



THE CORPORATION OF
THE TOWNSHIP OF CRAMAHE
REQUEST FOR PROPOSAL
AUDIT SERVICES

CLOSING DATE: Friday September 30th, 2011 at 2:00 pm E.S.T.

Anyone downloading this document and wishing to submit a bid must ensure that they have registered with Mora Chatterson, Treasurer for the Township of Cramahe. By registering, you will be added to the bidder mailing list and will receive notification of any addenda that may be issued with respect to this document. Failure to register may result in your proposal being disqualified. To register you must supply your firm name and contact information by fax at (905) 355-3430 or by e-mail to mora@cramahetownship.ca

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1. INTRODUCTION

1.1 The Township of Cramahe is located approximately 144 kilometers east of Toronto along the north shore of Lake Ontario with a population of 5,375. The Township of Cramahe is a lower tier municipality located within Northumberland County. The Township of Cramahe borders the Township of Alnwick/Haldimand in the West, the Municipality of Trent Hills in the North, and the Municipality of Brighton in the East and sit on Lake Ontario in the South. The 401 right through the Township.

The Township of Cramahe is mainly a rural municipality with a small urban portion within the “Village of Colborne” The Village of Colborne does have water and sewer services.

1.2 The Township operates generally under the authority of the Municipal Act of Ontario, as well as other legislation as appropriate and is governed under the Council/Chief Administrative Office form of government. A Council by-law has established the control of appointed administration with the Chief Administrative Officer responsible for implementation of Council policies and initiatives through the various municipal departments.

1.3 The projected outcome of this RFP is the signing of a contract for auditing services for the years ending December 31, 2011 through December 31, 2013

1.4 The Township reserves the right to further extend this contract for the years ending December 31, 2014 and December 31, 2015 providing the following applies:

- The auditor’s performance is considered to have met the requirements of the contract
- The Treasurer had determined that the exercise of this option is in the best interest of the Township.
- Funds are available in appropriate accounts within the Township budget including authorized revisions to meet the proposed expenditure.
- A valid business case has been completed by the Treasurer and approved by resolution of Council

2. PROJECT SCOPE

- 2.1 The audit services shall include all duties as required under the Ontario Municipal Act and other applicable acts and shall include the examination of the records and financial statements of the Township and all of its Local Boards. The audit will be in compliance with the Public Sector Accounting Board Guidelines.
- 2.2 The successful firm will be responsible for the preparation and audit of the Non-Consolidated Financial Statements for the following:
- Township of Cramahe (including revenue, capital, reserve and trust funds)
 - Township of Cramahe Library Board
 - Township of Cramahe's East Colborne Cemetery Board
- 2.3 The successful firm will prepare Consolidated Financial Statements for the Township of Cramahe and the two local boards mentioned above.
- 2.4 The successful firm will prepare the Financial Information Return with the assistance of the Treasurer.
- 2.5 The successful firm will prepare the Auditors Report on Compliance with the Municipal Funding Agreement for the Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities between Association of Municipalities of Ontario and the Township of Cramahe.

3. GENERAL AUDIT REQUIREMENTS

3.1 Planning the Audit

In accordance with generally accepted auditing standards, the work should be adequately planned and properly executed including the following;

- Prior to December 1st, of each year, the auditor shall meet with the Treasurer for the purpose of defining a schedule of responsibilities which will lead to an orderly and timely assembly, audit and submission of the annual financial statements and financial information returns. These responsibilities will include the preparation of working papers to be prepared by the Treasurer, any photocopies of documents required, and any other work that can be performed by the Treasurer prior to the start of the audit.
- The above-mentions schedule shall be finalized prior to December 31st, and shall at a minimum set out the following:

- the dates by which information will be prepared and submitted to the auditors; and
 - a list of required schedules, working papers, analyses and other information specifying the persons who will be responsible for their preparation and completion.
- The critical dates outlined in this schedule will be embodied in the annual engagement letter. Included in the annual engagement letter will be the specific responsibilities to be discharged by each to the parties and a requirement that the Treasurer be consulted prior to any change.
 - The audited financial statements must be received by the municipality no later than April 30th each fiscal year.
 - Audit field work must be scheduled for completion by March 31st of each fiscal year.

3.2 System and Procedure Review:

In accordance with generally accepted auditing standards, there should be an appropriate organized study and evaluation of those internal controls on which the auditor subsequently relies upon for purposes of determining the nature, extent and timing of auditing procedures.

- The internal control system and accounting procedures shall be evaluated at least annually.
- The purpose of this evaluation will be to determine whether the auditors can rely on the internal controls, subject to their compliance testing, to determine appropriate nature and extent of substantive procedures required.

Where weakness or absences of internal controls are identified, they should be reported in writing to the Treasurer and the CAO. It would be appropriate to suggest or recommend ways in which the weakness can be corrected or compensated for.

- Upon discovery of information or conditions, which might otherwise lead to a qualified opinion on the financial statements, or a denial of opinion, the auditors shall immediately communicate these matters in writing to the Treasurer and CAO

3.3

- The auditors shall attend such meeting as are required to discuss the draft audited financial statements with the Treasurer and CAO.
- The auditors shall deliver the finalized financial statements to the Municipality by no later than April 30th of each year.
- No later than thirty days following delivery of the audited financial statements, the auditors shall deliver a post-audit management letter to the Treasurer outlining but not limited to the following;
 - Concerns relative to internal controls and system determined during the audit;
 - A report on the progress or lack of progress made on implementing suggested improvements in systems and controls recommended in prior years; and
 - Any other comments which may assist the appropriate contacts with their day to day management of the affairs for the Municipality.

4. POSSIBLE ADDITIONAL SERVICES

4.1 Although the responsibilities of the auditors are normally geared to performing sufficient work to enable them to express an opinion on the financial statement, occasionally it may be necessary to provide additional audit and/or non-audit services. Outline below are the types of additional services which may have arisen in the past and which may or may not occur in the future. The list is not intended to be all-inclusive of the items that may be encountered. These items should be considered in your fee proposal as requested as highlighted as additional items.

- Changes in financial statement format presentation as required by the various supporting Ministries requiring regrouping and restatement of the previous year's comparative figures
- Restating previous year's comparative figures as a result of changes in the application of accounting principles as required by the Public Sector Accounting Board or Ministries

Request For Proposal – Audit Services

- Special audits arising from the introduction of new programs as requested by the various Ministries.
- Attendance at Council meetings other than to present the Auditor’s Report on the year-end financial statements.
- Advisory services: information regarding any advisory services which may be available to the Township at no additional charge, including but not limited to, publications dealing with matters such as HST, pension reform, income tax, employees benefit plans, internal audit, financial systems development, computer system and programs and cash management.

5. OTHER INFORMATION FOR CONSIDERATION

Included with this package are the following:

- Consolidated Financial Statements as at December 31st, 2009
- Financial Information Return for fiscal year ended December 31st, 2009
- Cramahe public Library Board audited financial statements for the year ended December 31st, 2009
- East Colborne Cemetery Board audited financial statements for the year ending December 31st, 2009.

Other statistical information:

- | | |
|---------------------------|--|
| • Population | Approx 5,375 |
| • Annual Operating Budget | 2011 - \$13,136.945 |
| • Number of Employees | Full-Time 19
Part-Time 2
Seasonal 9 |
| • Collective Agreements | Canadian Union of Public Employees |
| • Cheques Issued Yearly | Approximately 4,000 |
| • Tax Bills Issued | Approximately 10,000 |
| • Books and Records | Fully computerized accounting system USTI for all accounting Systems |
| • Active Bank Accounts | 8 |

6. SUBMISSION FORMAT

- 6.1 Please submit three (3) copies of your proposal. The proposal should, as a minimum, cover the following items;
- 6.2 A profile of your firm, including other audit assignments, resources and support services available, and a description of the firm’s philosophy with regard to municipalities. The names and contacts of other municipalities with which the firm’s staff have had experience.
- 6.3 The names of the partner and staff of the firm who will be engaged on this municipal audit.
- 6.4 The office which would be responsible for the audit and the name of the partner in charge of the audit should be specified.
- 6.5 Where it is proposed that audit technicians would be employed on this engagement, a description should be provided to support their technical ability and their understanding of generally accepted auditing standards as they apply in particular to municipalities.
- 6.6 A fee proposal indicating the following:
- The firm’s understanding of the work to be done, having regard to the responsibilities and other matters set out in these proposal documents;
 - A total fee proposal for regular audit services for each separately of the fiscal years ending;
 - December 31, 2011 to December 31, 2013.
 - The total fees as quoted should be broke down between the Township of Cramahe, Cramahe Public Library Board, East Colborne Cemetery board, Cramahe Water Department and Cramahe Sewer Department.
 - It is expected that the audit should be considered as a “local” audit and the municipality would not be responsible for disbursements incurred by the firm which are caused by sending staff from outside locations.
 - A schedule outlining the tentative dates when the work for the audit would be performed given the deadline dates.

7. TENTATIVE SCHEDULE

Release date of RFP: September 7th, 2011
Closing Date: September 30th, 2011 at 2:00 pm Eastern Standard Time
Award of Contract: October 4th, 2011

8. INSURANCE AND INDEMNIFICATION

The successful bidder shall at its own expense obtain and maintain until the termination of the contract, and provide the Township with evidence of:

8.1 Commercial General Liability Insurance

Comprehensive general liability insurance on an occurrence basis for an amount not less than Two Million (\$2,000,000) dollars for any negligent acts or omissions by the bidder relating to its obligation under this agreement. Such insurance shall include, but is not limited to Bodily Injury and Property Damage including loss of use, personal injury, contractual liability, premises, property and operations, non-owned automobile liability, broad form property damage, owners and contractors' protective, products and completed operations, employees as additional insured, occurrence property damage, contingent employers liability, cross liability and severability of interest clauses.

8.2 Automobile Liability Insurance

Automobile liability insurance with respect to owned and leased automobiles used directly or indirectly in the performance of the services covering liability for bodily injury, death and damage to property with a limit of not less than \$1,000,000 inclusive for each and every loss.

8.3 Professional Liability Insurance

Professional liability (errors and omissions) insurance coverage shall be obtained to a limit of not less than \$1,000,000 on a claims basis. Such coverage shall be maintained for a period of two years subsequent to conclusion of services provided under this agreement.

The successful bidder shall at their own expense obtain and maintain insurance as stipulated in the contract for the duration of the contract. The bidder shall provide the as set out in the contract and that if successful they will provide the Township with a certificate of insurance within 10 days of notification of acceptance of the contract award.

9. EVALUATION CRITERIA

The following criteria, which are not in any particular order, will be used to determine the ranking of the respondent proposals:

- the required expertise, including professional qualifications and experience.
- a demonstration of a thorough knowledge and understanding of the scope of the work.
- project schedule / timetable.
- past performance with other municipalities in the Ontario marketplace in providing similar services within the last three years.
- quality and completeness of RFP response.
- cost, fee structure, comparative value.
- references.

Interviews may be conducted if deemed necessary by the Treasurer and CAO.

Request For Proposal – Audit Services

The lowest cost bid will not necessarily be awarded. Scoring of proposals will be done in strict compliance to criteria established pre-opening. The proponent who has submitted a fully responsive, compliant document and whose overall score is the highest, will be awarded the contract provided the submission is considered qualified following the preliminary evaluation.

Section “A”

GENERAL INSTRUCTION TO RESPONDENTS

A1. SUBMITTING A PROPOSAL

1.1 All proposals must be submitted to the attention of Mora Chatterson, Treasurer at:

The Corporation of the Township of Cramahe
1 Toronto St
PO Box 357
Colborne, On
K0K 1S0

1.2 Responses should be submitted on respondent's own letterhead or quotation form and must be signed by an authorized officer of the respondent.

1.3 All proposals submitted must clearly identify on the outside of the return envelope the following information:

- name of the firm submitting the proposal
- identify the package as a "Proposal for Audit Services"

1.4 Faxed or other electronically transmitted bids **will not** be accepted

1.5 Late bids will not be considered and will be returned unopened to the bidder. The closing time is 2:00 pm E.S.T. on September 30th, 2011.

1.6 The number of bids received and the names of respondents are confidential, and shall not be divulged prior to the RFP opening. However, the number of RFP packages released is Public Information. It is understood that by completing and submitting a bid for this RFP the respondents agrees to public release of their name.

1.7 The Township assumes no responsibility or liability for any cost incurred by the respondent in the preparation or submission of the proposal or any other services that may be requested as part of the evaluation process.

1.8 Respondents must hold a valid Public Accounting License in the Province of Ontario.

Request For Proposal – Audit Services

- 1.9 The bidder agrees that other publicly funded authorities within the Township not shown on this quotation may utilize this quotation if deemed beneficial to them.
- 1.10 The bidder declares that this quotation is made without any connection, knowledge, comparison of figures or arrangement with any other person or persons making a quotation for the same services, and is in all respects fair and without collusion or fraud.
- 1.11 The Corporation of the Township of Cramahe shall not be responsible for any liabilities, costs, expenses, loss or damage incurred, sustained or suffered by any respondent prior or subsequent to or by reason of the acceptance or the non-acceptance by the Township of Cramahe of any RFP or by reason of any delay in the acceptance of a RFP save as provided in the Contract.

A2. INQUIRIES AND CLARIFICATIONS

- 2.1 It is the respondent's responsibility to clarify interpretation of any item on the specifications and/or other RFP documents, **at least twenty-four hours prior to the closing date and time**, by contacting the following in writing:

Mora Chatterson, AMCT, CMMI
Treasurer
Township of Cramahe
1 Toronto St
Colborne, On
305-355-3430 Fax
mora@cramahetownship.ca

- 2.2 All questions relating to the RFP must be in writing and delivered, faxed or e-mailed as directed above. No verbal interpretation will be effective to modify any component of the RFP or any contact. Only interpretations and clarifications, which are provided in writing by the above-mentioned, will be considered valid. Lobbying of staff or politicians is unacceptable.
- 2.3 Any inquire of clarification which results in a modification to the RFP will be issued as an addendum by the Treasurer to all parties as recorded on the record of RFP's distributed.
- 2.4 The submission of a quotation shall be deemed proof that the bidder has been satisfied as to all the provisions of the quotation, all conditions which may be encountered, what services will be required to supply, or any other matter which may enter into the carrying out of supply of services referred to in the quotation, and no claims will be entertained by the Township based on the

assertion by the bidder that they were uninformed as to any of the requirements of this quotation.

A3. ADDENDA

- 3.1 Should a bidder discover any error or omissions in the RFP, they shall notify the Treasurer so that clarification can be made to all bidders.
- 3.2 If it becomes necessary to revise, delete, substitute or add to the bid documents after release, the Treasurer will issue an addendum.
- 3.3 A copy of each addendum shall be forwarded by fax, e-mail, or mail, by the Treasurer or his/her designate, to all persons registered on the distribution list. Those who downloaded the document from the Township's website will be expected to check the web-site regularly for addenda items.
- 3.4 The Township's website is www.visitcramahe.ca and it will be the bidder's sole responsibility to check the website for updates.
- 3.5 Addendum sent by fax are accompanied by a "Verification of Receipt" document to be returned promptly by fax to the Treasurer. This is for your protection.
- 3.6 All bidders must acknowledge addendum in the body of the bid document in the space provided at the top of the Bidder Identification Form. Failure to do so may result in rejection.
- 3.7 If the addendum is prepared too late to allow notification by mail prior to closing time, in addition to faxing the addendum, each prospective bidder shall be contacted by the Treasurer or his designate, to advise of the addendum and the closing date may be extended. In all cases, when an addendum is issued, it is desirable to give prior notice of the mailing to the prospective bidders.

A4. WITHDRAWAL PROCEDURE

- 4.1 The bidder who has submitted a response may request that the bid be withdrawn. Adjustments or corrections to a bid already submitted will not be allowed. The withdrawal will be allowed if the request is made by mail, fax or in person, directly to the Treasurer, before closing time, and only if verification of source is possible. Telephone requests will not be considered.
- 4.2 When a withdrawal request is made in person, the requester shall sign a withdrawal form confirming the request. When requests are made by mail or fax, they shall be confirmed by telephone prior to acceptance.
- 4.3 Bids confirmed as withdrawn prior to closing time shall be returned unopened.

4.4 The withdrawal of a bid does not disqualify a bidder from submitting another bid on the same contract provided it is submitted prior to closing date and time.

4.5 Withdrawal requests received after the closing time and date will not be allowed.

A5. ONLY ONE BID RECEIVED

5.1 In the event that only one proposal is received in response to this RFP, the Treasurer along with the CAO will determine whether or not to proceed with the opening. If in their opinion, using criteria based on the number of bids which might reasonably be expected on this proposal, additional proposals could be secured, the one proposal may be returned unopened and the bidder advised that the Township may be recalling the RFP at a later date.

5.2 In the event that only one bid is received in response to the RFP, the Treasurer along with the CAO may proceed with the opening. If after evaluation, the proposal is found to be unacceptable, they may follow the procedures to cancel the request.

5.3 Where proposals are received in response to this RFP but exceed budget, are not responsive to the requirement, or do not represent fair market value, a revised solicitation may be issued in an effort to obtain an acceptable proposal.

5.4 The Treasurer may waive the need for a revised proposal request and enter into negotiations with the firm receiving the highest evaluation where the Treasurer and CAO agree that the changes require to achieve an acceptable proposal will not change the general nature of the requirement described in the original RFP.

Section “B”

GENERAL INFORMATION FOR RESPONDENTS

B1. DEFINITIONS

The following terms abbreviations have been used throughout this document:

Township	means The Corporation of The Township of Cramahe
Proposer)
Vendor) all mean any firm or supplier who is responding to this RFP
Respondent)
Bidder)
Contract	means the contract which will be signed between the Township and the successful respondent.
Employer	means a person who employs one or more workers or contacts for the service of one or more workers.
Volunteer	means a person who performs a job or provides a service and who receives no pay for that job or service.

B2. EVALUATION COMMITTEE

- 2.1 The evaluation committee will be comprised of the CAO and the Treasurer.
- 2.2 The committee will evaluate the submissions based only on the established criteria as presented in the original RFP documentation with a predetermined weight for importance to the audit. The weighting for each criterion will not be divulged prior to closing and evaluation.
- 2.3 A copy of the completed evaluation forms along with committee recommendation will be forwarded to the CAO to be kept in a confidential file and utilized for dispute resolution if necessary.
- 2.4 The Treasurer shall prepare a recommendation to Council.

B3. SUB-CONTRACTING

The selected respondent, who has signed a contract with the Township, shall be considered to be the prime contractor and shall keep the audit totally under their control and shall not assign, transfer or sub-contract any portion without the written approval of the Township. The consent of the Township for such assignment or sub-contracting shall not relieve the prime contractor from completion of the audit in accordance with the terms of the contract. If a respondent submits a joint proposal or proposes a partnership arrangement, the respondent must assume the lead or prime contractor position. As such, the respondent will have the overall responsibility for completing the project as proposed.

B4. CONTRACT AMENDMENTS AND REVISIONS

- 4.1 No amendment or revision to a contract shall be made unless the amendment is in the best interest of the Township.
- 4.2 No amendment that changes the price of a contract shall be agreed to without a corresponding notice, in writing, describing the change in requirement or scope of work.
- 4.3 Amendments to a contract are subject to identification of sufficient funds in appropriate accounts within the Township Council approved budget including authorized revision.

B5. ACCESS TO INFORMATION

- 5.1 The disclosure of information received relevant to the issue of a bid solicitation or the award of contracts emanating from bid solicitations shall be made by the appropriate offices in accordance with the provisions of the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, as amended.
- 5.2 All records and information pertaining to tenders, proposals and other sealed bids, which reveal a trade secret or scientific, technical, commercial, financial or other labour relations information supplied in confidence implicitly or explicitly, shall remain confidential if the disclosure could reasonably be expected to:
 - prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group or persons, or organizations;
 - result in similar information no longer being supplied to the Township where it is in the public interest that similar information continue to be so supplied;
 - result in undue loss or gain to any person, group, committee or financial institution or agency; or
 - result in information whose disclosure could reasonably be expected to be injurious to the financial interests of the Township.

Section “C”

STANDARD RESPONSE FORMS

REMINDERS

CLOSING: September 30th, 2011
2:00 pm Eastern Standard Time

DELIVER PROPOSALS TO: Mora Chatterson, AMCT, CMMI
Treasurer
Township of Cramahe
1 Toronto St.
PO Box 357
Colborne, On
K0K 1S0

Faxed or electronically sent proposals will **NOT** be accepted

OPENING: Immediately following closing time if practical. If not,
Time and date will be announced

REMEMBER: All bids must be returned in a sealed envelope with the
name of the bidder and contact information clearly printed
on the outside of the envelope.

All bids must be submitted with cost breakdown as
requested.

The three page response form must be completed and
returned.

Any other requirements as may be listed in the documents.

**“THE TOWNSHIP RESERVES THE RIGHT TO ACCEPT OR REJECT ANY PROPOSAL
AND THE LOWEST OR ANY PROPOSAL OR ANY PART OF ANY PROPOSAL NOT
NECESSARILY ACCEPTED.”**

RESPONSE FORM – Page 1 of 3

RE: CONTRACT FOR AUDIT SERVICES

The undersigned have examined the scope of the project described herein and are fully informed as to the nature of the work and the conditions related to its performance.

I/WE declare that I/WE have carefully examined addenda no. _____ to no. _____ and hereby acknowledge the same to be part and parcel of any contract to be let for all work therein described.

I/WE hereby propose to furnish all necessary machinery, tools, apparatus and other means to do all the work, furnish all materials and to complete the work herein describe in strict accordance with and conformity with the requirements of the specifications and supplemented specifications as may be provided by the Township for the performance of said work.

This proposal submission constitutes a valid and irrevocable offer which will remain open for acceptance by the Township for no less than sixty (60) days following the closing date.

All amounts are in Canadian funds.

Signature

Date

Person signing must be authorized on behalf of the firm/individual represented, and to bind the firm/individual to statements made in response to this contract.

RESPONSE FORM – Page 2 of 3

RESPONDENT IDENTIFICATION

Name

Address

Telephone Number

Fax Number

Name of Person Signing

Signature

Person signing must be authorized to sign on behalf of the firm/individual represented, and to bind the firm/individual to statements made in response to this contract.

RESPONSE FORM – Page 3 of 3

REFERENCES

(MUST BE COMPLETED AND RETURNED WITH SUBMISSION)

References: State names, addresses and telephone numbers of clients for whom your firm has performed similar services:

1) NAME: _____

ADDRESS: _____

TELEPHONE: _____

2) NAME: _____

ADDRESS: _____

TELEPHONE: _____

3) NAME: _____

ADDRESS: _____

TELEPHONE: _____

REFERENCE WILL BE USED AS PART OF EVALUATION PROCESS

NOTICE OF NO-REPLY

Township of Cramahe
1 Toronto St
PO Box 357
Colborne, On
K0K 1S0
905-355-2821 phone
905-355-3430 fax

Reference: Audit Services

Closing: September 30th, 2011 – 2:00 pm E.S.T.

It is important to the Municipality to receive a reply from all potential respondents. There is no obligation to submit a quotation or proposal; however, should you choose not to bid, completion of this form will assist the Municipality in determining the type of service you are interested in bidding on in the future and may identify potential problems without projects.

Instructions

If you are unable, or do not wish to submit a bid on this proposal, please complete the following portions of this form. State the reason for not bidding by checking beside the applicable space or by explaining briefly in the space provided. It is not necessary to return any other proposal documents. Just return the completed form by regular mail or fax.

FIRM NAME: _____

INDIVIDUAL NAME: _____

POSITION: _____

Reason for no-bid:

1. Unable to quote competitively _____
2. Cannot handle due to present workload _____
3. Job too large _____
4. Job too small _____
5. Cannot meet delivery / completion requirements _____
6. Other reasons / additional comments: _____

