



**TOWN OF STRATFORD  
PURCHASING DEPARTMENT  
STRATFORD, CONNECTICUT**

**REQUEST FOR PROPOSAL**

RFP No. 2014-032

Issued: April 4, 2014

Subject: Auditing Services

The Town of Stratford through the Office of the Purchasing Agent will receive SEALED PROPOSALS for furnishing the equipment described in the accompanying specifications, in accordance with the instructions, conditions and reservations that follow:

**A. CLOSING DATE:**

Proposals will be received until 3:00 pm April 25, 2014, in the Office of the Purchasing Agent, Room 202, Town Hall, 2725 Main Street, Stratford, CT 06615.

Any proposal may be withdrawn prior to the above-scheduled time for receiving bids or authorized postponement thereof. Any proposals received after the date and time specified shall NOT be considered. No bidder may withdraw a proposal within 45 days after the actual opening thereof.

**B. INSTRUCTIONS:**

Proposals are to be submitted (SIX COPIES) in a sealed envelope/box and clearly marked with the bid number and description on the outside of the envelope, including all outer packaging (DHL, FedEx, UPS, etc).

Proposals must be delivered to:

Purchasing Department  
Stratford Town Hall — Rm 202  
2725 Main Street  
Stratford, CT 06615

## **C. CONDITIONS:**

### **Bid Surety:**

A Bid Surety is not required.

**Taxes:** The Town of Stratford is exempt from all State and Federal taxes. Do not include these amounts in your quotation.

**Addendums:** All addendums will be posted on the town website [www.townofstratford.com](http://www.townofstratford.com). It is the responsibility of the bidder to check the website for any addendums before submitting their bid.

**Conflict of Interest:** No public official or employee shall, while serving as such, have any financial interest or engage in any business, employment, transaction or professional activity or incur any obligation of any nature which is in substantial conflict with the proper discharge of his/her duties or employment in the public interest.

## **D. RESERVATIONS:**

The Town of Stratford may consider informal any proposal not prepared and submitted to the Town in accordance with the provisions herein stated. The Town of Stratford reserves the right to reject any or all proposals or parts of proposals; to waive defects in same proposals; or to accept any proposal or part thereof deemed to be in the best interests of the Town of Stratford.

The Town of Stratford, Connecticut is requesting proposals from qualified independent public accounting firms or accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the comprehensive annual financial statements of the Town of Stratford.

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## **I. INTRODUCTION**

### **A. General Information**

The Town of Stratford is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2014, June 30, 2015 and June 30, 2016 with an option for each of the two (2) 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 (GAO) Government Auditing Standards (1988), the provisions of the federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-128, 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 Stratford to reimburse firms for any expenses incurred in preparing proposals in response to this request.

Proposals submitted will be evaluated by a three (4) member Selection Committee composed of the Director of Finance, Assistant Director of Finance, Chief of Staff and Chief Administrative Officer.

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

The Town of Stratford 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 of Stratford and the firm selected.

It is anticipated the selection of a firm will be completed by June 10, 2014. Following the notification of the selected firm, it is expected an engagement letter will be executed between both parties within 30 days of approval.

### **B. Terms of Engagement**

A three (3) year contract is contemplated, subject to the annual review and recommendation of the Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the Town of Stratford and the selected firm), the concurrence of the Town Council and the annual availability of an appropriation.

## **II. DESCRIPTION OF THE GOVERNMENT**

### **A. General**

The auditor's principal contact with the Town of Stratford will be the Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the Town of Stratford to the auditor.

A list of key personnel with the location of their principal offices (Appendix A) is attached.

**B. Background Information**

The Town of Stratford serves an area of 18.7 square miles with a population of approximately 50,000. The Town of Stratford's fiscal year begins on July 1 and ends on June 30.

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

Police, Fire, Animal Control, Volunteer Ambulance, Street Lights, Civil Preparedness, Road Repair, Snow Removal, Refuse Removal, Recycling, Human Services, Recreation, Education, Waste Treatment, General Government Services.

The Town of Stratford is organized into several departments and agencies. All funds and account groups are under the administrative control of the:

Director of Finance  
Board of Education  
Library Board

More detailed information on the government and its finances can be found in the following documents which are available on the Town of Stratford's website at [www.townofstratford.com](http://www.townofstratford.com)

1. Official Statement
2. Comprehensive Annual Financial Report
3. Budget Summary
4. Federal and State Financial Assistance Reports

**C. Fund Structure**

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

General Fund	1
Capital Projects Funds	1
Special Revenue Funds	19
Permanent Funds	4
Enterprise Funds	4
Fiduciary Funds	3

**D. Budgetary Basis of Accounting**

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

**E. Pension Plans**

The Town of Stratford participates in the following pension plans:

Town of Stratford defined benefit fund	Wells Fargo
Town of Stratford defined contribution 401(a)	ICMA
Town of Stratford deferred compensation plan 457(b)	ICMA
Connecticut State Teachers' Retirement System	State of Connecticut
Town of Stratford Annuity Plan	Ameriprise

Actuarial services for these plans are provided by Milliman USA.

### **III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

#### A. Statements and Schedules

Pertinent information to be prepared by the Town of Stratford staff will include the following statements and schedules:

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
16. Standard representation letters
17. Notes to the combined financial statements
18. Required supplementary information
19. Management's discussion and analysis
20. CAFR statistical tables
21. Schedule of federal and state assistance

#### B. General

Office space will be provided in close proximity to the financial records. Telephones will be made available as well as the use of a copy machine 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 Stratford is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2014, June 30, 2015 and June 30, 2016, with an option for each of the two (2) 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, 2013, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality with a population of at least 20,000.

**Location:**

The auditors 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 proposer 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 thereof.

**Reports:**

Each proposer shall submit one copy of at least two Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. At least one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past three years.

**Other:**

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut. The Selection Committee intends to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

**C. Scope of Work to be Performed**

The Town of Stratford 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 statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

**D. Auditing Standards**

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, as amended in 1996, the provisions of U.S. Office of Management and Budget (OMB) Circular A-128, 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 financial statements, the auditor shall issue, as required by generally accepted auditing standards, and Government Auditing standards, OMB Circular a-128, and the Connecticut General Statutes, including but not limited to the following:

- ❖ Audit or a Comprehensive Annual Financial Report plus a searchable pdf of the document
- ❖ Municipal Audit Questionnaire for Submission to the State Office of Policy and Management

- ❖ Circular A-133, Federal Single Audit Report plus a searchable electronic report in pdf
- ❖ State Single Audit Report plus a searchable electronic report in pdf
- ❖ Management Letter (if applicable)
- ❖ ED001 Certification for the Board of Education
- ❖ A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- ❖ A report on compliance and on internal control over financial reporting based on an audit performed in accordance with Government Auditing Standards.
- ❖ A report on the Schedule of Expenditures of Federal Financial Assistance.
- ❖ A report on the Supplementary Schedule of State Financial Assistance.
- ❖ A report on the internal control over compliance in accordance with the State Single Audit Act.
- ❖ A report on compliance with the general requirements applicable to state financial assistance programs.
- ❖ A report on compliance with specific requirements applicable to major state financial assistance programs.

The compliance 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 chief legislative body 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.

The auditor shall have the following reporting responsibilities:

1. Reportable conditions - If the auditor becomes aware of deficiencies in the design and operations of the Town's internal control structure, these deficiencies, must be brought to the attention of the management and those charged with governance. At a minimum, the auditor should use SAS No. 115 to identify and evaluate control deficiencies during an audit. As set forth in SAS No. 115, Communication of Internal Related Matters Identified in an Audit, GAGAS requires reportable conditions to be included in the auditors' report on the Town's internal control structure. The auditor should use the definition of significant deficiency and a material weakness as defined in SAS No. 115.
2. Nonmaterial instances of noncompliance – GAGAS requires that all material instances of noncompliance with applicable laws and regulations be included in the auditors' report on compliance. GAGAS also requires that non-material instances of noncompliance be reported to the chief legislative body in writing. Since the Town of Stratford is subject to the provisions of the Federal Single Audit Act, OMB Circular A-133 requires the auditor to include all instances of non-compliance in its report. Reportable conditions that are also material weaknesses, non-reportable conditions, material instances of noncompliance and all instances of noncompliance, as required by OMB Circular A-133, should be included in the Management Letter.
3. Errors and irregularities, etc. - The auditor's responsibilities for reporting errors and irregularities are set forth in SAS No. 99, Consideration of Fraud in a Financial Statement Audit. The auditor will also be required to report any indications of abnormalities, non-recurring or extraordinary items or one-time changes in the pattern of Town expenditures or procedures to the chief legislative body, in writing.

4. Illegal acts and indications of illegal acts – The auditor’s responsibilities for reporting illegal acts and indications of illegal acts are set forth in SAS No. 54, Illegal Acts by Clients. Additional reporting responsibilities for GAGAS audits are set forth in the GAO’s yellow book. GAGAS require the auditor who becomes aware of illegal acts or indications of illegal acts to promptly report them to the chief legislative body. Also, when illegal acts or indications of illegal acts involve funds received from another government, the auditor must assure that the audited government has properly notified the officials of the donor government, including officials of the donor government’s audit organization. If the audit government does not notify the donor government in a reasonable time, GAGAS requires the auditor to inform the donor government directly. GAGAS also requires that all notifications of illegal acts or indications of illegal acts be made in writing.
5. Other matters to be brought to the chief legislative body attention - The auditor’s responsibilities under GAGAS include significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered in performing the audit, a written list and explanation of all adjustments made to the financial reports and Management Letter between its draft and final issuance. The Town of Stratford requires that the auditor communicate in writing to the chief legislative body.

#### F. Special Considerations

1. The Town of Stratford will send its Comprehensive Annual Financial Report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the Town of Stratford to meet the requirements of that program.
2. 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.
3. During the course of the contract period, the Town of Stratford will likely prepare several official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor’s opinion thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a “consent and citation of expertise” as the auditor.

#### 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 Stratford of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Stratford.

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).

#### 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 for submission:

- ❖ Request for proposal issued April 4, 2014
- ❖ Due date for proposals April 25, 2014
- ❖ Oral presentations if required May 12 – May 23, 2014
- ❖ Appointment by Town Council June 9, 2014
- ❖ Contract date within 30 days of appointment

### B. Schedule for the Annual Audit

- ❖ Entrance conference with Finance Officer to commence year-end audit work June 17, 2014
- ❖ Preliminary field work begins October 1, 2014
- ❖ Final audit work begins October 13, 2014
- ❖ Exit conference to review draft and significant findings December 5, 2014
- ❖ Draft comments returned to Auditors by December 9, 2014
- ❖ Final Financial Statements delivered December 19, 2014

### C. Report Submissions

Copies of all reports shall be addressed to the Town of Stratford. The successful proposer 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 are as follows:

Comprehensive Annual Financial Report December 31

Single Audit Report December 31

ED001 Certification October 31

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 Director of Finance 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 and 25 signed copies should be delivered to:

Director of Finance  
2725 Main Street  
Stratford, Ct 06615

## VI. PROPOSAL REQUIREMENTS

### A. General Requirements

#### (1) Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Susan Collier Director of Finance	or	Chitsamay Lam Assistant Director of Finance
2725 Main Street Stratford, CT 06615		2725 Main Street Stratford, CT 06615
203-385-4040		203-385-4040

#### (2) Submission of Proposals

The following material is required for a proposing firm to be considered:

a. The Proposal and 2 copies are to include the following:

- i. Title Page  
The title page must show the request for proposal's subject; the 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 proposer's understanding of the work to be done, 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 of this request for proposals.
- v. Guarantees and Warranties  
Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).

b. The proposer shall submit an original and 2 copies of a dollar cost bid attached to this request for proposals (Appendix D).

c. Proposers should send the completed proposal consisting of the two (2) separate envelopes to the following address:

Michael Bonnar  
Purchasing Agent  
2725 Main Street  
Stratford, CT 06615

Envelope #1: Technical Proposal

Envelope #2: Sealed Dollar Cost Bid

## 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 Stratford 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 proposer'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 Stratford 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 Stratford 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 Stratford 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 in 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 proposer should identify the extent to which its staff reflects the Town's commitment of 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 Stratford. However, in either case, the Town of Stratford retains the right to approve or reject replacements. 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 Stratford, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

#### 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 (maximum of 5) performed in the last five 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.

Proposers 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 DOLLARS 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 taken to gain and document an understanding of the Town's internal control structure
  - g. Approach taken to determine laws and regulations that will be subject to audit test work
  - h. Approach 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 Stratford.

### C. Dollar Cost Bid

#### 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 Stratford 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), that supports the total all-inclusive price. The total bid shall include review and certification of information reproduced from audited financial statements in the Town's Official Statement's for bond and note sales and other special reports as needed during the year.

#### 3. Rates for Additional Professional Services

If it should become necessary for the Town of Stratford 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 Stratford and the firm. Any such additional work agreed to between the Town of Stratford 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 each billing pending delivery of the final annual financial reports.

## **VII. EVALUATION PROCEDURES**

### A. Selection Committee

Proposals submitted will be evaluated by a four (4) member Selection Committee consisting of the Director of Finance, Assistant Director of Finance, Chief of Staff and the Chief Administrative Officer.

### 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 Stratford
- 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 at least two Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. At least one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past five years

## 2. Technical Qualifications

### a. Expertise and Experience

- ❖ The firm's past experience and performance on comparable government engagements
- ❖ 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
- ❖ Experience with the preparation of federal and state financial assistance and related reports
- ❖ Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program

### b. Audit Approach

- ❖ 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 and monitored and how 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 any one 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

The Selection Committee will recommend a firm for approval by the Stratford Town Council. It is anticipated that a firm will be selected by June 9, 2014. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) 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 Stratford and the firm selected. The Town of Stratford 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**

**APPENDIX B PROPOSER GUARANTEES AND PROPOSER WARRANTIES**

**Proposer Guarantees**

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

**Proposer Warranties**

I.Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.

II.Proposer 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.

III. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Stratford.

IV. Proposer 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

### 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 firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

#### A. Minimum Scope and Limits of Insurance

The Consultant shall procure and maintain during the life of this Contract, such insurance policies, including those set forth below, as will protect itself from all claims for bodily injuries, death or property damage which may arise under this Contract; whether the acts were made by the Consultant or by any subcontractor or anyone employed by them directly or indirectly. The following insurance policies are required:

1. Professional Liability insurance protecting the Consultant and its employees in an amount not less than \$1,000,000.
2. Worker's Compensation Insurance in accordance with all applicable state and federal statutes.
3. General Liability Insurance of an amount not less than \$3,000,000: The Town of Stratford shall be an additional insured. There shall be no added exclusions or limiting endorsements
4. Motor Vehicle Liability Insurance shall be \$3,000,000 for each occurrence as respects Bodily Injury Liability or Property Damage Liability, or both combined. The Town of Stratford shall be an additional insured. There shall be no added exclusions or limiting endorsements. Coverage shall include all owned vehicles, all non-owned vehicles and all hired vehicles.
5. Umbrella/Excess Liability Insurance shall be provided to apply excess of the Commercial General Liability, Employers Liability and the Motor Vehicle coverage enumerated above, for each occurrence and for aggregate in the amount of \$3,000,000.

#### B. License and rating

Any insurance provider of the Consultant shall be admitted and authorized to do business in the State of Connecticut and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the Town.

#### C. Indemnification

To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Consultant shall indemnify, defend and hold the Town, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or

tortious acts or omissions by the Consultant or its employees and agents occurring in the performance of this agreement. Further, the Contractor agrees to waive any right of recovery by its insurer against the Town.

D. 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 Finance Director 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 Finance Director.

**APPENDIX D**

To be submitted on your firm's letterhead in a separate envelope.

Firm's Name:

Location of office staffing the audit:

Number of Municipal professional audits:

Number of Municipal audit staff to be assigned staff to Town of Stratford:

Connecticut Municipal audit clients (FY engagements for municipalities with populations of 20,000 or more):

**FIXED FEES**

Break down total fixed fee between Town of Stratford and Board of Education portions. Each broken down further by report and activity shown below:

Town of Stratford:	2013-14	2014-15	2015-16
- Financial \$			
- Pension			
- CDBG and Single Audit (Federal)			
- Single Audit (State)			
- Preparation of Financial Statements			

Town of Stratford SUBTOTAL \$ \$ \$

Board of Education:	2013-14	2014-15	2015-16
- Financial \$ \$ \$			
- Grants and Single Audit (Fed.)			
- Single Audit (State)			
- ED 001, etc.			
- Cafeteria			

BOARD OF EDUCATION SUBTOTAL \$ \$ \$

COMBINED TOTAL: \$ \$ \$

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)

Susan Collier  
Director of Finance  
2725 Main Street  
Stratford, CT 06615

Dear :

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 reports for two (2) clients as outlined in Section IV, B.
2. Proposal as outlined in Section VI
3. Appendix B: Proposer 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