit...

- the supplier's Services Fee for the RCC audit in 2023/24 = $(£135,000 + 30,000 + 10,000) \times (100\% \times 30\%) = \mathbf{£227,500}$

In years 2 onwards of the contract, the Bid Rate is substituted in this calculation with the Remuneration Rate. This does not affect the value of the Services Fee payable to the supplier. The Services Fee is only ever adjusted by inflation and/or more or less work

Key areas of the contract (3)

Fee variations terminology

Audit Fee Variation: an increase or decrease to the **Audit Fee** due to a **Fee Variation Event**

Fee Variation Event: any of the circumstances enabling PSAA to vary an **Audit Fee** in respect of an Audit Year pursuant to regulation 17 (2) of the 2015 Regulations including a Specific Change in Law unless the effect of that Specific Change in Law on the Services was known, or ought reasonably to have been known, by the Supplier before the Tender Return Date

Fee Variation Rate Card: the hourly rates for the category of fee earner set out in Contract Schedule 6 - calculated by the baseline rates multiplied by the Supplier's bid rate

Fee Earner	Baseline hourly rate	Supplier Y bids 100% Supplier Fee Variation Rate Card from April 2023
Partner or Director	£165	£165
Senior Manager or Manager	£91	£91
Senior Auditor	£59	£59
Other	£45	£45

Services Fee Variation: an increase or decrease to the **Services Fee** as a result of a **Fee Variation Event**, calculated by number of hours by grades multiplied by the rates in contract Schedule

Two simple fictional examples are shown on the next slide

Key areas of the contract (4)

Fee variations - two simple fictional examples

Fee Earner	Baseline hourly rate	Supplier Y Fee Variation Rate Card (Baseline rate x supplier bid rate of 100%)	Supplier Z Fee Variation Rate Card (Baseline rate x supplier bid rate of 115%)	Opted-in bodies Rate Card from April 2023 (PSAA determines as part of the annual fee setting process)
Partner or Director	£165	£165	£190	£182
Senior Manager or Manager	£91	£91	£105	£100
Senior Auditor	£59	£59	£68	£65
Other	£45	£45	£52	£50

Fee Earner	No of hours	Supplier Y Remuneration	Supplier Z Remuneration	Amount Suppliers Y & Z invoice the opted-in body
Partner or Director	4	£660	£760	£726
Senior Manager or Manager	10	£910	£1,050	£1,001
Senior Auditor	25	£1,475	£1,700	£1,623
Other	0	£0	£0	£0
TOTAL		£3,045	£3,510	£3,350
		Supplier pays PSAA £305	PSAA pays supplier £160	

Key areas of the contract (5)

Milestone-based payment mechanism

Rationale: to align opted-in bodies' payment with the progress of delivery of the audit

Milestone	Instalment Payment
Year 1 where the auditor is newly appointed to an Audited Body - invoice on or around 1 October 2023	25% of the Audit Fee
Year 1 where there is continuity of auditor - invoice on production of the previous year's Auditor's Annual Report	
Year 2 onwards - invoice on production of the previous year's Auditor's Annual Report	
Production of the draft Audit Plan to Audited Body	25% of the Audit Fee
Planned hours (50% complete)	25% of the Audit Fee
Planned hours (75% complete)	25% of the Audit Fee

- We issue work-in-progress (WIP) templates to each firm on a quarterly basis
- Firms will complete the WIP template by stating the %complete against the payment milestones for each audit
 - calculated by extracting time recording data from internal systems and comparing to planned/projected hours
- **A firm will be remunerated in full as per its bid rate**, with its remuneration rate determining whether the balancing payment is made by PSAA to the supplier or vice versa

Key areas of the contract (6)

Key Performance Indicators

- KPIs or KPI measures can be changed once per year
- Delivery against KPIs to be reviewed quarterly with the supplier

KPI description	KPI measure
<p>Production of the draft Audit Plan to the audited body by 30 April</p> <p>NB. dates will be set and updated to reflect the timetable for undertaking audits required by the Accounts and Audit Regulations 2015 (as may be amended)</p>	<p>100% of audits</p> <p>(where prior year's audit opinion was given by end of December)</p>
<p>Completed delivery of 50% of planned audit hours by 31 July</p> <p>NB. as above</p>	<p>90% of audits</p> <p>(where prior year's audit opinion was given by end of December)</p>
<p>Completed delivery of 75% of planned audits hours by 31 August</p> <p>NB. as above</p>	<p>90% of audits</p> <p>(where prior year's audit opinion was given by end of December)</p>
<p>Completed delivery of 100% of planned hours by 31 December based on the current extension of the VFM commentary by 3 months</p> <p>NB. as above</p>	<p>100% of audits</p> <p>(where prior year's audit opinion was given by end of December)</p>
<p>Where an audit for an opted-in body subject to a Delay, communication with the body takes place every three months</p>	<p>100% of audits</p>
<p>Management of objections in accordance with Code of Audit Practice 5.6 - where the auditor is not able to decide the objection within six months, they should inform the objector and the authority and provide a further update on progress every three months until the objection is decided</p>	<p>100% of audits</p>

Key areas of the contract (7)

Contract management, aligned to CCS model services contract

- Quarterly contract management meetings to review supplier performance to identify and agree any changes or improvements to the Services that may then be pursued pursuant to the Review Procedure
- Review Procedure to enable and manage change to the method statements provided as part of tender response (*the how, not the what*), for example to align with changes in industry good practice or audit requirements
- Rectification Plan Process in the event of a Notifiable Default:
 - **Delay** - failure to meet or satisfy a date for the provision of information or reports or other requirements as set out in this Contract including a Method Statement, Supplementary Guidance or the Terms of Appointment
 - failure to achieve a KPI Measure
 - a default that has or may have an adverse effect on the provision of the Services
 - failure to comply with its Method Statement obligations or procedures
- Annual quality review report process
 - FRC and associated reports (*these are not shared outside of PSAA*)
 - Satisfaction survey with opted-in bodies
 - Delivery of social value
 - Information assurance/data confidentiality
 - Compliance with Terms of Appointment incl. any complaints
 - Report published on our website and shared with our Advisory Panel

Key areas of the contract (8)

Information and reporting

Annual contract management activities expected from suppliers are:

- 4x work-in-progress return (detailed) - excel format (September, December, March, June)
- Provision of quarterly updates of contact details where the holder of the role of S151 officer at audited bodies has changed - excel format (September, December, March, June)
- Provision of quarterly updates of contact details of those holding the role of Key Audit Partner (Engagement Lead) and Audit Manager for each audit has changed - excel format (September, December, March, June)
- Timely engagement with research on fee-related matters
- Timely engagement with the PSAA team to support a detailed review of changes to their audit programme (to enable us to understand the approach)
- Provision of assurance and evidence of service delivery aligned to ITT response submission such as information assurance/data confidentiality, social value, compliance with Terms of Appointment and complaints

We will provide the timetable for the annual activities by 30 June of each year

Procurement outcome

- One of our most important obligations is our statutory duty to make an appropriate auditor appointment to each and every opted-in body
- We hope to conduct a successful procurement which will deliver our procurement strategy aim and objectives and will enable contracts to be awarded to an increased number of successful bidders at the conclusion of the process.
- However without a supplier of last resort, we are wholly dependent on you, the market, to respond.
- In the event that the procurement fails to attract sufficient capacity aligned to our strategy, our duty to make appointments to all bodies will still apply. We will therefore be obliged to consider alternative options including exercising our right to extend one or more of the existing 2017 audit services contracts which would secure capacity for up to a further two years.
- In judging whether the tenders we receive are aligned to the aim and objectives of our procurement strategy we will consider a number of factors (and the interaction between them) including:
 - the impact on overall sustainability of the local government audit provider market
 - the relative value for money for opted-in bodies of provisional winning tenders across all lots, which will be informed by the relative quality offered and the degree to which the bid rates are greater or less than the bid rates of other provisional lot winners
 - any government, system leader, regulatory or other policy announcements or clarifications relevant to the exercise of PSAA's functions

Terms of Appointment

An important document that all Key Audit Partners and Contract Managers should be familiar with it:

- provides guidance and sets out procedures and requirements for performing the Services under the contracts
- is a single point of reference for matters of practice and procedure which are of a recurring nature

General principles	Audit timetables and reporting audit results	Exercise of specific powers and duties of local government auditors	Other matters
<ul style="list-style-type: none"> • Integrity, objectivity and independence • Rotation of key staff • Arrangements for non-code work • Links with audited bodies • Positive actions to assure independence • Other auditors • Gifts and hospitality • Confidentiality 	<ul style="list-style-type: none"> • Timetable for completing the audit • The audit report and opinion • Auditor's annual reports • Reporting to PSAA 	<ul style="list-style-type: none"> • Objections at audit • Cost of objections at audit work • Communications with objectors • Other Statutory reporting <ul style="list-style-type: none"> - Public Interest Reports - Advisory Notices 	<ul style="list-style-type: none"> • Audit fees and fee variations • Work in progress and fee information • Contact information • Indemnities • Cooperation with other auditors • Complaints • Audit quality monitoring arrangements • Responding to information requests

Post-procurement auditor appointments (recap)

The auditor appointment process commences following contract award

Step 1 – development of proposed auditor appointments, we consider

- those areas identified by successful bidders as being least convenient for them to audit, then
- have regard to the following six principles and the status of prior year audits:
 - auditor independence (most important principle)
 - any contractually guaranteed levels of work are met
 - a blend of authority types for each audit firm
 - taking account of a firm's principal locations and geographic preferences (as per ITT response)
 - continuity of audit firm for the opted-in body, where appropriate
 - any joint/shared working arrangements between local bodies where possible
- we provide each firm with a balanced portfolio of proposed appointments, and seek firms' views

Step 2 – consult opted-in bodies on proposed auditor appointment

- either can accept the proposal or make representations against the proposal
- where proposal is accepted, no further action is required
- where representations are made, these are carefully considered and either formally accepted or rejected
 - where accepted, we consult on a revised appointment proposal
 - where rejected, we explain the reasons why

Step 3 – PSAA Board approves the proposed appointments

Post-procurement auditor appointments indicative timeline

Activity	Indicative timing
Development of auditor appointment proposals	by 29 August 2022
Consultation with firms on proposed appointments incl. revisions	2 - 23 September
Prepare for and issue initial consultation cycle with opted-in bodies including PSAA board consideration of feedback	26 September - 18 November
Further consultation on alternative proposal with opted-in bodies, where needed including PSAA Board consideration of feedback	21 November - 16 December
Issue notices to opted-in bodies (copy to auditors) and publish on website	by 31 December 2022

We have listened to your feedback for a longer window to respond to the tender. As such there is very little flexibility in this timeframe – we want to provide potential suppliers with as much advance notice as possible of this key period in September 2022

The DPS

- Aim to have **as much consistency as possible** between the procurement approach and contract terms used for the main procurement and in call-off competitions under the DPS
- **DPS Handbook** produced to provide a guide to how the DPS will work
- Call-off competitions will either cover **one or more named audits** or **a volume of work of unnamed audits**
- **Before starting a call-off competition for multiple named audits**, we will ask all appointed suppliers if they have any threats to independence with those audits. We will use this information when considering how to package up those audits into call-off competition(s)
- A supplier who has applied to become a local auditor can apply to join the DPS and may be admitted, however **a supplier must achieve accreditation before responding to a call-off competition we strongly recommend an early discussion with the Recognised Supervisory Body**
- If the estimated total value of a tender (call-off competition) is expected to exceed the PCR 2015 threshold value, we will observe **a 10-day standstill period**
- Contract Notice publication will make available the ITT documentation in *template form*
- ITT documentation for each call-off competition will be updated within stated parameters
- Evaluation flexibility within stated parameters for each call-off competition
 - Ratio: Quality between 65-85% and Price between 35%-15%
 - Quality sub-criteria (aka the quality questions)

Next steps

31 January – PSAA Board approval to launch procurement

w/c 31 January – updated Procurement Strategy published

Noon 7 February – Contract notices published for both **Main & DPS** opportunities, procurement documents become available

1 March – deadline for submission of clarification questions on the SQ process

To respond to the **MAIN** procurement opportunity

- noon 18 March 2022 – upload to Delta your completed Selection questionnaire Part B response and supporting documentation (**absolute deadline**)
- Noon 7 April – Invitation to Tender to be issued to suppliers that passed the SQ stage
- 13 April 10am to 12pm – formal tender briefing via Zoom

To respond to the **DPS** procurement opportunity

- from noon 18 March 2022 – upload to Delta against the DPS opportunity, **the same** completed Part B response and supporting documentation (*to avoid the need for rework or additional work, we encourage you do this immediately after successfully uploading your SQ response to the Main procurement*)
 - potential suppliers can apply to join the DPS at any time by completing the SQ response
 - During May – we anticipate that the DPS will become operational

Reminder - check your firm is registered with Delta and contact email is correct

Your thoughts....

Our contract terms are complicated so can take a while to grasp so please tell us via this anonymous poll whether:

- you would value a webinar in February (during SQ stage) to walk through the detail of the contract; and/or
- you would prefer a webinar as part of the ITT stage (13 April)?

Further Information

Julie Schofield, Senior Manager

Tony Crawley, Chief Executive

email: ap2@psaa.co.uk

web: www.psaa.co.uk/about-us/appointing-person-information/appointing-period-2023-24-2027-28/