

**TOWN OF CANTON, CONNECTICUT**

**Request for Proposals**

**For**

**Auditing Services**

**for Fiscal Year Ending June 30, 2013**

## TOWN OF CANTON, CONNECTICUT

### REQUEST FOR PROPOSALS FOR AUDITING SERVICES

The Town of Canton, Connecticut, acting through its Board of Finance, is seeking proposals from qualified independent public accounting firms to conduct an examination and to render an opinion on the annual financial statements of the Town. An original and seven (7) copies of the proposal must be received in a sealed envelope clearly marked "RFP-Auditing Services" by 11:00 a.m. on Friday, April 5, 2013 at the office of the Chief Administrative Officer, 4 Market Street (P .0.Box 168), Collinsville, CT 06022-0168.

Questions regarding the content of this RFP should be directed to Finance Officer Amy C. O'Toole at [aotoole@townofcantonct.org](mailto:aotoole@townofcantonct.org). All questions regarding the RFP must be submitted by email. Except as authorized by Amy O'Toole, no Respondent may contact any other employee or elected or appointed official of The Town with respect to the RFP or the submission of a bid. The Town of Canton reserves the right to accept or reject any and all proposals, or any part thereof, if it is in the best interest of the Town.

Robert Skinner  
Chief Administrative Officer

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**TOWN OF CANTON, CONNECTICUT  
REQUEST FOR PROPOSALS FOR AUDITING SERVICES**

**I. INTRODUCTION**

A. General Information

The Town of Canton, Connecticut is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2013, with the option of auditing its financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAG) Government Auditing Standards (1988), the provisions of the federal Single Audit Act of 1984 and U .S. Office of Management and Budget (O:MB) Circular A-133, Audits of State and Local Governments and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

There is no expressed or implied obligation for the Town of Canton to reimburse firms for any expenses incurred in preparing proposals in response to this request.

Addendum(s) to the RFP, including additional information, may be issued by The Town. When issued, addendum(s) will be posted on The Town's website under the "Request for Proposals" link. It is the Respondent's responsibility to check to see if RFP addendum(s) have been issued by The Town and to ensure that its proposal addresses all addendum(s).

To be considered, an original and seven (7) copies of a proposal must be received by the Chief Administrative Officer (CAO) by 11:00 a.m. on Friday, April 5, 2013. The Town of Canton reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town of Canton reserves the right, where it may serve the Town's best interest, to request additional information or clarifications from submitting firms, or to allow corrections of errors or omissions. At the discretion of the Town of Canton, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Canton reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town and the firm selected.

It is anticipated the selection of a firm will be completed by Friday, May 24, 2013. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within twenty (20) days of approval.

By submitting a proposal the Respondent certifies that no officer, agent or employee of The Town who has a pecuniary interest in this request for

proposal neither has nor shall participate in the contract negotiations on the part of The Town, that the proposal is made in good faith without fraud, collusion or connection of any kind with any other Respondent of the same call for proposals, and that the Respondent is competing solely in its own behalf without connection with or obligation to, any undisclosed person or firm. Respondents must fully disclose, in writing to The Town on or before the closing date of this RFP, the circumstances of any possible conflict of interest or what could be perceived as a possible conflict of interest if the Respondent were to become a contracting party pursuant to this RFP. The Town shall review any submissions by Respondents under this provision and may reject any Proposals where, in the opinion of The Town, the Respondent could be in a conflict of interest or could be perceived to be in a possible conflict of interest position if the Respondent were to become a contracting party pursuant to this RFP. All consultants who contract with The Town are subject to the town's Code of Ethics.

B. Terms of Engagement

A four (4) year contract is contemplated, subject to the annual review and recommendation of the Board of Finance, the satisfactory negotiation of terms (including a price acceptable to both the Town and the selected firm), the concurrence of the Board of Finance and the annual availability of an appropriation.

**II. DESCRIPTION OF THE GOVERNMENT**

A. General

The auditor's principal contact with the Town of Canton will be the Finance Officer / Treasurer, or a designated representative, who will coordinate the assistance to be provided by the Town to the auditor. A list of key personnel with the location of their principal offices (Appendix A) and an organizational chart (Appendix G) is attached.

B. Background Information

The Town of Canton serves an area of approximately 25 miles with a population of 10,333 (July 1, 2012 estimate). The Town of Canton's fiscal year begins on July 1 and ends on June 30.

The Town of Canton provides the following services to its citizens:

Police	Fire Protection	Animal Control
Emergency Medical	Street Lights	Emergency Management/Civil Preparedness
Road Maintenance	Snow Removal	Transfer Station (residential solid and bulky waste)
Human Services	Library	Wastewater Treatment
Education	Recreation	General Government Services

The Town of Canton (including education) has a total payroll of about \$19M covering approximately 432 employees organized into several departments and agencies. All funds and account groups are under the administrative control of the Finance Officer/Treasurer or the Board of Education.

C. Fund Structure

The Town of Canton uses the following fund types, all under general ledger control, and account groups in its financial reporting:

<u>Fund Type/Account Group</u> <u>Budgets</u>	<u>Number of</u> <u>Individual</u> <u>Funds</u>	<u>Number With</u> <u>Legally</u> <u>Adopted</u> <u>Annual</u>
General Fund	1	1
Special Revenue Funds	18	4
Capital Projects Funds	1	N/A
Permanent Funds	3	N/A
Internal Service Funds	1	N/A
Pension & OPEB Trust Funds	4	N/A
Private-purpose Trust Funds	2	N/A
Agency Funds	2	N/A
General fixed assets account group	1	N/A
General long-term debt account group	1	N/A

D. Budgetary Basis of Accounting

The Town of Canton prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Pension Plans

The Town participates in two defined contribution plans -the Town plan for all full time employees hired since 1/1/02 and the Volunteer Firefighters and Ambulance personnel plan participants since 7/1/94 which was closed to new participants on 7/1/09. The Town of Canton also participates in two single employer, defined benefit pension plans - the Town plan for full time employees hired prior to 1/1/02 and the Volunteer Firefighters and Ambulance active prior to 7/1/94. The pension plans are part of the Town's reporting entity and are included in the Town's general purpose financial statements as separate pension trust funds. Actuarial Services for these plans are provided by Hooker & Holcombe.

F. Comprehensive Annual Financial Report

The Town of Canton has received a certificate of achievement for excellence in financial reporting from the Government Finance Officers Association of the United States and Canada for each of the fiscal years ended June 30, 2000 - 2011. It is the intention of the Town to continue to receive this award annually and will expect the CAFR to meet program requirements. The auditor will review the final draft CAFR for compliance with the certificate program checklists.

**III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

A. Statements and Schedules and other pertinent information to be prepared by the Town of Canton

The staff of the Town will prepare or provide the following statements and schedules for the auditor:

1. Adjusted trial balance for all funds.
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances.
3. Detail of balance sheet and subsidiary account activity.
4. Check registers for all funds.
5. Bank reconciliations for all accounts.
6. Detail of capital projects expenditures on a project to life basis.
7. Analysis of accounts as requested.

8. Investment activity schedules.
9. Debt schedules.
10. Fixed assets schedules.
11. Payroll records.
12. Tax collection schedules.
13. Schedule of Compensated Absences.
14. Latest Actuarial Reports.
15. Completed ED-001 and Supporting Documents.

B. General

Office space will be provided in close proximity to the financial records. Telephones, facsimile machines and a copier will be made available to the auditor during the engagement. The auditor will be required to provide its own equipment and other office materials.

**IV. NATURE OF SERVICES REQUIRED**

A. General

The Town of Canton is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2013 with the option to audit the Town of Canton's financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

## B. Qualifying Requirements

### **Qualified Firm:**

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2012 as independent Auditors for the purpose of rendering an opinion on the annual financial statements of at least two (2) Connecticut municipalities with populations of at least 8,000 residents.

### **Location:**

The auditor's must have an office located within the State of Connecticut, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

### **Non-Discrimination:**

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town and may result in ineligibility for further Town contracts. The submitting firms shall at all times in the proposal and contract process comply with all applicable Town, state, and federal anti-discrimination laws, rules, regulations and requirements.

### **Reports:**

Each submitting firm shall submit one (1) copy of a Comprehensive Annual Financial Report issued by a Connecticut municipality in which their opinion is contained. This report shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past five (5) years.

### **Other:**

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of Connecticut. The Board of Finance intends to strongly consider municipal audit experience and certification in evaluating the submitting firm's audit team.

## C. Scope of Work to be Performed

The Town of Canton desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial and the combining and individual fund financials statements and schedules. The auditor is not required to audit the statistical section of the report.

## D. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Comptroller General's Government Auditing Standards, the provisions of the Single

Audit Act of 1984, the provisions of U .S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act.)

E. Reports to be Issued

Following the completion of the audit of the fiscal year's financials statements, the auditor shall issue, as required by generally accepted auditing standards, and Government Auditing standards, OMB Circular A-133, and the Connecticut General Statutes, including but not limited to the following:

A report on the fair presentation of the financials statements in conformity with generally accepted accounting principles.

A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

A report on compliance with applicable laws and regulations.

Reports on the supplementary schedules of federal and state financial assistance.

Reports on the internal control structure used in administering federal and state financial assistance programs.

Reports on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major and non-major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non major federal and state financial assistance program transactions tested.

The auditor shall communicate in a letter to the Board of Finance any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

These reports shall include required supplemental information (RSI) as required by GASB #34.

F. Special Considerations

The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance, are to be issued separately from the comprehensive annual financial report.

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Town of Canton of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Canton.

In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

H. Other Audit Services

Periodically, the Town is required to have separate audits performed. The Auditor will be expected to perform these audits and any other audit services requested by the Town outside of the standard audit at the hourly rate stated in Appendix D. Agreements to perform such services shall be reduced to writing.

The Town of Canton anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor, underwriter or bond counsel, to issue supporting statements and required documentation.

I. Implied Requirements

All services not specifically mentioned in this request for proposals that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

**V. TIME REQUIREMENTS**

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued March 3, 2013

Due date for proposals April 5, 2013

Oral presentation by selected submitters Last week of April and first week of May 2013

Appointment by Board of Finance by May 20, 2013

Contract date within 20 days of appointment

B. Schedule for the Annual Audit

Entrance conference with Finance Officer to commence year-end audit work June 2013

Preliminary field work begins June 10, 2013

Final audit work begins October 15, 2013

Exit conference to review draft and

Significant findings November 30, 2013

Draft comments returned to Auditors within 10 days of exit conference

Presentation to Board of Finance December 16, 2013

Submission of Final Report by December 20, 2013

C. Report Submissions

Copies of all reports shall be addressed to the Board of Finance. The successful submitting firm will also submit copies of reports as required by state and federal audit requirements. The Submission dates for the various reports to the municipality and the appropriate cognizant agencies as follows:

Financial Statements December 16, 2013

Single Audit Report December 16, 2013

EDO01 Certification December 16, 2013

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town, in writing. It is the Town's responsibility to secure all necessary approvals in a timely manner. The Auditor shall promptly notify the Town's Finance Officer/Treasurer of any suspicion of fraud, defalcation or misapplication of funds. Such notice shall be in addition to any notice to grantors required by single audit legislation.

The final report (35) copies should be delivered to Finance Officer/Treasurer, Canton Town Hall, 4 Market Street, Collinsville section of Canton, CT by December 20, 2013.

## **VI. PROPOSAL REQUIREMENTS**

### **A. General Requirements**

1. Inquiries concerning the content of the request for proposals must be made to:  
Finance Officer/Treasurer, Amy C. O'Toole or  
Chief Administrative Officer, Robert Skinner  
Canton Town Hall  
4 Market Street  
P. O. Box 168  
Collinsville, CT 06022-0168  
[aotoole@townofcantonct.org](mailto:aotoole@townofcantonct.org) or [rskinner@townofcantonct.org](mailto:rskinner@townofcantonct.org)  
Email: [aotoole@townofcantonct.org](mailto:aotoole@townofcantonct.org) or  
Email: [rskinner@townofcantonct.org](mailto:rskinner@townofcantonct.org)
2. Submission of Technical Proposals and Dollar Cost Bid Fee Proposals:  
In order for a submitting firm to be considered, the original technical proposal and dollar cost bid fee proposal, together with seven (7) copies of each, is required by Friday, April 5, 2013:

The technical proposal in the following format:

#### i. Title Page

Title page showing the request for proposal's subject; the submitting firm's name; the name, address and telephone number of a contact person; and the date of the proposal.

#### ii. Table of Contents

#### iii. Transmittal Letter

A signed letter of transmittal briefly stating the submitting firm's understanding of the work to be performed, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.

#### iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI. B.

#### v. Guarantees and Warranties

Executed copies of Submitting Firm's Guarantees and Warranties attached to this request for proposals (Appendix B).

A separate dollar cost bid fee proposal (original and seven (7) copies) using the form included as Appendix D.

Submitting firms should send the completed technical proposal and dollar cost bid fee proposal in two (2) separate envelopes marked as noted below to the following address:

Chief Administrative Officer  
Canton Town Hall, 4 Market Street,  
(Mailing address: P .O. Box 168),  
Collinsville, CT 06022-0168

Envelope #1: Technical Proposal  
Envelope #2: Dollar Cost Bid Fee Proposal

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town of Canton in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in Appendix D). The proposal should be prepared simply and economically, providing a straightforward, concise description of the submitting firm's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the Town of Canton as defined by generally accepted accounting standards and the U .S. Comptroller General's Government Auditing Standards. The firm should also list and describe the firm's professional relationships involving the Town of Canton or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the Town of Canton written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Connecticut

An affirmative statement should be included indicating that the firm and its municipal partner are qualified to practice within the state of Connecticut.

4. Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's Governmental audit staff, the location of the office from which the work on this engagement is to be performed, and the number and nature of the staff to be so employed on a part-time basis. The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience  
The firm should identify the principal supervisory and Management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. The firm also should indicate how the quality of staff over the term of the agreement will be assured. The submitting firm should identify the extent to which its staff reflects the Town of Canton's commitment of Equal Employment Opportunity / Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Town of Canton. However, in either case, the Town of Canton retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the submitting firm provided that replacements have substantially the same or better qualifications or experience.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the Town of Canton, which retains the right to approve or reject replacements.

6. Similar Engagements with Other Government Entities  
For the firm's office that will be assigned responsibility for the audit, list the most significant Engagements (minimum of two (2) and maximum of ten (10)) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These Engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.
7. Audit Approach  
The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposal. In developing the work plan, reference should be made to such sources of information as the Town's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems. Submitting firms will be required to provide the following information on their audit approach:
- a. Proposed segmentation of the engagement
  - b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.  
NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.
  - c. Sample size and the extent to which statistical sampling is to be used in the engagement.
  - d. Extent of use of EDP software in the engagement.
  - e. Type and extent of analytical procedures to be used in the engagement.
  - f. Approach to be taken to gain and document an understanding of the Town's internal control structure.
  - g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
  - h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town of Canton.

C. Dollar Cost Bid Fee Proposal

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Town of Canton will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

2. Fixed Fees by Category

The dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix D), which supports the total all-inclusive price.

3. Rates for Additional Professional Services

If it should become necessary for the Town of Canton to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town of Canton and the firm. Any such additional work agreed to between the Town of Canton and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D.

4. Manner of Payment

Progress Payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a Period of not less than a calendar month. Ten percent (10%) will be withheld from total pending delivery of the firm's final reports.

## **VII. EVALUATION PROCEDURES**

A. Selection Committee

Proposals submitted will be evaluated by the Board of Finance.

B. Evaluation Criteria

The following represent the principal selection criteria which will be considered during the evaluation process of proposals.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Canton.
- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

- e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
  - f. The firm shall submit one copy of a Comprehensive Annual Financial Report issued by a Connecticut municipality in which their opinion is contained. This report shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past five (5) years.
2. Technical Qualifications
- a. Expertise and Experience
    - 1. The firm's past experience and performance on comparable Government Engagements.
    - 2. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's Management support personnel to be available for technical consultation.
    - 3. Experience with the preparation of federal and state financial assistance and related reports.
    - 4. Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.
  - b. Audit Approach
    - 1. Service Delivery Plan: Describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated, monitored and the method to access to them will be ensured through entrance conferences, progress reporting, and exit conferences.
3. Price
- Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request anyone or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

It is anticipated that a firm will be selected by Monday, May 20, 2013. Following notification of the firm selected, it is expected a contract will be executed between both parties within twenty (20) days of approval.

E. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Canton and the firm selected.

The Town of Canton reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

## APPENDIX A

### LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

<u>Name and Title</u>	<u>Location of Office</u>	<u>Telephone</u>
Robert Skinner Chief Administrative Officer	Town Hall 2 <sup>nd</sup> Floor	(860)693-7837
Amy C. O'Toole Finance Officer/Treasurer	Finance Office 3 <sup>rd</sup> Floor	(860)693-7852
Elisa Michell Accountant	Finance Office 3 <sup>rd</sup> Floor	(860)693-7861
Sharon Szydlo Financial Assistant	Finance Office 3 <sup>rd</sup> Floor	(860)693-7849
Richard J. Barlow First Selectman	1st Selectman's Office 1 <sup>st</sup> Floor	(860)693-7847
Richard Ohanesian Board of Finance, Chairman		(860)521-4751 x112
Kevin Case Superintendent of Schools	Board of Education Town Hall, Suite 100 (ground level)	(860)693-7704
Anna Robbins Business Manager	Board of Education Town Hall. Suite 100 (ground level)	(860)693-7704
Chris Arciero Chief of Police	Police Department 45 River Road	(860)693-0221
Neil Pade Town Planner	Land Use Office 2 <sup>nd</sup> Floor	(860)693-7891
Lisa Theroux Tax Collector	Tax Office 1 <sup>st</sup> Floor	(860)693-7843
Harry DerAsadourian Assessor	Assessment Office 1 <sup>st</sup> Floor	(860)693-7842
Linda Smith Town Clerk	Town Clerk's Office 1 <sup>st</sup> Floor	(860)693-7870

**APPENDIX B**  
**SUBMITTING FIRM GUARANTEES**  
**AND WARRANTIES**

Submitting Firm Guarantees

The submitting firm certifies it can and will provide and make available, at a minimum, all services set forth in Section IV, Nature of Services Required.

Submitting Firm Warranties

1. Submitting firm warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
2. Submitting firm warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
3. Submitting firm warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Canton.
4. Submitting firm warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX C**  
**INSURANCE SPECIFICATIONS AND REQUIREMENTS**  
**INSURANCE EXHIBIT -PROFESSIONAL SERVICES**

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term "professional individual or firm" shall also include the individual's or the firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

A. Minimum Scope and Limits of Insurance

1. Broad Form Comprehensive General Liability  
\$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products / completed operations.
2. Automobile Liability  
\$1,000,000 combined single limit per occurrence for bodily injury and property damage
3. Umbrella Liability  
\$1,000,000 per occurrence, following form.
4. Workers' Compensation  
Limits as required by State of Connecticut Labor Code
5. Employers' Liability  
\$100,000 each accident  
\$500,000 disease/policy limit  
\$100,000 disease/each employee
6. Professional Liability (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two (2) years following contract completion.)  
\$1,000,000 per occurrence  
\$1,000,000 aggregate
7. Personal Property Coverage  
\$100,000 Professional Papers

Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Town property, while in use or in storage, for the duration of the contract.

B. Aggregate Limits

Any aggregate limits must be declared to and be approved by the Town. At the option of the Town, the insurer shall increase or eliminate the aggregate limit and notify the Town of any erosion of aggregate limits.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and be approved by the Town. At the option of the Town, the insurer shall reduce or eliminate such deductibles or self-insured retentions as regards the Town or the Auditors shall procure a bond which guarantees Payment of the losses and related investigations, claims administration and defense expenses. At no time will the Town be responsible for the Payment of deductibles or self-insured retentions.

D. Notice of Cancellation or Non-renewal

Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

E. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions;

1. Liability, (General, Automobile, Professional) Coverages;

- a. "The Town and its respective officers, agents, officials, employees, volunteers, boards and commissions" are to be named as additional insureds with regards to liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the Town.
- b. The Auditor's insurance coverage shall be the primary insurance as regards the Town. Any insurance or self-insurance maintained by the Town shall be in excess of the Auditor's insurance and shall not contribute with it.
- c. Any failure to comply with the reporting provisions of the policies shall not affect coverages provided to the Town.
- d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employer's Liability Coverage

- a. The insurer shall agree to waive all rights of subrogation against the Town for losses arising from the work performed by the Auditor for the Town.
- b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish the Town with adequate proof of the self-employment status. The Auditor agrees to waive all rights of claims against the Town for losses arising from the work performed by the Auditor. In the event that during the contract this self employment status should change, the Auditor shall immediately furnish proper notice to the Town and a certificate of insurance indicating that Workers' Compensation insurance and Employer's Liability coverage has been obtained by the Auditor as required by this Exhibit.

F. Acceptability of Insurers

Insurance is to be placed with insurers which have a Best's rating of at least A Insurance companies must either be licensed to do business in the State of Connecticut or be deemed to be acceptable by the Town's Chief Administrative Officer.

G. Verification of Coverage

The Auditor shall furnish the Town with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Chief Administrative Officer before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies, at any time.

All insurance Documents required by this Exhibit shall be mailed to the Chief Administrative Officer.

Signed:

Auditor: \_\_\_\_\_ Date: \_\_\_\_\_

Town: \_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX D

### DOLLAR COST BID FEE PROPOSAL (to be submitted on your firm's letterhead in a separate envelope)

Firm's Name and the location of office staffing the audit:

\_\_\_\_\_

Number of Municipal professional audit at this location: \_\_\_\_\_

Number of Municipal audit staff to be assigned to the Town of Canton engagement: \_\_\_\_\_

Listing of Connecticut municipal audit clients (FY08 Engagements for municipalities with populations of 8,000 or more):


**FIXED FEES**

<b>Town:</b>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>
-Financial	\$ _____	\$ _____	\$ _____	\$ _____
-Pension	\$ _____	\$ _____	\$ _____	\$ _____
-CDBG and Single Audit (Federal)	\$ _____	\$ _____	\$ _____	\$ _____
-Single Audit (State)	\$ _____	\$ _____	\$ _____	\$ _____
-Preparation of Financial Statements	\$ _____	\$ _____	\$ _____	\$ _____
<b>Town of Canton (sub-total)</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>Board of Education:</b>				
-Financial	\$ _____	\$ _____	\$ _____	\$ _____
-Pension	\$ _____	\$ _____	\$ _____	\$ _____
-CDBG and Single Audit (Federal)	\$ _____	\$ _____	\$ _____	\$ _____
-Single Audit (State)	\$ _____	\$ _____	\$ _____	\$ _____
-Preparation of Financial Statements	\$ _____	\$ _____	\$ _____	\$ _____
<b>Board of Education (sub-total)</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>COMBINED TOTAL:</b>	\$ _____	\$ _____	\$ _____	\$ _____

Total hours included in Combined Total Fees:

Partner \_\_\_\_\_

Manager \_\_\_\_\_

Staff \_\_\_\_\_

Rate for hours in excess of those above or for services outside the specified scope \$ \_\_\_\_\_ per hour.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

**APPENDIX E**  
**SAMPLE AUDIT SERVICES PROPOSAL LETTER**  
(to be submitted on your firm's letterhead)

March 27, 2013

Robert Skinner  
Chief Administrative Officer  
Town of Canton  
P.O. Box 168  
Collinsville, CT 06022-0168

Dear Mr. Skinner:

We have read the Request for Proposal and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Selection Committee.

We have attached the following:

1. Audited CAFR report for one (1) client as outlined in Section IV, B.
2. Proposal as outlined in Section VI
3. Appendix B: Submitting Firm Guarantees and Warranties
4. Appendix C: Insurance
5. Appendix D: Fixed Fees (separate envelope).

It is further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to the Town.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Email Address \_\_\_\_\_