

Invitation to Tender

Audit services framework agreement

2023-01-13

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1 Introduction

1.1 Background

Stiftelsen Stockholm International Water Institute (SIWI) intends to enter into a framework agreement for audit services with one (1) service provider. The services, period of agreement and estimated volume of services are described in Section 2.2–2.4 below.

SIWI is part of a group consisting of three foundations. The foundations included in this group are described in Section 1.3 below.

The audit services are divided into two lots as follows:

1. Annual statutory, external audits of three foundations
2. Audits and agreed-upon procedures of grant-funded development projects

As for the project audits that comprise Lot 2, the following can be said. SIWI implements and participates in externally funded development projects around the world. The overarching objective of these projects is poverty reduction with a focus on sustainable, equitable and efficient allocation and sharing of water. SIWI's projects are normally funded by grants provided by the financiers such as the Swedish International Development Cooperation Agency (Sida), other public development and environment agencies, international organizations, independent foundations, and trusts.

The funding of a specific project in accordance with the above is normally regulated by a grant agreement between SIWI and the financier for the specific project. Under these grant agreements, SIWI is normally required to have the project audited by an independent, and qualified auditor in accordance with international standards issued by the International Auditing and Assurance Standards Board (IAASB).

1.2 Purpose

The purpose of this procurement is to procure audit services on a framework basis.

1.3 Stockholm International Water Institute, SIWI

SIWI is a water institute which leverages knowledge and convening power to strengthen water governance for a just, prosperous and sustainable future. SIWI implements and participates in development projects around the world and arranges the annual World Water Week in Stockholm. SIWI is an independent, non-profit institution, constituted as a foundation in Sweden.

Name: Stockholm International Water Institute
Organization number: 802425-8702
VAT identification number: SE802425870201
Postal address: Box 101 87, 100 55 Stockholm
Visiting address: Linnégatan 87A, 115 23 Stockholm
Telephone: +46 8 121 360 00
Website: www.siwi.org

SIWI is part of a group of foundations which includes the following three foundations: SIWI, Stiftelsen Stockholm Water Foundation (SWF), and Stiftelsen till förmån för Stockholm Water Foundation och Världsvattenveckan i Stockholm (FMS). All three foundations are constituted in accordance with Swedish law and based in Stockholm.

SWF is managed by a Board of Directors under own management (*egen förvaltning*), while SIWI and FMS are under the attached management (*anknuten förvaltning*) of SWF. This means that SWF's Board of Directors is responsible for the management of all three foundations.

Most of the foundation group's operations are carried out by SIWI in the form of grant-funded development projects. In addition to these projects, SIWI also holds the annual water conference World Water Week and carries out consultancy assignments which are fewer in number and smaller in scope than the grant-funded projects.

All three foundations prepare annual financial statements in accordance with the Swedish Annual Accounts Act (ÅRL) and BFNAR 2012:1 Årsredovisning och koncernredovisning (K3). For more information about the foundations, please see the documents in **Annex F: Foundation documents**.

2 Information about the procurement

2.1 General information

In the following, an organization taking part in this procurement is referred to as a 'candidate'. A candidate that has submitted a tender is referred to as a 'tenderer'. The tenderer that is contracted by SIWI is referred to as the 'Contracted Tenderer'.

The procurement documents contain a number of compulsory requirements, which are designated by the term "**must**" in bold type. In order for a tender to be eligible for the award of the contract, these compulsory requirements have to be fulfilled.

This colour indicates that the section under the heading contains one or more **must**-requirements.

The procurement documents also contain a number of non-compulsory conditions, which are so designated by the term "**should**" in bold type. Such criteria are to evaluate and compare tenders, in order to determine the most economically advantageous tender.

2.2 Description of the services

The audit services are divided into the following lots:

1. Annual statutory external audits of three foundations
2. Audits and agreed-upon procedures of grant-funded development projects

In addition to the services in Lot 1 and Lot 2, SIWI may also need to have the following services performed on an ad hoc basis: *Forensic and investigation reviews, procurement reviews, and due diligence reviews of potential partner organizations*. As such services would need to be performed on an ad hoc basis, they are not detailed further in this procurement and the exact terms for such engagements would need to be agreed between SIWI and the Contracted Tenderer in relation to each specific engagement.

As part of the services, SIWI may also need the assistance of the Contracted Tenderer in relation to questions concerning accounting, income tax, and value added tax.

2.3 Estimated volume of services

Lot 1:

The services in Lot 1 comprise annual statutory audits of SIWI, SWF and FMS. The audits will include ongoing/interim audit (*löpande granskning/förvaltningsgranskning*) and closing of the books audit (*bokslutsgranskning*). The financial year for all three foundations is calendar year. SWF's statutes stipulates that the foundations' accounts must be submitted to the auditor for review no later than March 15 each year, and that the financial statements and auditor's reports are to be submitted to the Board of Directors for approval no later than May 15 each year.

Lot 2:

Based on historical data, the estimated number of project audits is ten (10) per year, for a value of approximately SEK 300,000 per year. However, SIWI cannot make any guarantees as to the volume of services included in Lot 2 under the framework agreement.

It is important to note that the choice of auditor in relation to a specific project normally requires the approval of the donor for the project. If the donor requires another auditor to be used, SIWI will be required to use that auditor's services for that specific project.

For more information about the services in Lot 2, please see **Annex B: Terms of Reference**.

2.4 Framework agreement period

The framework agreement will continue in force for a period of 24 months following signature. SIWI and the Contracted Tenderer may agree to extend the agreement for two additional periods of 12 months each. The maximum total contract period will be 48 months. SIWI makes no guarantee that the contract period will be extended.

The intended start of the agreement period is March 2023.

2.5 Submission of tender

The tender must be submitted in accordance with the following:

- 2.5.1 Time limit for receipt of tenders** The tender **must** be signed by the Tenderer and reach SIWI no later than:
2023-02-12 23:59 (11:59 PM)
- 2.5.2 Tender submitted to** The tender **must** be submitted to the following email address:
johan.karlsson@siwi.org
- 2.5.3 Validity of the tender** The tender **must** be valid through
2023-03-31

2.6 Time plan of procurement

The procurement procedure will be conducted in accordance with the following time plan:

Invitation to tender shared	2023-01-13
Time limit for receipt of questions	2023-02-10
Time limit for receipt of tenders	2023-02-12 23:59 (11:59 PM)
Evaluation of tenders	Week 7
Intended signing of contract	February 2023

2.7 Procurement documents

The procurement documents consist of the following documents:

1. Invitation to Tender (this document)

Contains general information about this procurement, information regarding the conduct of the procurement process, requirements on the services and special conditions.

2. Annex A: Requirements on the Tenderer

Contains information about the requirements on the tenderer.

3. Annex B: Terms of Reference

Contains information about an example engagement. The terms of reference are to be used in order to fill in Annex C–D in accordance with the below.

4. Annex C–D: Specification of services (to be filled in and submitted by the Tenderer)

Information to be provided by the Tenderer about the Tenderer’s capacity to perform the services, the consultants and consultancy fees offered, and the staffing and organization of the example engagement set out in Annex B.

5. Annex E: Evaluation Model

Contains information about the criteria and model used for the evaluation of tenders and award of contract.

6. Annex F: Foundation documents

Includes the annual accounts, charter of foundation and governing documents of SIWI, SWF, and FMS.

7. Annex G: Checklist

Guidance for the preparation and submission of the tender.

2.8 Contents of tenders

The tender **must** contain the following documents and information:

1. A description of the Tenderer’s organization.
2. Completed **Annex C–D Specifications**.
3. A description of three (3) relevant references for each lot.
4. Information required in accordance with Annex B: Requirements on the Tenderer:
 - a. Information about the quality assurance system applied by the Tenderer, and
 - b. Information about the environmental management system or sustainability routines.

The tender **must**:

- include all the required documents and information,
- be written in English and be perfectly legible so that there can be no doubt as to words and figures, and
- be signed by a person authorized to sign on behalf of the Tenderer

By signing the tender, the Tenderer confirms that it is valid until through the date in Section 2.5.3 above.

2.9 Tender evaluation

Tenders will be evaluated in accordance with the following:

1. Tenders will be examined to ensure that that the tenderer is not in any of the situations listed in **Annex B** Section 1 *Exclusion Grounds*. A tenderer who is found to be in any of the situations listed in **Annex B** Section 1 will be excluded from further consideration.
2. Tenders will be examined to ensure that that all compulsory “**must**-requirements” are fulfilled. A tender which does not fulfil all compulsory requirements will be excluded from further consideration.
3. Tenderers will be evaluated in accordance with the evaluation model in **Annex C**. The contract will be awarded to the tenderer that has submitted the most economically advantageous tender

2.10 Questions

Candidates may submit questions concerning the procurement procedure and the contents of the

procurement documents. Questions must be sent by email to the designated SIWI email address in Section 2.5.2 above. Questions must reach SIWI no later than the date set out in Section 2.6 in order to be answered by SIWI. Information provided by SIWI in response to a question will be made available to all candidates via the webpage of the contract notice.

2.11 Clarification

In the event that SIWI provides a tenderer with the opportunity to clarify their tender, all candidates will be provided the opportunity to provide such clarifications. SIWI is not obliged to request clarifications of tenders.

2.12 Notification

SIWI will inform all tenderers of decisions reached concerning the award of the contract, including the grounds for any decision to cancel the procurement procedure.

SIWI will inform any unsuccessful tenderer of the reason for rejecting their tender.

Tenderers will be informed of the outcome of this procedure by e-mail. It is the tenderer's responsibility to provide a valid e-mail address together with their contact details in their tender.

2.13 Confidentiality and rights to tenders

SIWI will maintain the confidentiality of any materials submitted by tenderers that are marked as confidential, restricted, secret or equivalent, provided that this is consistent with reasonable requirements on transparency.

SIWI acquires and retains the ownership of all tenders received. Tenderers are not entitled to have their tender returned to them nor to have it destroyed.

2.14 Negotiation

The contract will be awarded on the basis of the tender submitted by the Tenderer. The award decision will not be subject to prior negotiations with tenderers.

2.15 Disclaimer

This Invitation to Tender is in no way binding on SIWI. Furthermore, the award of contract is only a decision by SIWI concerning the evaluation of tenders. SIWI's obligations will commence only upon signature of a written framework agreement by the authorized signatories of SIWI and the Contracted Tenderer.

SIWI reserves the right to reject any tender and to cancel the process and reject all tenders at any time prior to the signing of the contract, without thereby incurring any liability to the affected tenderer(s).

SIWI will not be responsible for, or pay for, any expenses or losses that may be incurred by a candidate or tenderer in the preparation of its tender and/or in connection with the procurement process.

2.16 Processing of personal data

SIWI will process the personal data included in tender documents and communications received from tenderers. For information about SIWI's processing of personal data, please use the following link:

[Processing of personal data](#)

3 Requirements on the services

3.1 Organization and staffing

The tender **must** include descriptions of the following:

1. **Lot 1:** How the performance of the annual statutory audits of SIWI, SWF, and FMS would be organized and staffed.
2. **Lot 2:** How the performance of the example project audit in **Annex B: Terms of Reference** would be organized and staffed.

3.2 Competence and qualifications of personnel

The tender **must** offer at least one consultant as engagement partner (*påskrivande revisor*). The engagement partner **must**:

- have a relevant university degree,
- be an authorized public accountant, certified public accountant, approved accountant or equivalent,
- have acted as engagement partner for at least three relevant engagements (at least two of which **must** meet the criteria in Section 3.4 below) in the last three years, and
- have at least Full Professional Proficiency in English and Swedish

In addition to the engagement partner, the tender **must** offer a second consultant as audit manager (*granskningsledare*). The audit manager **must**:

- have a relevant university degree,
- be an authorized public accountant, certified public accountant, approved accountant or equivalent,
- have acted as audit manager for at least three relevant engagements (at least two of which **must** meet the criteria in Section 3.4 below) in the last three years; and
- have at least Full Professional Proficiency in English and Swedish

The tender **must** also offer one consultant specializing in income tax and one consultant specialized in value added tax. The tax specialists must:

- have a relevant university degree,
- have extensive experience and expertise within their respective fields, and
- have at least Full Professional Proficiency in English and Swedish.

The tenderer may offer other consultants in addition to those above, but this is not required.

3.3 Fees

The tender **must** include the hourly fee for each consultant offered. Only one fee may be set for each consultant. All fees **must** be stated in SEK exclusive of value added tax (VAT).

3.4 References

The tender **must** contain descriptions of at least three (3) relevant references for Lot 1 and at least three (3) relevant reference engagements for Lot 2.

The references for Lot 1 **must** include the following:

- a brief description of the client,
- the client's contact details.

The references for Lot 2 **must** include the following:

- a brief description of the client and the project,
- a brief description of the scope of work, and
- the client's contact details.

Lot 1: The following criteria are used to determine whether an engagement is considered relevant:

1. the client is/was a not-for-profit organization, such as a foundation or non-profit association,
2. the client is/was a Project-Based Organization, carrying out most of its activities as projects,
3. the client's operations are/were primarily internationally oriented, and
4. the client's operations are/were funded by several different donors.

Lot 2: The following criteria are used to determine whether an engagement is considered relevant:

1. the funding for the project was provided as a grant by an external donor, such as a national public agency, international organization, or independent foundation or trust,
2. the engagement was performed in accordance with ISA 800/805 and/or ISRS 4400,

It is possible to use the same client as references for both Lots (i.e., as references both for statutory audits and project audits). It is possible to use SIWI as a reference if engagements have been performed for SIWI.

4 Special conditions

4.1 General information

The following conditions will form the basis of the framework agreement between SIWI and the Contracted Tenderer.

4.2 Form of agreement

SIWI intends to enter into a framework agreement with the Tenderer for project audit services.

4.3 Duration of agreement

SIWI intends to enter into a framework agreement for a period of two (2) years from the date of signature, with the possibility of extension for two additional periods of one (1) year each, for a maximum total of four (4) years.

4.4 Priority of documents

The priority of the documents which form part of the framework agreement will be as listed below and in the event of any conflict or inconsistency between the documents, a document higher on the list will prevail over a document lower on the list:

1. Written amendments and additions
2. Engagement letter (for the specific engagement to which it relates)
3. Framework agreement
4. Procurement documents (see Section 2.7 above)
5. The tender of the Contracted Tenderer (see Section 2.8 above)

4.5 Call-off procedure

A specific audit engagement under the framework agreement will be initiated by a call-off order from SIWI to the Contracted Tenderer. The receipt of a call-off order will be confirmed by the Contracted

Tenderer as soon as possible but no later than two (2) working days after the order was made.

The terms of engagement for a specific audit engagement will be recorded in an engagement letter issued by the Tenderer in response to the call-off order. The engagement letter must include the estimated total cost of the engagement.

The Successful Tender must promptly inform SIWI if it is unable to initiate the engagement in a timely manner, or if an engagement is expected to be delayed. If additional work is required to complete an engagement, the estimated additional costs for this work must be approved in advance by SIWI in writing before the additional work can commence.

4.6 Personnel and subcontracting

The services will be performed by the consultants offered by the Contracted Tenderer as part of its tender. Replacement or substitution of personnel, or subcontracting of services, will require prior approval in writing by SIWI.

4.7 Payment terms

SIWI will make payment no later than 30 days after the invoice date, upon delivery of services for a specific audit engagement or as otherwise agreed in accordance with the call-off order and engagement letter for the audit engagement.

4.8 Insurance

The Contracted Tenderer will be required to maintain appropriate professional indemnity insurance or comparable insurance for the duration of the agreement.

4.9 Applicable law and Dispute Settlement

The agreement will be governed by and construed in accordance with the laws of Sweden, without regard to its conflict of laws rules.

Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration administered by the SCC Arbitration Institute (the "SCC").

The seat of arbitration shall be Stockholm

The language to be used in the arbitral proceedings shall be Swedish.