

Example of Invitation to Tender for Due Diligence

Financial due diligence:

Background

The Governing Bodies of have agreed in principle to a merger of the colleges. The colleges are working towards a target merger date of for the launch of the new college.

Consultation on the merger will commence fromand a formal consultation document will be published in

The appointed advisor will undertake a financial due diligence exercise reporting to the Governing Bodies of the colleges.

Requirement

Phase 1

The first phase of work will be the provision of a comprehensive financial review of the individual colleges. This work will include:

- Specific areas of financial strength and weakness
- Historic and current financial performance
- Accounting policies
- Audit issues
- Financial control
- Operational performance
- Assets & Liabilities
- Cash Flow
- Taxation
- Pensions and Pension accounting
- Risk Management
- Financial and operational planning

The first phase of work will need to be substantially complete by to enable the advisor to report to the Governing Bodies of the individual colleges, the Partnership Board and the Scottish Funding Council.

The report should include a list of recommended actions to be undertaken both prior to and post the merger.

Phase 2

The second phase of work will commence during... . . . and will require the advisor to work with the management teams of the colleges as they develop the financial forecasts for the new college. The final merger document is expected to be published in; included within it will be financial forecasts which will require formal review by the Advisor. A detailed note covering the review process, assumptions and issues will be required by the Governing Bodies.

Interested parties should provide:

- A statement of their involvement in the Scottish Further and/or Higher Education sector and any relevant experience of merger activities;
- An outline of their proposed approach to this activity outlined above;
- A statement of when the Phase 1 activity could be commenced;
- An estimate of the timescale required for delivery of this work;
- CV's of the principal advisors who will be involved in the work and the proposed extent of their involvement;
- A firm quote for Phase 1 of the work and an indicative quote for Phase 2 of the work, both excluding VAT;

Next step

Written submissions should be provided by email to:

X
X
X

A shortlist of potential providers will be requested to make a presentation to the management of the colleges on

Legal due diligence

Background

The Governing Bodies of have agreed in principle to a merger of the colleges. The colleges are working towards a target merger date of 2012 for the launch of the new college. Consultation on the merger will commence from and a formal consultation document will be published on

The appointed advisor will undertake a legal due diligence exercise reporting to the Governing Bodies of the colleges.

Requirement

The chosen advisor will be required to provide a comprehensive legal review of the individual colleges. This work will include:

- Material commercial contracts - including property contracts;
- Intellectual Property issues – including IT contracts;
- Borrowing arrangements;
- Employment contracts and conditions including disputes;
- Litigation and disputes;
- Governance issues including constitutional powers of the Governing Bodies and the Partnership Board and any Charity issues; and
- Compliance, including data protection and freedom of information.

The work will need to be substantially complete by to enable the advisor to report to the Governing Bodies of the individual colleges, the Partnership Board and the Scottish Funding Council.

The report should include a list of recommended actions to be undertaken both prior to and post the merger.

Interested parties should provide:

- A statement of their involvement in the Scottish Further and/or Higher Education sector and any relevant experience on merger activities;
- An outline of their proposed approach to this activity outline above;
- A statement of when the Phase 1 activity could be commenced;
- An estimate of the timescale required for delivery of this work; and
- CV's of the principle advisors who will be involved in the work and the proposed extent of their involvement.