



REQUEST FOR PROPOSALS
Audit of CTAO Financial Statements 2024

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Background

The Cherenkov Telescope Array Observatory (CTAO) is an international effort to build the next generation ground-based observatory for gamma-ray astronomy at very-high energies with more than 60 telescopes located in the Northern and Southern hemispheres. The CTAO will be the world's largest and most sensitive instrument for the detection of high-energy gamma rays with a detailed design and preparation for construction underway. It will be built with a significant number of in-kind contributions from participating institutions.

The [CTAO Central Organisation](#) (formally, CTAO gGmbH) is in charge of the design and implementation of the CTAO, with its legal headquarters located in Saupfercheckweg 1 – 69117 Heidelberg (Germany). The CTAO Central Organisation is working to establish a new legal entity which will take over the CTAO project and will be responsible for the construction and operation of the Observatory. The legal headquarters of the new legal entity will be in Italy, by the already existing CTAO offices hosted by INAF in Via Gobetti 93/3- 40129 Bologna. Once the new legal entity will be established, all assets of the CTAO gGmbH will be transferred to the new legal entity, and it will start the liquidation process.

The CTAO Central Organisation, with its Project Office in Bologna (Italy), has two telescope sites, one in the Northern hemisphere on La Palma (Canary Islands, Spain) and one in the Southern hemisphere in the Atacama Desert in Northern Chile, as well as the Science Data Management Centre in Zeuthen, near Berlin (Germany). Further information about the project can be found here: www.ctao.org.

The CTAO Central Organisation is funded by scientific institutions and governmental agencies from more than [10 countries and an intergovernmental organization](#), and it works closely with the [CTAO Consortium](#), scientific collaboration that includes more than 1,500 participants from 25 countries, and the [In-Kind Contribution Collaborations](#).

General information

Timeline

Deadlines	Date
Deadline for request for clarifications:	06.06.2024 – 23:00*
Response to req. for clarifications by:	13.06.2024

Deadline for Submission of Proposals	20.06.2024 - 23:00*
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*All times Central European Summer Time (CEST).

These dates may be subject to change; any change will be promptly communicated to all suppliers.

CTAO reserves the right to cancel the procurement procedure at any time and it is not obliged to award the contract.

Clarifications

Any request for clarification should be submitted in writing by email, to the following contact address: ctao-procurement@cta-observatory.org

All responses, which are considered by CTAO to be of a substantive nature, will be sent in anonymous way to all applicants invited to submit a proposal. Any questions that are of a sensitive nature must be clearly identified as such on submission.

Applicable Law

This Request for Proposals is governed by German Law, in particular by: Unterschwellenvergabeordnung (UVgO) and Vergabeverordnung (VgV).

Canvassing and non-collusion

CTAO reserves the right to disqualify, without prejudice to any other civil remedies available to CTAO and without prejudice to any criminal liability which such conduct by a supplier may attract, any supplier or consortium member who, in connection with this procurement:

- a) offers any inducement, fee or reward to staff members of CTAO
- b) contacts any staff member of CTAO about any aspect of this request in a manner not permitted by this document
- c) fixes or adjusts her/his submission by or in accordance with any agreement or arrangement with any other applicant or consortium member (other than its own consortium members);
- d) enters into any agreement or arrangement with any other supplier or potential supplier or consortium member of any other supplier or potential supplier to the effect that it shall refrain from making a submission or as to the conditions of any submission
- e) causes or induces any person to enter such agreement as is mentioned above or to inform the supplier or a consortium member of the supplier of the amount or approximate amount of any rival submission
- f) canvasses any person in connection with this document who is not one of its own consortium members or one of its own team

- g) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission.

Submission

Language

The proposal, all correspondence and documents related to the tender exchanged by the tenderer and CTAO must be in **English**.

Submission

Costs incurred to prepare a proposal must be borne solely by the tenderer. Nothing contained within this RFP is indicative of intent by CTAO to reimburse the tenderer, in whole or in part, for any costs associated with preparation, submission, or presentation of proposals.

The proposal submitted must remain valid for a period of 60 (sixty) days after the submission deadline.

What to submit

Proposals shall contain the following documents:

- 1) Identification and Declaration of Independence Form (Annex I)**
- 2) Declaration of Honour on Exclusion and Selection criteria (Annex II)**
- 3) Technical Proposal**

It shall include a presentation of the firm, an explanation of the process they will conduct including a detailed description of the audit methodology and a fine-grained workplan, as well as an indication of the time estimates and of the staff /levels they intend to assign to perform the work.

The Technical Proposal shall not include any price or financial information. A Technical Proposal containing material financial information shall be declared non-responsive.

- 4) Financial Proposal Form (Annex IV)**

The fees shall be indicated in figures and in words and shall be net of VAT (which will be indicated separately when billing) and other taxes and charges. Where there is a discrepancy between the amount in words and the amount in figures, the amount in words shall prevail.

Payment under the Contract will be made in EUR.

All pages of the forms must be returned within the proposal submission: please do not remove any pages. Proposals containing changes or additions will be excluded from evaluation.

How to submit

Applicants must send an email, including all the required forms duly completed, to the following email address: ctao-procurement@cta-observatory.org

All communications between applicants and CTAO are to be made only through the abovementioned email address.

Selection process

The evaluation of proposals submitted will be carried out in successive steps:

- 1) Administrative requirements check.
- 2) Verification of non-existence of exclusion grounds.
- 3) Assessment of compliance to selection criteria.
- 4) Evaluation of technical and financial proposal.

Proposals that are excluded due to invalidity, the existence of exclusion grounds, or because they do not meet the eligibility requirements will not be taken forward in the evaluation.

Administrative Requirements

Verification of the validity of the Proposal: proposals will be excluded from the evaluation, for example, if:

- they were received after the deadline
- the documents are not in English
- they do not include the documentation requested initially or by follow-up request
- changes or additions have been made to the tender documents.

Exclusion Grounds

Suppliers shall be excluded from participation where:

- a) They (or, in case of legal person, a member of their administrative, management or supervisory body) have been convicted by a final judgment relating to:
 - participation in a criminal organisation
 - corruption
 - fraud

- terrorist offences
- money laundering or terrorist financing
- child labour and other forms of trafficking in human beings

b) They are in any of the following situations:

- in breach of obligations relating to the payment of taxes/social security contributions
- bankrupt or subject of insolvency or winding-up proceedings
- guilty of grave professional misconduct, which renders their integrity questionable
- have entered into agreements with other economic operators aimed at distorting competition
- where a conflict of interest cannot be effectively remedied by other less intrusive measures
- where a distortion of competition from the prior involvement of the economic operators in the preparation of the procurement procedure cannot be remedied by other, less intrusive measures
- have shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity or a prior concession contract which led to early termination of that prior contract, damages or other comparable sanctions
- have been guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria, have withheld such information or are not able to submit the supporting documents required
- have undertaken to unduly influence the decision-making process of the contracting authority, to obtain confidential information that may confer upon them undue advantages in the procurement procedure or to negligently provide misleading information that may have a material influence on decisions concerning exclusion, selection or award.

Selection criteria

Tenderers must have the necessary eligibility for the proper performance of the contract, in terms of economic and financial standing and technical and professional ability.

Economic and financial capacity criteria:

- a) Turnover of the last two financial years above 10.000.000 EUR (per annum).
- b) Professional risk indemnity insurance cover.

Technical and professional capacity criteria:

- a) Certified independent public accountant in the sense of the HGB (German Commercial Code), recognized by a national accountancy professional body and registered with the relevant professional body
- b) Relevant experience in publicly funded institutions' audits, preferably with institutions operating in the field of research
- c) The (team of) auditor(s) involved in the performance of the services must have the relevant skills, educational and professional background and experience to perform the services (at least 10 years of experience for the level of the project manager as well as a minimum of 4 years of experience for any team member)
- d) German as a mother tongue and very good command of English (Level B2 or higher).

Award criteria

The proposals submitted by the tenderers that are not concerned by any of the exclusion criteria and that meet the selection criteria, are assessed against the following award criteria: most economically advantageous proposal.

The most economic advantageous proposal shall be determined on the basis of the tender offering the lowest price-quality ratio. The award decision will be based on the following:

Technical component of proposal (max 50 points)

The following elements will be considered:

	Criteria	Max points (50)
1	Suitability and adequacy of proposal – Understanding of the objectives and services to be performed	5/50
2	Quality and relevance of the proposed work plan including details on each phase (e.g. preparation, field work, reporting, etc.)	10/50
3	Quality and relevance of the proposed audit methodology	10/50
4	Reasonableness of time estimates	15/50
5	Appropriateness of assigned staff levels (Quality and relevance of the proofed experience)	10/50

Financial component of proposal (max 50 points)

- 1) Fees and costs for the audit services **(50/50)**

Scoring: the maximum number of points allocated to the financial offer is given to the lowest priced proposal. All other financial offers receive points in inverse proportion, e.g. according to the following formula:

$$p = y * (x/z)$$

where:

p = points for the financial offer being evaluated

y = maximum number of points for the financial offer

x = price of the lowest priced proposal

z = price of the proposal being evaluated

Final score

The final score of the proposal will be the sum of the points obtained. The proposal obtaining the overall highest score is the most economically advantageous proposal. See table below.

Criteria	Sub-criteria	Max. points	
Appropriateness and adequacy of proposal	Suitability and adequacy of proposal – Understanding of the objectives and services to be performed	5	50
	Quality and relevance of the proposed work plan including details on each phase (e.g. preparation, field work, reporting, etc.)	10	
	Quality and relevance of the proposed audit methodology	10	
	Reasonableness of time estimates	15	
	Appropriateness of assigned staff levels (Quality and relevance of the proofed experience)	10	
Costs	Fees and costs offered		50
TOTAL POINTS			100

Contract

This invitation does not constitute a contract in its own right. Any resulting Contract will consist of:

- 1) the specific Agreement
- 2) the Terms of Reference
- 3) the successful Proposal

4) CTAO Contract Terms and Conditions.

By submitting the proposal, the tenderer implicitly accepts CTAO General Terms and Conditions.

Terms of Reference

Background

The CTAO gGmbH is governed by the CTAO Council, composed of 14 Shareholders from 11 countries and one intergovernmental organisation – the European Southern Observatory (ESO) –, as well as Associate Members from two countries.

The Company exclusively and directly pursues not-for-profit purposes in the field of science and research in the sense of the section “Objects qualifying for tax relief” (“Steuerbegünstigte Zwecke”) of the German Fiscal Code (Abgabenordnung – AO), namely within the domestic territory and abroad.

The company does not generate any revenue and is financed exclusively by contributions from Shareholders and Associated Members as well as earmarked EU funding.

The balance sheet amounted to approx. 19.5 M€ in 2023. Accounting as well as the preparation of the annual Financial Statements are carried out by an external tax consultant in accordance with the provisions of the German Commercial Code (HGB) and the German accounting principles.

CTAO gGmbH currently employs 19 employees under German law, 13 employees under Italian law and 2 under Spanish law. The local offices are not registered as branches or subsidiaries; therefore, the annual Financial Statements do not have to be consolidated.

According to § 22 of CTAO’s Articles of Association, CTAO is obliged to be audited annually like a large company and also to observe the Public Corporate Governance Code (PCGC).

Requirements and deliverables

Tenderers are requested to submit a proposal to take over the external audit services for the financial year 2024. The proposal shall include a presentation of the audit company and the Curriculum Vitae (CV) of the auditor(s) in charge of the required service. The CV(s) should include information about the qualifications, work experience and language abilities of the team members.

The technical part shall describe in detail how the tenderer will conduct the services outlined under “Tasks”. A workplan including details on each phase (e.g. preparation, field work, reporting, etc.) shall be elaborated. The tenderers shall provide detailed information about the audit methodology as well as an indication of the time estimates proposed for

the completion of the audit (incl. attendance at minimum one meeting of the CTAO gGmbH Boards) and of the staff /levels they intend to assign to perform the work.

The audit must be conducted in accordance with internationally recognised auditing standards (e.g., ISA or ISSAIs). Auditors are reminded that professional standards are constantly changing, and it is the auditors' responsibility to ensure that the appropriate standards are followed.

The auditors must be completely impartial and independent from all aspects of management or financial interests in CTAO. The auditors should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any senior participant in the management of CTAO. The auditors should disclose any relationship that might possibly compromise his/her independence.

The contract will be eventually renewed by CTAO, for a maximum of 3 times and subject to successful performance.

To this end, the **Declaration of Independence** contained in Annex I must be submitted.

Tasks

- a) Conduct the audit of CTAO's annual financial statements 2024 (available in German language) consisting of balance sheet, profit and loss account, appendix and management report (the latter also available in English) - in accordance with HGB (prepared by the Company's external tax consultants, who also carry out the accounting for CTAO); should CTAO avails of the possibility to renew the contract, the performance of audit services will refer to year/s subsequent to 2024.
- b) Consideration of point 7.2.1. of the PCGC
- c) Preparation of the documents in English and German for publication
- d) Presentation of the Audit report to the Administrative and Finance Committee (AFC) (ca. April/May 2025), upon request in person or in teleconference, depending on the meeting location
- e) Presentation of the Audit report to the Council meeting (ca. June 2025) upon request, in person or in teleconference, depending on the meeting location
- f) In addition to the official audit report, the auditors will prepare a Management Letter in English, in which they will:
 - Outline comments and observations on the accounting records, procedures, systems and controls that were examined during the course of the audit.
 - Identify specific deficiencies and areas of weakness and make recommendations for improvement.

- Report on the implementation status of recommendations pertaining to previous period audit reports.
- Bring to CTAO’s attention any other matters that the auditors consider pertinent.

Deliverables

- a) Audit report, in English and German. The annual financial statements shall also be included in the reports as an appendix (incl. its translation from German to English).
- b) Reproduction of the audit report in 14 copies (English version), and in 3 copies (German version), as they need to be distributed to Shareholders and Associate Members.
- c) Electronic version of the audit report, to be distributed to the shareholders by the beginning of April 2025).
- d) Management Letter in English as described above and duly signed.

Schedule

Handover of final annual CTAO gGmbH Financial Statements 2024:	by 01/03/2025
Final Audit report available in English and German:	01/04/2025 (electronic distribution)
Meeting with the CTAO gGmbH AFC or subcommittee:	Approx. 15/05/2025
Meeting with CTAO gGmbH Council	Approx. 10/06/2025

Annexes

- I. IDENTIFICATION OF THE TENDERER AND DECLARATION OF INDEPENDENCE
- II. DECLARATION ON HONOUR ON EXCLUSION AND SELECTION CRITERIA
- III. CTAO GENERAL TERMS AND CONDITIONS
- IV. FINANCIAL OFFER FORM