



RFP #FIN-2018-01

FOR

**THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR
TERM WITH AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS**

Issued: Tuesday, August 7, 2018



Chatsworth

THE CORPORATION OF THE TOWNSHIP OF CHATSWORTH

**REQUEST FOR PROPOSAL FOR
THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH AN
OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS**

PROPOSAL NUMBER FIN-2018-01

SECTION I - PROPOSAL INFORMATION

1. PROPOSAL DOCUMENTS, ADDENDA & APPENDIX

The bidder shall verify that these Proposal documents are complete and assume responsibility to view/download/print the Proposal Requirements, Addenda and any related information not sent with this document. You are required to go to the Township's website where under the description of this proposal you will find links to the Proposal Requirements, Addenda and any related information not sent with this document. Shortages shall be reported to the Treasurer immediately.

The Township will issue any changes/additions/deletions to the Proposal or terms and conditions. Any and all Addenda issued by the Township shall form an integral part of the document. The cost of complying with the Addenda requirement (if any) shall be included in the price submitted by bidders. The Township will assume no responsibility for oral instruction or suggestion. Any and all Addenda issued prior to the closing date will be posted on the Township's website for downloading by bidders. It is the bidder's sole responsibility to download and review all Addenda, and acknowledge that Addenda were downloaded from the Township's website, and, that the pricing quoted includes the provision set out in such Addenda. Addenda will not be sent to bidders via facsimile or e-mail.

Each Bidder must satisfy himself, by his own study of the Proposal Documents and related information, as to the practicality of completing the Work successfully as described. There will be no consideration of any claim after submission of Proposals that there is a misunderstanding with respect to the conditions imposed in the Agreement.

2. COMMUNICATIONS

Questions related to this proposal, specifications or the intent of the proposed work and requirements are to be directed to the individual listed below by Wednesday August 22, 2018, with responses posted in the form of Addenda by Thursday August 27, 2018.

RFP- FIN-2018-01 Provision of External Audit

All communications must reference “**RFP FIN-2018-01**” in the subject line.

Valerie Manning, Treasurer
vmanning@chatsworth.ca

Where a Bidder finds discrepancies or omissions in the proposal requirements, or other Proposal Documents or instructions, or otherwise requires any clarification, the Bidder should contact the Township in writing by e-mail as noted above.

Note that no oral explanation or interpretation shall modify any of the requirements or provisions of the Proposal Documents.

Where the Township deems that an explanation or interpretation is necessary or desirable, an addendum may be issued, in writing, on the Township’s website for downloading by all bidders. It is the bidder’s sole responsibility to check for Addenda issued and download same. Acknowledgement of Addenda on the Form of Proposal is a mandatory requirement. Failure to acknowledge Addenda will result in your Proposal being deemed non-compliant and not eligible for award.

3. RETRIEVAL OF OFFICIAL DOCUMENTATION

Only documents provided to Bidders by the Township or found on the Township’s website are to be considered the "official" documents. The Township accepts no responsibility for the accuracy of information found on other websites. The onus is on the bidder to check Township’s website to verify they have received all relevant Information. The Township reserves the right to not accept a bid submission if determined that the documents have been altered from the Township’s own official documents.

4. DELIVERY AND OFFICIAL CLOSING TIME OF PROPOSALS

All submissions shall be in sealed envelopes and delivered to:

The Township of Chatsworth
Administration Office
316837 Highway 6
RR 1
Chatsworth, Ontario
N0H 1G0

Proposals must be received not later than **2:00 pm on Thursday August 30, 2018**. The time clock in the front office of the Township of Chatsworth Administration Office is the official time for the deadline for submission. The Township is not responsible for submissions which arrive late or are not properly marked.

Proposals shall be officially opened after closing time by the Finance Department. No prices are to be read out, with prices being included in a separate envelope bearing the name “Cost Estimate”, however, only once the award is made and approved by Council, the report recommending such award shall be a matter of public record, unless otherwise determined by Council.

A Proponent may request that their Proposal be withdrawn. Withdrawal shall only be allowed if the Proponent makes the request in writing through a letter signed by a company officer and is delivered in hard copy or electronically to the Treasurer before the proposal closing time.

Proposals confirmed as withdrawn shall be returned unopened to the Proponent. The withdrawal of a Proposal does not disqualify a Proponent from submitting another Proposal prior to the closing time.

Fax and email proposal submissions will not be accepted.

All proposal submissions are to be submitted in two separate envelopes with the submission labels as provided by the Township affixed firmly to the outside of each sealed envelope with all details completed as required on the labels. The term envelope shall have the same meaning as "package".

Both separately sealed envelopes shall be submitted at the same time.

Envelope 1 – Proposal Requirements

The first address label entitled "Proposal Requirements", Appendix "A", shall be firmly affixed to outside of envelope one. This envelope shall contain four (4) copies of the Proposal, with one (1) copy being an original document with original signatures(s) and one (3) Electronic copy.

Proposal Structure and Content Requirements

The Proposal should not exceed 40 pages (not including the Form of Proposal and Schedules) in length and should be numbered and tabbed accordingly as per the sections below. Proposals to be submitted must include, at minimum the following information as described in "Proposal Requirements":

Form of Proposal

Completed (including all schedules) and SIGNED as an original document by a signing officer authorized to sign on behalf of the Proponent and bind the Proponent to statements made in the response to this Request for Proposal. All proposals must be legible and written in ink or typewritten. Corporate seals are requested, but are not mandatory. Faxed, emailed or reproductions of the Form of Proposal are not acceptable;

- Section 1 – Company Profile
- Section 2 – Experience
- Section 3 – Audit Approach
- Section 4 – Audit Schedule
- Section 5 – Value Added – Advisory Services

Failure to include the response requirements listed above may result in your proposal being disqualified. Any submissions which contain pricing information in Envelope 1 will be rendered informal and will be disqualified. All information related to fees and expenses must be submitted in Envelope 2 only.

Envelope 2 – Fees & Expenses

The second address label entitled “Fees & Expenses”, Appendix “B”, shall be firmly affixed to the outside of envelope two. This envelope shall contain two (2) completed and executed copies of the Fees and Expenses Form. The Form shall be submitted in a sealed envelope separate from the Proposal Requirements for envelope 1. Fees & Expenses shall not include contingencies or HST.

A listing of proposed fees for each of the five years as provided in Proposal Requirements must be included. A schedule of the estimated hours of involvement of each member of the Financial Audit team is to be included. The total fee to complete the Proposal Requirements as detailed must include all disbursement and related costs.

The audit shall be considered a "local" audit and the agencies shall not be responsible for any disbursements incurred by the firm, which are caused by sending staff from outside the area.

Your firm should not charge for local or long distance calls, clerical, secretarial, word processing and overtime services, photocopies, faxes or travel costs.

The fees should include all auditing assignments. An indication should be given as to how fees for special audit work would be costed.

5. PROPOSAL SELECTION CRITERIA

An evaluating team, comprised of Township Staff will evaluate all proposals received using a consensus approach. The following evaluation criteria outline the areas of importance that will be considered in project award. Proposal submissions should satisfy all criteria points wherever possible. Proposals will be evaluated based on the following weighted evaluation factors:

Rated Criteria	Maximum Points (Weight)
1st Phase of Scoring	
Company Profile	10
Experience	25
Audit Approach & Audit Schedule	30
Value Added – Advisory Services	10
References	5
2nd Phase of Scoring	
Fees and Expenses	20
Total Weighted Points	100

In order to qualify for the Fees and Expenses Evaluation, only the proponents achieving 60 points (75%) or greater on the evaluation of the Proposal Requirements will be eligible for the Fees and Expenses evaluation. The Envelopes containing the Upset Cost Limit for the firms that did not achieve greater than 60 points (75%) will not be opened or included in the Fees and Expenses Evaluation.

Proponent Evaluation Criteria

Evaluation Criteria	Rating (1-10)	X	Weight (0.5, 1, 1.5, 2.5 or 3)	=	Total
1. Company Profile		X	1	=	
2. Experience		X	2.5	=	
3. Audit Approach & Audit Schedule					
3.1 The Proponent has demonstrated a clear and concise audit		X	1.5	=	
3.2 The Proponent has provided a schedule and work plan which incorporates the Township's requirements and timelines		X	1.5	=	
4. Value Added - Advisory Services		X	1	=	
5. References		X	0.5	=	
SUBMISSION TOTAL					

The evaluation team will score each proposal in the following manner.

- a. All criteria outlined in Phase 1 will be scored out of 10 for simplicity and consistency (irrespective of the actual score/weight of the particular criterion). Following the consensus session, the scores will be determined by multiplying the evaluated score (out of 10) x maximum score x .1 to get a final score.
- b. For consistency, the following table describes the characteristics attributable to particular scores between 0-10.

0	➤ Submission is unacceptable; demonstrates little understanding of requirements; criterion is absent from submission;
1-4	➤ Submission is not adequate; misses key points;
5-6	➤ Submission meets expectations; basic requirements;
7-8	➤ Submission meets expectations; demonstrates an understanding of program requirements and how they will be met;
9-10	➤ Submission exceeds expectations; clearly demonstrates an understanding of program requirements and how they will be met.

Phase 2 - The lowest fee proposed shall be awarded the full amount of points available for the fee portion of the evaluation (20). All higher fees proposed shall be awarded points, rounded to the closest full point for the fee portion of the evaluation by the following:

$$\frac{\text{Lowest Bid}}{\text{Proposed Bid}} \times (\text{maximum points for proposed Fee}) = \text{points}$$

For example: if the low fee is \$50,000, 2nd low fee is \$60,000 and 3rd low fee is \$100,000 their respective scoring would be as follows:

- a. The proponent with the low fee of \$50,000 would be awarded 20 Points
- b. The proponent with the 2nd low fee of \$60,000 would be awarded points as follows:

$$\frac{\$50,000}{\$60,000} \times 20 = 16.7 \text{ points}$$

- c. The proponent with the 3rd low fee of \$100,000 would be awarded points as follows:

$$\frac{\$50,000}{\$100,000} \times 20 = 10 \text{ points}$$

- It should be emphasized that pricing is only one of the factors being considered in determining the most suitable Vendor.
- In submitting a Proposal, the Proponent acknowledges the Township's right to accept other than the lowest priced Proposal and expressly waives all rights for damages or redress as may exist in common law stemming from the Township's decision to accept a Proposal which is not the lowest price Proposal, if it is deemed to be in the Township's best interest to do so.
- All qualified proposal submissions will be reviewed and evaluated. Additional information may be requested if necessary.

6. PRESENTATION & INTERVIEW

If required, interviews would be conducted by the staff of the Township of Chatsworth in the Council Chambers. Senior staff members to be assigned to the audit engagement must be in attendance at the interview.

An Interview would consist of:

- a. Introduction of Proponents Project Team (5 minutes)
- b. Proponent Presentation of the Proposal (15 minutes)
- c. Questions from Interview Committee (15 minutes)
- d. Questions from Proponents (5 minutes)

The Proponents will be notified of the final format for interviews/presentations in advance.

For the interview portion of the evaluation (if required), the Township will be using the rating criteria shown below and will evaluate each short-listed Proponent only.

Interview Criteria and Weighting (Second Stage if required):

Criteria Category	Weighted Points
Presentation	10
Response to Questions	15
Total Weighted Points	25

The score from the Proposal evaluations and the Interview will be combined to determine an overall score.

7. PROPONENT SELECTION TIMELINE

The expected timeline for Proponent Selection is as follows:

August 7, 2018	Request for Proposal Issued
August 17, 2018	Deadline for written questions to Township from Bidders
August 23, 2018	Township published Addendum (if applicable)
August 30, 2018	Closing date for Proposal Submissions
September 19, 2018	The Township will award the Request for Proposal to the successful Proponent

8. PROPONENT SELECTION COMMITTEE

The Proponent Selection Committee will consist of representatives of the Township.

9. PROPONENTS TO INVESTIGATE

Proponents submitting a Proposal shall understand and acknowledge that while this Request for Proposal outlines the scope of work and specific requirements, the Proponent shall satisfy themselves by such means as they prefer, as to the extent of work required to complete the assignment.

10. AGREEMENT

Any Contract shall consist of:

- any purchase order(s) and any agreements and other documents required to be delivered by the parties;
- any Addenda to the RFP;
- the RFP;
- any modifications to the Submission acceptable to the Township, in its sole discretion; and
- the Submission.

The Contract shall constitute the entire agreement between the parties pertaining to the subject matter of this RFP and shall supersede all prior agreements, understandings, negotiations and discussions, oral or written, between the parties. Any conflict or inconsistency between the components of the Contract shall be resolved in accordance with the order of authority stated above.

11. TOWNSHIP PURCHASING POLICY

The Township's Purchasing of Goods and Services Policy form an integral part of this proposal document. The Policy and Procedures apply to this proposal process.

12. **INSURANCE**

- (a) The Proponent shall ensure that all insurance coverage including all provisions relating to insurance coverage set out in this section are in place prior to the commencement of services pursuant to this Agreement.
- (b) During the Term of this Agreement, and any renewal or extension thereof, the Proponent will, at its expense (including the cost of deductibles) maintain in effect, with an insurer licensed in Ontario:
- (i) A contract of general liability insurance for its operations, with limits of not less than Two Million (\$2,000,000) Dollars, exclusive of interest or costs per occurrence, including coverages for defense and claimants' costs, and coverages for:
- personal injury including death;
 - property damage or loss (direct or indirect and including loss of use thereof);
 - broad form property damage;
 - contractual liability;
 - non-owned automobile liability;
 - products – completed operations;
 - contingent employers liability;
 - cross liability;
 - severability of interest; and
 - blanket contractual liability.

The policy of insurance shall name the Township of Chatsworth and the Province of Ontario as an additional insured with respect to its interest in the operations of the Proponent; shall provide that the policy shall be non-contributing with, and apply only as primary and not as excess to any other insurance available to the Township; and shall also provide that neither the Proponent nor the insurer shall cancel, materially change or allow the policy to lapse without first giving the Township thirty days prior written notice.

- (ii) a policy of professional liability insurance or other errors and omissions insurance covering claims and expenses for liability for loss or damage arising from negligence in the provision of the Services, of standard wording, with coverage of no less than Two Million (\$2,000,000) Dollars exclusive of interest or costs per occurrence; and
- (iii) a policy of motor vehicle liability insurance of standard wording, covering motor vehicles owned, leased or operated by or on behalf of the Proponent, in connection with the Services provided or to be provided under this Agreement, with coverage of not less than Two Million (\$2,000,000) Dollars exclusive of interest or costs per occurrence and equipment leased, borrowed, rented or operated with coverage of not less than Two Million (\$2,000,000.) exclusive of interest or costs per occurrence; and

- (c) Every policy of insurance shall contain either no deductible amount or a deductible amount which is reasonable considering the financial circumstances of the Proponent. The Proponent shall be responsible to pay all deductible amounts.
- (d) No policy shall contain any provision which would contravene the obligations of the Proponent hereunder or otherwise be to the detriment of the Township.
- (e) The Proponent shall provide or cause to be provided to the Township, within seven (7) days of award of Contract, a certificate from its insurer which shows that the policy or policies placed and maintained by it complies with the requirements of this agreement. No review or approval of any such insurance certificate by the Township shall derogate from or diminish the Township's rights or the Proponent's obligation contained in this Agreement.
- (f) If at any time the Township is of the opinion that the insurance taken out by the Proponent is inadequate in any respect, it shall forthwith advise the Proponent of the reasons therefore and the Proponent shall forthwith take out additional insurance, if available, satisfactory to the Township.
- (g) The taking out of insurance shall not relieve the Proponent of any of its obligations under this agreement or limit its liability hereunder.
- (h) All policies of insurance shall be:
 - (i) written with an insurer licensed to do business in Ontario;
 - (ii) in form and content acceptable to *the* Township acting reasonably;
 - (iii) be non-contributing with, and will apply only as primary and not excess to any other insurance available to the Township; and
 - (iv) contain an undertaking by the insurers to notify the Township in writing not less than thirty (30) days before any material change, cancellation, lapse or termination of the policies.
 - (v) Failure to provide the aforementioned insurance will result in the withholding of payments or at the sole option of the Township, forfeiture of the Contract.

13. HEALTH AND SAFETY AND WSIB

The successful Proponent is required to conform with the *Occupational Health and Safety Act* related to the performance of the contract. In addition, the successful Proponent will be required to supply to the Township a valid Clearance Certificate issued by the WSIB, or if applicable, a letter from WSIB verifying Independent Operator's Status. A new clearance certificate is required every sixty (60) days.

The successful Proponent is required to complete the Township's Contractor's Acknowledgement Form prior to commencement of work.

14. IRREVOCABLE

Proposals are irrevocable for 90 calendar days from date of Proposal closing. All Proposals shall be and remain irrevocable unless withdrawn prior to the designated closing time.

15. LEGIBLE

All Proposals must be legible and written in ink or typewritten. Corporate seals are requested, but are not mandatory.

16. RIGHT TO REJECT OR NOT OPEN

The Township reserves the right to reject any or all proposals, and the lowest or highest as the case may be will not necessarily be accepted. The right is reserved to accept the whole or any part of the proposal.

Should the Township receive only one (1) qualified and duly executed bid submission on commodities/services that have known multiple sources potential, the right is reserved to recall the competition.

The Township reserves the right not to open a bid call should the Township of Chatsworth deem, in its opinion, to have received an inadequate number of bid responses to the bid call and further the right is reserved to cancel and recall the competition. Unopened bids will be returned to all vendors who responded.

The Township reserves the right not to accept a proposal from any person or corporation which includes all related corporations who, or which, has a claim or instituted a legal proceeding against the Township or against whom the Township has a claim or instituted a legal proceeding with respect to any previous contracts, bid submissions or business transactions who is listed as either the proposed general contractor or sub-contractor or vendor within the submitted proposal.

17. NO CLAIM FOR COMPENSATION

Except as expressly and specifically permitted in these Instructions to Proponents, no Proponent shall have any claim for any compensation of any kind whatsoever, as a result of participating in this RFP, and by submitting a Proposal each Proponent shall be deemed to have agreed that it has no claim.

The Township assumes no responsibility or liability for costs incurred by the Proponents prior to the entering into of a written contract.

18. SUBJECT TO BUDGET PROVISION

Should qualified bid submissions exceed the Township budget provision for this project the Township reserves the right to reject or recall the proposal.

19. ADJUSTMENTS PRIOR TO CLOSING

Adjustments to submitted proposals by telephone, telegram, fax, or email shall not be considered. A bidder wishing to make adjustments to a submitted proposal prior to closing must supersede it with a later proposal or letter enclosed in a proposal envelope, and received on or before the closing time.

20. PROPOSAL ADVERTISING

Proposal advertising is made available through the following; the Township's website www.chatsworth.ca,

21. INTELLECTUAL AND PROPRIETARY RIGHTS

Upon award, all trade secrets, copyright patents and other intellectual and proprietary rights are and remain the property of the Township. Also, all artwork and print production devices will become the property of the Township.

22. NO ADDITIONAL CONTENT

Sketches, renderings or models illustrating the content of the proposal are not to be supplied and will not be accepted by the Township.

23. CONFLICT OF INTEREST

The Township reserves the right to disqualify a Proposal where the Township believes a conflict of interest or potential conflict of interest exists in regard to the Proponent and the intended project.

The successful Proponent shall work solely and exclusively in the interests of the Township at all times to ensure that the project is successfully completed. The Proponent must identify current claims, potential claims, or disputes against the Township, if any, that the firm is involved with.

The Proponent must identify current Developer and development interest that the firm has in the service area, if any. This information and any conditions attached to the Proposal will be considered in the Township's evaluation.

No person, firm or corporation other than the bidder has any interest in this Proposal or in the proposed contract for which this Proposal is made and to which it relates.

This Proposal is made by the bidder without any connection, knowledge, comparison of figures or arrangement with any other person or persons making a Proposal for the same work, and is in all respects fair and without collusion or fraud.

No member of the Council and no officer or employee of the Township is, will be, or has become interested, directly or indirectly as a contracting party, partner, stockholder, surety or otherwise howsoever in or in the performance of the said contract, or in the supplies, work or business in connection with the said contract or in any portion of the profits thereof, or any supplies to be used herein, or in any of the monies to be derived there from.

24. FAILURE OR UNSATISFACTORY PERFORMANCE

The Township reserves the right to remove from eligibility the name of any Bidder to submit bids for an indeterminate period, for failure to accept a contract with the Township, or the name of any Bidder for unsatisfactory performance of a contract with the Township.

25. MUNICIPAL FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT (MFIPPA)

Please note that the Municipal Freedom of Information and Protection of Privacy Act, as it relates to municipalities and local boards, came into force on January 1, 1991. It sets out certain rules regarding the disclosure to third parties of information held by municipalities and local boards.

If you wish any or all of the documents that you submit to the Township as part of this proposal to be protected from disclosure under the above legislation, please ensure that the following statement, signed by a responsible officer, is attached to the Form of Proposal. This statement will not guarantee that there will never be disclosure, but it does provide the groundwork for handling an application for disclosure by a third party under this legislation.

Should you consider part or parts of your submission to contain the following confidential information, please sign the statement contained on the Form of Proposal, Section III.

26. PUBLIC OPENING

As this is a two-part bid process, there will be no public opening of bids.

27. TOWNSHIP NOT EMPLOYER

The Proponent agrees that the Corporation of the Township of Chatsworth is not to be understood as the employer to any successful Proponent nor to such Proponent's personnel or staff for any work, services, or supply of any products or materials that may be awarded as a result of this Proposal document. It is understood that the successful proponent will act as an independent contractor. Also, in accordance the Occupational Health and Safety Act, the successful Proponent herewith agrees to be the "constructor" as defined under this act.

28. ACCESSIBILITY FOR ONTARIANS WITH DISABILITIES ACT (AODA)

The Accessibility of Ontarians with Disabilities Act, 2005 (AODA), is a law passed by the Ontario legislature that allows the government to develop specific standards of accessibility and to enforce them. The standards are made into laws called regulations, and they provide the details to help meet the goal of the AODA, which is a fully accessible Ontario by 2025. The AODA is the foundation on which the subsequent accessibility standards are built. These standards include the Accessible Customer Service Standard, *Ontario Regulation 429/07*; the Integrated Accessibility Standards (encompassing Information and Communications, Employment and Transportation), *Ontario Regulation 191/11*; and finally, the Built Environment Standard, which is not yet law.

In 2007, the Ontario Government adopted the first AODA Standard, *Ontario Regulation 429/07*, respecting Accessibility Standards for Customer Service. All public sector organizations in Ontario, including the Township of Chatsworth, must comply with this

regulation by January 1, 2010. The Accessibility Standard for Customer Service also applies to third parties that provide goods and services to members of the public on behalf of a public sector organization.

It is the successful Bidder's responsibility to ensure that it is fully aware of, and meets all requirements under the AODA and associated regulations.

Further information on compliance can be found at the Ministry of Community and Social Services website:

<http://www.mcsc.gov.on.ca/mcss/english/pillars/accessibilityOntario/accession/compliance>.

THE CORPORATION OF THE TOWNSHIP OF CHATSWORTH
REQUEST FOR PROPOSAL FOR
THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH
AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS
PROPOSAL NUMBER FIN-2018-01

SECTION II – INFORMATION PACKAGE

Background

The Township of Chatsworth (hereafter known as “The Township”) is located in the center of Grey County. The majority of all administrative functions occur within the Administrative Office located at 316837 Highway 6, RR 1, Chatsworth, Ontario.

The following are the primary service responsibilities of the Township:

- Planning, Building & By-law services
- Fire & Emergency services
- Police contract services (OPP)
- Transportation & Drainage services
- Water & Biodigester services
- Solid Waste services including two Landfill sites
- Two Recreation operating facilities with arenas and programming services

Municipal Council and staff work to balance the needs of residents, businesses and visitors to the area. Our focus is on efficient and effective delivery of service for all of these customers.

Financial Information

Financial Activities

In 2018, Chatsworth budgeted approximately \$7.496M in operating expenditures and \$3.291M in capital expenditures. Chatsworth relies heavily on property tax as the primary revenue source to deliver necessary services. The Township also receives user fees and grants as additional sources of revenue.

Indicators reflective of the Township's financial activities include:

- 352 Water Accounts
- 3,500 Biodigester users
- 4,400 Tax Accounts

Financial Reporting

Treasury Department is responsible for the collection, safekeeping and allocation of all revenues. Chatsworth utilizes Keystone Complete for key financial functions, general ledger and budget, accounts payable, accounts receivable and purchasing. Fixed assets are accounted for and managed by Keystone and Excel and are transferring over to Citywide, a fixed asset management tool. Payroll is completed through Easypay.

[Financial statements](#) representative of the audits required can be found on the Municipal website

i. Reporting Objectives

Treasury is dedicated to delivering timely and accurate information to all stakeholders. The Township's objective is to deliver audited financial statements by April 30 of each fiscal year starting in the 2019 fiscal year.

Treasury is currently evaluating its reporting schedule in order to advance the presentation of audited financial statements within the next two years. A tentative year end schedule for the 2018 financial statement process is attached to the Request for Proposal. The schedule is representative of the Township's objective to advance reporting timelines in future years

Eligibility

Before preparing a proposal for the provision of external audit services to the Township of Chatsworth, Proponents are advised to ensure that they can meet the following minimum requirements. The firm must:

- i. Hold a valid public accountants license under the *Public Accounting Act, 2004*
- ii. Have municipal audit experience in Ontario within the last five years preferably with small to medium municipalities in Ontario;
- iii. Have well-developed professional auditing techniques and a sound system of control and service of audit work performed;
- iv. Have substantial resources/support services available to address the scope of audit services required, especially with regard to tax issues and local improvement revenue issues common to municipalities;
- v. Demonstrate a commitment to the provision of reasonable annual continuity by assigning experienced, well-qualified personnel who can work on the audit consistently from year to year.
- vi. Have sufficient resources to provide related services if and when required; and
- vii. Demonstrate an understanding of legislation and financial reporting recognition programs relevant of the municipal operating environment

Intent of Proposal

1. Scope

This Request for Proposal is a call for external audit services for the Township, its trust fund and associated boards.

The Municipal Act, 2001 Section 296 allows for the appointment of external auditors for a term of five years or less. Audit services and the terms of this agreement will be binding for the period of **three (3) years, beginning the December 31, 2018 fiscal year** with the option to extend the contract for an additional two (2) years. Pricing will be firm for the first three years and estimated for the remaining two years. However, the contract will be reviewed on an annual basis and Council reserves the right to reappoint, if dissatisfied, in any way with performance, the fees charged, or any other elements of the service provided.

The responsibility of the auditors will be to conduct the necessary work to audit, prepare and report upon the financial statements and schedules for each of the following entities:

- The Corporation of the Township of Chatsworth (consolidated)
- The Corporation of the Township of Chatsworth Desboro Community Centre
- The Corporation of the Township of Chatsworth Keady Community Centre
- The Corporation of the Township of Chatsworth Williamsford Community Centre
- The Corporation of the Township of Chatsworth Walters Falls Community Centre
- The Corporation of the Township of Chatsworth Holland Centre Ball Diamond Committee
- The Corporation of the Township of Chatsworth Trust Funds

2. Audit Process

Audits shall include the examination of the records and preparation of the financial statements of the Township, its funds and boards to the degree necessary to express an audit opinion on the financial statements.

The work will generally include minimal accounting, the preparation of draft financial statements or schedules. If any other non-audit responsibilities and work are required, they will be discussed separately from the annual audit.

Should the auditor identify any information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to any of the Township's financial statements, the auditor shall immediately inform and fully discuss matters with the Treasurer. Also the auditors shall, as far as possible, allow a reasonable time for the Township to investigate, analyze, report and take corrective action so as to avoid the inclusion of such qualifications.

The auditors shall attend such meetings as are called to discuss their work and reports and shall provide such information as requested which will enhance the understanding of members of Council and Boards concerning matters pertaining to the annual financial statements.

Upon completion of the report on the audit of the annual statements, the auditor shall prepare and deliver to the Treasurer, draft letters conveying any concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the operations of the Township. The auditor shall also provide recommendations as to such corrective measures as may be required and be prepared to provide assistance with regard to implementation, if required to do so. The auditor shall meet with the CAO and Treasurer to discuss the comments, following which an official management letter will be submitted to Council.

Additional services to the Township may be required from time to time. However, this type of work is not part of this proposal. The Township does not guarantee that the firm awarded this proposal will be asked to perform any services for the Township and its agencies beyond the audit services specifically requested in this proposal.

3. Annual Schedule

The auditors will meet with the appropriate Treasury staff members as soon as the award is made for the 2018 year-end audit and by September of each subsequent year and provide:

1. A schedule which includes all aspects of the completion and audit of the various financial statements of the Township for the current year;
2. A list of necessary schedules, working papers, analyses and other information to be prepared by staff of the Township.

Section 4 – Audit Schedule provides the estimated timeline to be followed for the first and subsequent audit engagements.

4. Terms of Engagement

To provide for degree of continuity and familiarity in the provision of audit services, and given the scope and complexity of the audit, Municipal Council will appoint the external auditor during the term of the engagement for a period of three years, subject each year to the performance of the audit firm. However, it is understood that either party may cancel this contract with 30 days' notice.

An annual letter of engagement outlining the terms of the Financial Audit should be submitted for the review and approval of both parties.

During the term of the engagement, the auditor's performance will be evaluated based on the following criteria:

- i) Persons assigned to the audit:

For the initial year of the engagement, the persons assigned to the audit should be those originally proposed. Any subsequent changes to audit personnel must be presented at the time of the annual planning meeting and acceptable to the Treasurer.

ii) On-site participation of the audit senior:
It is expected that the audit senior will be present for the Financial Audit.

iii) Performance in the manner proposed:

It is expected that the Financial Audit will be carried out in the manner proposed. Any changes in the Financial Audit program which impact staff and other resources of the Township shall be discussed at the time of the annual planning meeting and agreed to by the Treasurer.

The Township reserves the right to: request periodic progress reports; inspect reports, etc. at any time; monitor the progress of the Work; take Samples, audit records during regular business hours with notice; request removal of any individual from the Work if the quality of the Work is in question.

If the quality of audit work or services does not comply with the requirements of the Township, the Township will notify the audit senior in writing, of the default. The default must be corrected within seven (7) working days following receipt of notice. If the default is not corrected to the Township's satisfaction in the specified time the Township may:

- Correct such default through its own means and deduct the cost from any payment then or thereafter due to the selected Proponent.
- Terminate the selected Proponents right to continue with the work in whole or in part or terminate the Agreement. In the latter instance, work for subsequent years will be awarded to the next most responsive and responsible Proponent from this Proposal call. The Township also reserves the option, if required, to cancel the Agreement in whole or in part and to initiate a separate Tender or Request for Proposal for the entire Agreement. The Township is the final decision maker in this matter.

iv) Adherence to Financial Audit Deadlines:

It is expected that the Financial Audit will be completed within the time frames agreed to in the annual schedule as outlined in Appendix A. Scheduled dates balance the Township's commitment to provide timely financial information and reasonable expectations of audit requirements. The dates are approximate and may require adjustment from year-to-year depending on issues facing the Township. It is expected that the selected Proponent will support the Township's objective to advance financial reporting timelines.

v) Invoicing:

All invoices shall show the actual hours. All payments will be made in response to invoices itemized in accordance with the final signed contract, provided the invoices are based on work described in the scope of the project, consistent with the negotiated deliverables and completed to the Township's satisfaction. In the event that invoices are rendered that are in excess of the fees quoted in the final signed contract, payment will not be made unless the additional deliverables have been negotiated with and accepted by the Township in advance of the conduct of the work.

Proposal Structure and Content Requirements

Proposal documents should be numbered and tabbed accordingly as per the sections below.

Proposals to be submitted must include, at minimum the following information:

- Section 1 – Company Profile
- Section 2 – Experience
- Section 3 – Audit Approach
- Section 4 – Audit Schedule
- Section 5 – Value Added – Advisory Services

Section 1 - Company Profile

1. Name, address and telephone number of the firm and its principal contact person
2. A brief history and description of firm
3. State whether your audit organization is national, regional or local.
4. Number of years providing auditing services
5. List of current municipal auditing clients
6. Number of auditing clients (municipal and non-municipal) in 2016 and 2017
7. Locations of Proponent's office responsible for the audit
8. Evidence of financial stability
9. Resource/support services available (e.g. income tax advice, sale tax advice, information systems and management consulting)

Section 2 - Experience

- a) Personnel Technical Requirements
 - i) Staffing profile and resumes of the partner, manager, and senior staff who will be assigned to the audit. (Note: it is expected that a commitment will be made to maintaining continuity of the audit staff).
 - ii) Describe the experience in municipal audits of the partner, manager and staff assigned to the audit including years on each job and their position on each audit.

- iii) Describe the role of each member of the audit team assigned including staff in specialized areas such as computer auditing or commodity tax specialists.
 - iv) Describe any specialized skills, training and background in public finance by assigned individuals. This may include education or participation in municipal or provincial consulting assignments, speaker or instructor roles in conference or seminars.
- b) Firm Experience
- i) Satisfactory evidence that the partner(s) is (are) licensed under *the Public Accountancy Act*
 - ii) Describe the firm's particular strengths relevant to the audit scope
 - iii) Provide information on how your firm will address the Eligibility requirements as outlined in this proposal.
 - iv) Indicate how your firm will ensure how deadlines will continue to be met in the case of staff turnover or other issues not directly controlled by the Township.
 - v) Describe your firm's quality control procedures, as well as your firm's supervisory and review procedures.
 - vi) Provide a list of the firm's current and prior largest municipal clients indicating the type(s) of services performed, the number of years served for each client.
 - vii) Indicate the firm's experience in providing auxiliary services to include tax services, technology and audit expertise to municipal clients by listing the name of each type of services performed and the local office which provided the service.
 - viii) Indicate the firm's understanding and experience in auditing of local improvement projects.
 - ix) Describe the firm's experience with emerging municipal issues and requirements
 - x) Describe the firm's experience with municipal awards for recognition such as the GFOA Distinguished Budget Presentation Award or Canadian Award for Financial Reporting.

Section 3 - Audit Approach

Describe the firm's approach to the Financial Audit. As a minimum include the following information:

- a) Demonstrate an understanding of legislation relevant to the municipal environment
- b) Type of audit program used
- c) Reliance on management processes and internal controls
- d) Use of statistical sampling
- e) Use of computer audit specialists / techniques
- f) Assessment of deficiencies and weakness of system controls
- g) Reliance on third party information (Actuarial Reports)
- h) Management letter (provide a sample letter)
- i) Sample list of audit working paper requirements with details of specific formats

Section 4 – Audit Schedule

The auditors will meet with the appropriate Treasury staff members as soon as the award is made for the 2018 year-end audit and by September of each subsequent year and provide:

1. A schedule which includes all aspects of the completion and audit of the various financial statements of the Township for the current year;
2. A list of necessary schedules, working papers, analyses and other information to be prepared by staff of the Township.

Describe the composition of the Audit Team and provide an estimated audit time schedule, separated into field staff, manager and partner’s hours. Do not include hourly rates in this section. Schedules including any fee related dollar values will be disqualified. Indicate the percentage of time the manager/supervisor will be on-site throughout the interim and year-end audits.

The table below provides the estimated timeline to be followed for the first and subsequent audit engagements.

Task to be Completed	Completion Date 1st year of contract	Completion Date 2nd- 5th years of contract
Planning Meeting	Mid November	Mid September
Annual Letter of Engagement Presented to Council	Mid to late November	Early October
Completion of interim audits on all entities	Mid December	Mid November
Receive completed working paper files for the Township, Trust Funds and Board’s by Township staff	Early March	Early March
Completion of audit field work on the Township, Trust Funds and Board’s	Early April	Early April
Presentation of Township’s draft consolidated Financial Statement & Management Letter by auditors to Council	End of April	End of April
Presentation of Management Letter and financial Statements to Council	Mid May	Mid May
Issuance of Final Financial Statements	End of May	End of May

Section 5 - Value Added - Advisory Services

Information should be included in the Proposal regarding advisory services which may be provided free of charge on “routine” matters. Advisory services may include staff

assistance, workshops or seminars and/or publications relating to income tax, sales tax, employee benefits, internal benefits, internal audit, management issues, cash management, federal and provincial budget reviews, etc.

**THE CORPORATION OF THE TOWNSHIP OF
CHATSWORTH**

**REQUEST FOR PROPOSAL FOR
THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH
AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS**

PROPOSAL NUMBER FIN 2018-01

SECTION III – FORM OF PROPOSAL

Note: Failure to provide the complete Form of Proposal, submitted as an original document, complete with original authorized signature(s), at time of proposal closing, will result in the proposal submission being disqualified and not considered for award. Copies of this schedule shall be included in all copies of Proposals prepared for the Township.

BIDDER'S INFORMATION

BIDDERS must complete this form and include with the Proposal Submission. Please ensure all information is legible.

1.	Company Name	
2.	Bidder's Contact Individual	
3.	Address (inc Postal Code)	
4.	Office Phone #	
5.	Toll Free #	
6.	Cellular #	
7.	Fax #	
8.	E-mail address	
9.	Website	
10.	HST Account #	

I/We hereby submit the attached Proposal documents to satisfy the requirements as described in this Proposal issued by the Township of Chatsworth.

I/We agree that we have reviewed and understand the Proposal documents and I/We are capable and qualified to perform the requirements of the contract and enter into a legal agreement with the Township in regard thereto and where the Proposal is submitted by a Corporation, it shall be signed by a duly authorized officer of the company. Should the Proposal be submitted by a Partnership or Proprietor, it shall be signed by the partners or owner.

I/We agree that this offer shall be irrevocable from the time the Proposals are opened and for a period of **60** calendar days.

ACKNOWLEDGEMENT AND SUPPLY OF INFORMATION

BIDDERS must complete this form and include with the Proposal Submission. Please ensure all information is legible.

The vendor must provide the following in conjunction with a bid submission:

- Submission of the Completed Form of Proposal – Section III, including Schedule 1 – References, Schedule 2 – Financial Reference.

Acknowledgement of Receipt of Addenda

This will acknowledge the following Addenda was downloaded from the Township's Website, and, that the pricing quoted includes the provision set out in such Addenda.

The following Addenda are acknowledged _____ for a total of _____
(eg. 1, 2, 3, 4 or 1-4 for a total of 4 Addenda)

- Check here if NO Addendum received.

Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)

If you wish any or all of the documents that you submit to the Township as part of this proposal to be protected from disclosure under the Municipal Freedom of Information and Protection of Privacy Act as it relates to municipalities and local boards, please have this statement signed by a responsible officer. This statement will not guarantee that there will never be disclosure, but it does provide the groundwork for handling an application for disclosure by a third party under this legislation.

Bidder/Vender _____ **Date:** _____

PROPOSAL SUBMITTED BY: (Please type/print)

The undersigned affirms that he/she is duly authorized to execute this bid and that all costs associated with this proposal have been submitted in the fee envelope.

BIDDER'S SIGNATURE AND SEAL: _____

NAME AND POSITION: _____

WITNESS SIGNATURE: _____

NAME AND POSITION: _____

(If Corporate Seal is not available, documentation should be witnessed)

DATED AT THE _____
(City/Township)

THIS _____ DAY OF _____ 2018/

Schedule 1 - References

Please provide at minimum, three (3) references of the Firm's municipal clients with a population of approximately 6,500. The references must be, at minimum, equal in size, complexity and service requirements to this Proposal.

References will be contacted at the discretion of the Township. The Township reserves the right to investigate other than listed references.

All references must be for clients serviced since January 1, 2015

Reference 1	
Company Name	
Company Address	
Contact Name	
Contact Email & Telephone Number	
Date & Duration Work Performed	
Type of Work Performed	
Annual Value of Work	
Estimated Hours on Annual Audit	
Filing date of last management letter	

Reference 2	
Company Name	
Company Address	
Contact Name	
Contact Email & Telephone Number	
Date & Duration Work Performed	
Type of Work Performed	
Annual Value of Work	
Estimated Hours on Annual Audit	
Filing date of last management letter	

Reference 3	
Company Name	
Company Address	
Contact Name	
Contact Email & Telephone Number	
Date & Duration Work Performed	
Type of Work Performed	
Annual Value of Work	
Estimated Hours on Annual Audit	
Filing date of last management letter	

Failure to provide Schedule 1 in Envelope 1 – Proposal Requirements, will render the proposal informal. Informal proposals will not be considered for award.

Schedule 2 - Financial References

Please complete the following for the current financial institution. If the number of years with the financial institution is less than 3 years, please provide an additional reference.

Failure to provide Schedule 1 in Envelope 1 – Proposal Requirements, will render the proposal informal. Informal proposals will not be considered for award.

NAME OF FINANCIAL INSTITUTION	
ADDRESS	
TELEPHONE NUMBER	
CONTACT	
NUMBER OF YEARS WITH THIS INSTITUTION	

The bidder agrees that the Township of Chatsworth on this project may inquire regarding the financial status of the company/proprietorship including the applicant's financial position, i.e. Line of Credit, length of experience and general financial position.

Signature of Responsible Officer

Appendix A

PROPOSAL SUBMISSION

From:

Contact:

Telephone:

Deliver to:

The Corporation of the Township of
Chatsworth
Treasurer
316837 Highway 6, RR1
Chatsworth, ON N0H
1G0

SEALED PROPOSAL:

PROPOSAL NUMBER: FS-2018-01

CLOSING DATE AND TIME: Thursday August 30 , 2018 – 2:00 PM

DESCRIPTION: THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS

Envelope #1 – Proposal Requirements (no fees are to be included in this envelope)

**THE CORPORATION OF THE TOWNSHIP OF
CHATSWORTH**

**REQUEST FOR PROPOSAL FOR
THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH
AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS**

PROPOSAL NUMBER FS-2018-01

FEES & EXPENSES FORM

Proponents are requested to provide firm pricing for External Auditing Services that meets the requirements described in all documentation issued for this proposal request.

I/We, the undersigned, have carefully read and examined the entire Proposal document.

I/We, for the fees and expenses set forth in this Proposal, hereby offer to supply all services and other means to complete the work described and specified at the following fees described in this proposal submission.

Pricing submitted shall include all travel time expended between the proponent's place of business and the Township's office.

Anticipated Audit Hours and Hourly Rates for the first contract year (excluding HST):

Staff	Hours	Rate	Fee (Hrs. x Rate)
Partner		\$	\$
Manager		\$	\$
Seniors		\$	\$
Staff Support		\$	\$
Total Anticipated Fee			\$

Annual Fees (excluding applicable taxes):

Total Annual Fees for 2018 must equal the total anticipated fee calculated above.

Annual audit of the Consolidated Financial Statements and Audit of Trust Funds. Compilation Other Financial Information for Sundry Boards	2018 (Firm)	2019 (Firm)	2020 (Firm)	2021 (Estimate)	2022 (Estimate)
Township					
Desboro Community Centre					
Keady Community Centre					
Williamsford Community Centre					
Walters Falls Community Centre					
Holland Centre Ball Diamond Committee					
Trust funds					
TOTAL					

I agree that all costs are included in the Total Price.

I have read and understand the terms and conditions listed in this Proposal document.

PRICE FORM SUBMITTED BY: (Please type/print)

NAME OF SIGNING OFFICER(S)/OWNER(S)/PARTNER(S):

FIRM NAME: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

DATE: _____

SIGNED AND DELIVERED IN THE PRESENCE OF:

SIGNING OFFICER

WITNESS

THE PRICE FORM IS TO BE RETURNED IN ENVELOPE 2 "FEES & EXPENSES". DO NOT INCLUDE IN ENVELOPE 1 "PROPOSAL REQUIREMENTS" OR THE PROPOSAL WILL BE DISQUALIFIED

RFP- FIN 2018-01 Provision of External Audit Services

Appendix B

PROPOSAL SUBMISSION

From:

Contact:

Telephone:

Deliver to:

The Corporation of the Township of
Chatsworth
316837 Highway 6, RR 1
Chatsworth, Ontario
N0H 1G0

SEALED PROPOSAL:

PROPOSAL NUMBER: FS-2018-01

CLOSING DATE AND TIME: Thursday August 30, 2018 – 2:00 PM

DESCRIPTION: THE PROVISION OF EXTERNAL AUDIT SERVICES FOR A THREE (3) YEAR TERM WITH AN OPTION TO EXTEND FOR AN ADDITIONAL TWO (2) YEARS

Envelope #2 – Fees and Expenses