

# Invitation to Tender – Financial Services

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# 1. Background

## 1.1 Company Details

### Legal Structure

Colleges Scotland is a charitable company limited by guarantee and registered as a charity in July 1995. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

### Objectives and Activity

Colleges Scotland is the voice of the college sector in Scotland. 26 colleges operate in 13 regions across Scotland, allowing them to plan nationally and regionally, as well as deliver locally, and there are three regional strategic bodies co-ordinating approaches for colleges in the Highlands and Islands, Glasgow, and Lanarkshire regions.

### Vision

When Colleges Thrive, Scotland Thrives. Colleges Scotland as the voice of the sector supports the delivery of thriving colleges at the heart of a thriving Scotland.

### Purpose

Colleges Scotland exists to promote, influence and exemplify colleges as they deliver world-class education and training to students and their contribution to Scotland's economic, climate, social, and international ambitions.

Colleges Scotland Strategy and the Sector's Statement of Ambition are available to read on our [website](#).

### Funding

#### Subscriptions

Colleges Scotland is funded through membership subscriptions and exists to represent its members' interests. Our members are the publicly funded colleges in Scotland. Budgeted membership subscriptions for 2022-2023 are £892,665.

#### Scottish Funding Council Grant

Colleges Employers Scotland (formerly the Employers' Association) was established in 2016. It is financed through a separate grant provided by the Scottish Funding Council (SFC) to support the implementation of National Bargaining across the college sector. Following the initial three-year funding period (2016-2019), a further two-year period of funding (2019-2021) was secured, with a further one-year period of funding (2021/2022) secured.

In February 2022, a new top sliced funding model was agreed by employers and the SFC. It was agreed by the SFC to fund £800,000 for Academic Year (AY) 2022/23 from SFC's non-core programme funds. For AY 2023/24, £546,000 will be top sliced from the college sector budget with a further £450,000 transitional funding from non-core programme funds. The full top slice of £996,000 per annum will commence from AY 2024-25.

## 1.2 About This Tender

Our current supplier no longer has capacity to provide us with financial services and has given us notice of their intent to terminate the agreement on 30 June 2023. Colleges Scotland therefore is inviting tenders for the provision of external financial services with effect from 1 June 2023 with handover period in May 2023.

Colleges Scotland's objectives for this tender process are to:

- Secure a high-quality provider of external financial services in a manner consistent with good industry practice.
- Ensure the appointed supplier is in place in readiness for 1 June 2023 with handover period in May 2023.
- Appoint a supplier who will provide high standards of professional service.
- Appoint a supplier who will provide excellent value for money.
- Work with a financial supplier who will add value to our services.

## 1.3 Instructions to Tenderers

Tenders will be considered in a two-step process:

1. Step one will involve the submission of a written proposal addressing each of the areas described in Paragraph 1.5 below.
2. Step two will involve shortlisted candidates being invited to an interview with our selected panel, followed by a questions and answers session. The interview will be held online.

## 1.4 Process and Timescales

The process for selection is summarised as follows:

Date	Stage
W/c Monday 20 February 2023	Colleges Scotland issue Invitation to Tender
Friday 17 March 2023 (1200)	Deadline for Tender Submissions
W/c Monday 20 March 2023	Evaluation of Tenders and shortlisting
W/c Monday 27 March 2023	Interview with selection panel
W/c Monday 10 April 2023	Preferred supplier notified
May 2023	Transfer over of the service
1 June 2023	Contract starts

## 1.5 Tender Response

The proposal document shall include the following information and should be no longer than 20 pages.

	Weighted Scoring
<b>1. The Organisation</b>	<b>20%</b>
<ul style="list-style-type: none"> <li>• A description of the organisation.</li> <li>• Size and structure of the organisation.</li> <li>• Financial accounting systems you use.</li> <li>• Industry experience and client base.</li> </ul>	
<b>2. Resourcing</b>	<b>20%</b>
<ul style="list-style-type: none"> <li>• Which staff would oversee the service and which staff would work with the Colleges Scotland Finance Lead on a day-to-day basis.</li> <li>• What would be the estimated time allocation of each staff member per month.</li> </ul>	
<b>3. Financial Services</b>	<b>30%</b>
<ul style="list-style-type: none"> <li>• Package One: Budgeting, Management Accounts, Payments and Banking (Income and Expenditure)</li> <li>• Package Two: Salaries</li> <li>• Any or both packages: Online Monthly Meetings</li> </ul>	
<b>4. Costs</b>	<b>30%</b>
<ul style="list-style-type: none"> <li>• Fee proposal to be separated by activity and daily or hourly rate of key staff.</li> <li>• What would be the fee for additional work.</li> </ul>	
<b>5. Compliance</b>	<b>0%</b>
<ul style="list-style-type: none"> <li>• General overview of the schedule and timing of billings (Currently we pay every 6-months in advance).</li> <li>• Basis for agreeing fees for other financial related services.</li> <li>• Basis for agreeing fees in future years.</li> </ul>	

**Note:** Please ensure you respond using this format. If you need to provide additional documents (certificates, etc.) please reference these in your submission and add them as appendices.

## 2. Specification

### 2.1 Financial Services

The technical requirements are those elements of the contract that relate directly to the delivery of financial services.

**There are 2 packages of financial services, and you may tender for 1 or both packages. Please supply individual prices for each package. Not tendering for both packages will NOT be detrimental to the consideration of your tender.**

The primary role of the financial services provider will be to support Colleges Scotland by processing and preparing the following:

#### **Package One: Budgeting, Management Accounts, Payments and Banking**

##### ***Budgeting***

- Agree Financial Calendar
- Annual Budget for individual areas
- Provide support with Subscription Modelling
- Quarterly Forecasts for individual areas
- Monthly Management Accounts for individual areas with Commentary explaining key variances over £1k
- Monthly Reconciliations
- Quarterly Reporting that includes Management Accounts, Balance Sheet, Aged Debtor and Creditor, and Forecasted Outturn commentary
- Year-end Statutory Accounts, including notes and disclosures
- Prepare and Assist with the Year-end Audit

##### ***Book Keeping***

- Agree Financial Calendar
- Purchase Invoices
- Raise Sales Invoices and Credit Notes
- Supplier Statements
- Petty Cash Claims
- Process Cash Receipts

##### ***Banking***

##### ***Income***

- Credit Control
- Treasury Management
- Monitor Bank Accounts and undertake transfers between accounts (monthly reconciliations). *Please note the supplier must set up the system to allow payments to be made directly from Colleges Scotland's bank accounts.*

##### ***Expenditure***

- Creditor Payment Runs
- Credit Card Transactions
- Expense Claims for Staff
- Expenses Claims for External Speakers and Board Members

## Package Two: Salaries

- Monthly Payroll
- Provision of pay slips with Colleges Scotland's logo
- Statutory Payments and Deductions
- Year-end Returns for HMRC and Pension Companies

## 2.2 Financial Timetable

A Financial Timetable is prepared jointly each year to plan for the year ahead. The financial year end is 31 July.

### Package 1

The year-end reports prepared August/September in line with our Audit Fieldwork. Monthly management accounts and quarterly forecasts are required for the Finance and General Purposes Committee to review and recommend to the board at their quarterly board meetings. March/May time sees the start of our subscription modelling and draft budget preparation for the final sign off by the board at their June board meeting.

Online monthly meetings are held with Senior Leadership Team, Finance Lead and other relevant staff to discuss management accounts and quarterly forecasts.

### Key Dates

Date	Package	Action
August/September	Package 1	Prepare Year-end Statutory Accounts, including notes and disclosures
August/September	Package 1	Audit Fieldwork with External Auditors
March/May	Package 1	Subscriptions Modelling and draft Budget preparation
June	Package 1	Budget Signed off at Board meeting
July	Package 2	Process Year-End Returns for HMRC and Pension Companies

## 2.3 Additional Services

On an ad-hoc basis Colleges Scotland may request additional services from the supplier. Any such service would be subject to a fee quotation being supplied. The supplier should indicate what services they would be prepared to offer.

## 2.4 Added Value Services

The supplier should state if there are any free-of-charge services they would wish to provide to support Colleges Scotland.

## 2.5 Contract Duration

The initial contract will be for three years, renewable annually by Colleges Scotland. Renewal would be dependent on satisfactory performance during the previous year. Colleges Scotland will also have an option to extend the contract by up to a further three years, again at the discretion of Colleges Scotland based on satisfactory performance.

## 2.6 Account Management

The supplier will nominate a main point of contact to be responsible for Colleges Scotland's financial services.

The day-to-day contact at Colleges Scotland will be the Finance Lead. With the Director of Strategic Policy overseeing the service.

## 2.7 Implementation Plan

Suppliers should indicate what their programme would be from June 2023 if they are selected to provide financial services for Colleges Scotland. This should include what preparation they would undertake during May 2023 and what input, support or information is required from Colleges Scotland.

## 2.8 Terms & Conditions

Tenderers are required to submit a copy of their standard terms and conditions of contract for review by Colleges Scotland.

## 2.9 Price Changes

Colleges Scotland will not accept an annual price increase without a clear justification showing costs to the appointed supplier have increased.

## 2.10 Return of Tender Documents

An electronic copy of your proposal should be sent to Kirstie Laird, Board/Office Admin Officer, Colleges Scotland, by email [kirstie.laird@collegesscotland.ac.uk](mailto:kirstie.laird@collegesscotland.ac.uk) no later than **1200 on Friday 17 March 2023**. Please ensure the email subject includes '**Financial Services Tender 2023**'.

If you require further information on this tender, please contact:

Andy Witty  
Director of Strategic Policy  
Colleges Scotland  
Argyll Court  
Castle Business Park  
Stirling  
FK9 4TY

[andy.witty@collegesscotland.ac.uk](mailto:andy.witty@collegesscotland.ac.uk)