

TOWN OF GUILFORD
REQUEST FOR PROPOSAL
RFP #2-1617
AUDITING SERVICES
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I.

TOWN OF GUILFORD
REQUEST FOR PROPOSAL
RFP #2-1617
AUDITING SERVICES

The Town of Guilford, through the Board of Finance, is requesting proposals from qualified firms of certified public 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 Guilford.

Respondents are required to submit an original and five (5) double sided copies and one electronic copy of a sealed proposal by no later than Thursday January 26, 2017 at 2:00 p.m. at the Office of the First Selectman, on the second floor of the Town Hall located at 31 Park Street. The envelope shall be marked: "RFP #2-1617 Auditing Services" and "Time Sensitive." Proposals received after that date and time will be rejected. The complete Request for Proposal package will be available at the Office of the First Selectman or may be accessed from the Town of Guilford's website at www.ci.guilford.ct.us.

Inquiries regarding the specifications should be submitted *in writing only* to Maryjane Malavasi, Finance Director at malavasim@ci.guilford.ct.us , with a copy to the Purchasing Department at millmanp@ci.guilford.ct.us

The Town of Guilford reserves the right to reject any or all Proposals, or waive defects in same, if it deems such to be in the best interest of the Town of Guilford.

Joseph S. Mazza
First Selectman

Publish one time only in the New Haven Register under LEGAL on Friday January 13, 2017

II. INTRODUCTION

A. General Information

The Town of Guilford is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2017, with *the option of auditing its financial statements for each of the four (4) 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 U.S Government Accountability Office's (GAO) *Government Auditing Standards* (1994), 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-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 the primary purpose of the audit is to express an opinion on the basic 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.

B. Term of Engagement

A one (1)-year contract together with a Town option to extend, at Town's sole discretion, for four successive one (1)-year periods is contemplated. If the Town exercises its option to extend, the exercise of each option shall be subject to the annual review and recommendation of the Audit Sub-Committee, the concurrence of the Board of Finance and the annual availability of an appropriation. The agreement shall become effective immediately upon execution by all parties of a contract, in a form acceptable to the Town, with implementation of all specified services to take place for the audit of fiscal year ending June 30, 2017.

III. NATURE OF SERVICES REQUIRED

A. 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 fiscal year ending June 30, 2016 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, as well as currently engaged in the audit of at least three (3) Connecticut municipalities.

Location:

The auditor's firm 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 the Request for Proposals.

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 of Guilford and may result in ineligibility for further Town of Guilford contracts. The proposer shall at all times in the proposal and contract process comply with all applicable Town of Guilford, State and federal anti-discrimination laws, rules, regulation and requirement 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 Audit Sub-Committee intends to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

B. Scope of Work to be Performed:

The Town of Guilford desires the auditor to express an opinion on the fair presentation of its basic government-wide financial statements, fund financial statements, the supplemental, combining and individual fund statements and schedules, and its aggregate discretely presented component unit in conformity with generally accepted accounting principles.

The auditor is not required to audit the supporting schedules, the Management’s Discussion and Analysis and the Budgetary Comparison contained in the

Comprehensive Annual Financial Report. However, the auditor is to provide an "in-relation-to" opinion on the supporting schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor will be entirely responsible for the printing of 25 Comprehensive Annual Financial Reports before December 15th each year for the previous fiscal year. A PDF file of the CAFR will be submitted to the Town which will be posted on the Town's website.

C. Auditing Standards To Be Followed:

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards*, the provisions of the Single Audit Act, as amended and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and in conjunction and conformity with the Connecticut Single Audit Act.

D. 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-133, and the Connecticut Single Audit Act*, including but not limited to the following:

- 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 preformed in accordance with *Government Auditing Standards*.
- A report on the Schedule of Expenditures of Federal Financial Assistance.
- A Report on compliance and internal control over compliance applicable to each major federal award program.
- 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 general requirements applicable to state financial assistance programs.

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

E. Special Considerations:

1. The Town of Guilford will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in their Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will not be required to provide special assistance to the Town of Guilford to meet the requirements of that program.
2. The Town of Guilford currently anticipates it will prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon.
3. The Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance and related auditor's report, as well as the reports on compliance and internal controls are not to be included in the comprehensive annual financial report, but are to be issued separately.

F. 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 Guilford of the need to extend the retention period, or if applicable law requires a longer retention period. The auditor will be required to make working papers available, upon request to the Town of Guilford.

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.

G. 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.

IV. DESCRIPTION OF THE GOVERNMENT

A. General

The auditor's principal contact with the Town of Guilford will be the Town's Finance Director Maryjane Malavasi, as well as the Board of Education's Business Manager Linda Trudeau, who will coordinate the assistance to be provided by the Town of Guilford to the auditor.

A list of key personnel with contact information (Appendix A) is attached.

B. Background Information

The Town of Guilford serves an area of 48 square miles with a population of 22,351. The Town of Guilford's fiscal year begins on July 1 and ends on June 30.

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

Police	Snow Removal
Fire	Road Repair
Ambulance	Street Lights
Civil Preparedness	Social Services
Animal Control	Library
Golf Course	Marina
Education	Transfer Station/Recycling

General Government Services

The Town of Guilford has a total payroll budget of approximately \$48.7 million in fiscal year 2016-2017, covering approximately 731 full-time and part-time employees.

The Town of Guilford is organized into several departments and agencies. The accounting and financial reporting functions of the Town of Guilford are centralized and are under the administrative control of the Town Finance Director and the Board of Education Business Manager.

More detailed information on the government and its finances can be found in the following documents which are available on the Town of Guilford's website at: <http://www.ci.guilford.ct.us>. A copy of the Town of Guilford's most recent Official Statements will be provided upon request.

1. Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015
2. State and Federal Single Audit Reports for the fiscal year ended June 30, 2015
3. Fiscal Year 2016-2017 Approved Budget Summary

C. Fund Structure

The Town of Guilford uses all the funds included in the budget and the CAFR under general ledger control, and account groups in its financial reporting.

D. Budgetary Basis of Accounting

The Town of Guilford prepares its budgets on a basis consistent with generally accepted accounting principles. Encumbrances are recognized as a valid and proper charge against an appropriation in the year the purchase order is issued.

E. Federal and State Awards

During the fiscal year to be audited, the Town of Guilford received State and Federal grant awards as reported in the Federal and State Single Audit Reports for the period ending June 30, 2017.

F. Pension Plans

The Town of Guilford maintains three single-employer defined-benefit pension plans for full time employees. The plans are considered to be part of the Town of Guilford's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds.

1. All full-time employees, except members of the State Teachers' Retirement System, employees of the Police Department, and employees of the Public Works department who elect to become members of the Teamsters Union Local No. 443, are eligible to participate in the Employees' Pension Plan.
2. Sworn police personnel participate in the Police Retirement Fund.
3. All regular full-time employees of the Town school system, other than instruction and supervisory staff are eligible to participate in the Public School Employees' (Noncertified) Pension Plan.
4. Certified teachers employed by the Guilford Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System. This system is a cost-sharing multi-employer defined benefit PERS with the State acting as a non-employer contributor, which is administered under the provisions of Chapter 167a of the Connecticut General Statutes.

Actuarial services for these plans are provided by Milliman, Inc. 80 Lamberton Road, Windsor, CT 06095.

G. Component Units

The Town of Guilford is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, component units are included in the Town of Guilford's financial statements.

The management of the Town of Guilford includes the Guilford Free Public Library as a component unit the Town of Guilford's financial statements.

H. Magnitude of Finance Operations

The finance department is headed by Maryjane Malavasi, Finance Director and consists of three (3) full time employees and one (1) part time employee. The principal functions performed and the number of employees assigned to each is as follows:

<u>Function</u>	<u>Number of Employees</u>
Accounts Payable	1
Payroll	1
Accounting	2 (1 full-time & 1 part-time)

I. Computer Systems

The Town of Guilford incorporates an Application Service Provider (ASP) which hosts the MUNIS financial accounting software which has been in use by the Town since 1995.

J. Availability of Prior Audit Reports and Working Papers

Interested proposers who wish to review prior years' audit reports and management letters should contact the Finance Director, Maryjane Malavasi, at 31 Park Street, Guilford, CT 06437, by email only at malavasim@ci.guilford.ct.us , with a copy of such request to the Purchasing Department at millmanp@ci.guilford.ct.us . The Town of Guilford will use its reasonable good faith efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals.

V. TIME REQUIREMENTS

A. Proposal Calendar

The following is a tentative RFP timeline:

Request for proposal issued:	Friday January 13, 2017
Due date for proposal:	Thursday January 26, 2017, 2:00 pm
Interviews to be held:	Early February, 2017
Selection Committee Meeting:	February, 2017
Appointment by Board of Finance:	by Friday February 24, 2017

(Per Town Charter)

Contract negotiation/execution Within 10 days of approval of Board of Finance (BOF)

The Town of Guilford will diligently pursue having all records ready for audit and all management personnel available to meet with the firm's personnel as of September 11, 2017.

The schedule for Interim Work, Detailed Audit Plan and Fieldwork will be mutually agreed upon by the selected firm and the Town's Finance Director.

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by the Finance Director and Business Manager of the Board of Education by December 1, 2017.

Copies of all reports shall be addressed to the Chairman of the Board of Finance. 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 15 th
Single Audit Reports	December 15 th
ED001 Certification	September 1 st (original), December 31 st (revised)

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town of Guilford, in writing. It is the Town of Guilford's responsibility to secure all necessary approvals in a timely manner.

The final report and 25 signed copies should be delivered to Maryjane Malavasi, Finance Director.

VI. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance:

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the auditor. Clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Statements and Schedules to be Prepared by the Staff of the Town of Guilford.

The staff of Town of Guilford will prepare the following statements and schedules for the auditor as follows:

1. Adjusted trial balance and support for all funds
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances.
3. Bank reconciliations for all accounts
4. Individual fund statements for all funds
5. Bank reconciliation of all funds
6. Investment activity schedules
7. Payroll accruals
8. Payroll records
9. Budget to GAAP reconciliation
10. Schedule of state and federal assistance
11. Schedules applicable to GASB-34
12. Schedule of fixed assets
13. Tax collection schedules
14. Letter of Transmittal
15. Management's Discussion and Analysis
16. CAFR Statistical tables
17. Debt schedules
18. Schedules of pension activity
19. Completed ED-001 and supporting documents
20. Schedule of compensated absences
21. Standard representation letters
22. Notes to the combined financial statements
23. Analysis of accounts as requested

The above list is illustrative by not inclusive of schedules to be prepared by the Town of Guilford.

C. Work Space:

The Town of Guilford will provide the auditor with work space in close proximity to the financial records. Telephones and use of copy and facsimile machines will be made available as well as internet access during the engagement. The auditor will be required to provide its own equipment and other office materials.

D. Report Preparation:

Report preparation, editing and printing shall be the responsibility of the auditor.

VII. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries:

All inquiries regarding this RFP shall be made by email only to the Finance Director, Maryjane Malavasi at malavasim@ci.guilford.ct.us, with a copy to the Purchasing Department at millmanp@ci.guilford.ct.us on or before **Tuesday January 24, 2017 by noon**. No phone calls will be accepted.

The Town will issue addendums to the RFP to respond to inquiries. The addendums will be posted on the Town website. It is the Respondent's responsibility to monitor the website.

2. Submission of Proposals:

The Following material is required by 2:00 p.m. on Thursday January 26, 2017 for a proposing firm to be considered:

a. One original and five (5) copies of the proposal are to include the following:

- 1) Title Page – indicating 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.
- 2) Table of Contents
- 3) 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 the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.
- 4) Detailed Proposal – the detailed proposal should follow the order set forth in Section VI B of this Request for Proposals.
- 5) Guarantees and Warranties – executed copies of the Proposer Guarantees and Proposer Warranties attached to this Request for Proposals (Appendix B)
- 6) Signed Non-Collusive/Non-Conflict Affidavit (Appendix F.)
- 7) Signed Affirmative Action Statement (Appendix G.)

- b. The proposer shall submit one original and five copies of audit (technical proposal) & (separate sealed cost proposal) attached to this Request for Proposals (Appendix D).
- c. Proposers should send the completed proposal consisting of two (2) separate envelopes to:

Town of Guilford, First Selectman's Office
Purchasing Department, Second Floor
31 Park Street
Guilford, CT 06437.

Envelopes shall be clearly marked as follows:

Envelope #1 Audit Technical Proposal
Envelope #2 Audit Sealed Cost Proposal

B. Technical Proposal

1. General Requirements:

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the Town of Guilford 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.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid). 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 data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the Town of Guilford as defined by generally accepted auditing standards/the U.S. Government Accountability Office's *Government Auditing Standards* (2007).

The firm should also list and describe the firm's professional relationships involving the Town of Guilford 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 Guilford 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 that the firm and all assigned key professional staff are properly qualified to practice in Connecticut.

4. Firm Qualifications and Experience

The proposer 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 professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. 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

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Connecticut. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the Town of Guilford's commitment to 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 the Town of Guilford. However, in either case, the Town of Guilford retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the Town of Guilford, 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. Prior Engagements with the Town of Guilford

List separately all engagements within the last five years, ranked on the basis of total staff hours, for the Town of Guilford by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. 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 - 5) performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, whether a Comprehensive Annual Report was issued, date, engagement partners, total hours, and the name and telephone number of the principal client contact. The Town reserves the right to contact any of these significant engagements to obtain references.

8. Specific 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 II of this request for proposal. In developing the work plan, reference should be made to such sources of information as Town of Guilford'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 AMOUNT SHALL BE INCLUDED IN THE TECHNICAL PROPOSAL

- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the Town of Guilford's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. 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 Guilford.

10. Report Format

The proposal should include sample formats for required reports.

11. Default and Litigation

The proposal should state whether the respondent has failed to complete awarded by contract deadline, whether the respondent ever defaulted on a contract and whether there is any pending litigation involving the respondent.

C. Sealed Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost bid (Appendix D) should contain all pricing information relative to performing the audit engagement as described in this request for proposal. 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 Guilford 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.

The dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the Town of Guilford.
- c. A Total All-Inclusive Maximum Price for the June 30, 2017 engagement and an Option price for each of the four (4) subsequent fiscal years.

If the respondent is willing to hold the price for each of the subsequent fiscal years, please set forth such agreement in the fee proposal submission.

2. Rates by Partner, Specialist, Supervisory and staff level hours anticipated for each

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 maximum price. The cost of special services described in Section I E of this request for proposal should be disclosed as separate components of the total all-inclusive maximum price.

3. Rates for Additional Professional Services

If it should become necessary for Town of Guilford to request the auditor to render any additional services to either supplement the services requested in this RFP 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 Town of Guilford and the firm. Any such additional work agreed to between Town of Guilford 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.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VIII. EVALUATION PROCEDURES

A. Selection Committee

Proposals submitted will be evaluated by a three (3) member Audit Sub-Committee composed of the Board of Finance.

B. Evaluation Criteria

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

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Guilford.
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.
- e. The firm shall submit one copy of at least two Annual Financial Reports issued by Connecticut Municipalities in which their opinion is contained.
- g. The firm must have been engaged during the fiscal year ending June 30, 2016, 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, as well as currently engaged in the audit of at least three (3) Connecticut municipalities.

2. Technical Qualifications

- a. Expertise and Experience
 - (1) The firm's past experience and performance on comparable government engagements.
 - (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
 - (3) Experience with the preparation of federal and state financial assistance and related reports.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement.
- (2) Adequacy of sampling techniques.
- (3) Adequacy of analytical procedures.

3. Price

Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the Audit Sub-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 Audit Sub-Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The Audit Sub-Committee will recommend a firm for approval by the Board of Finance, subject to final execution of the contract, in a form acceptable to the Town.

E. Right to Reject Proposals

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

The Town of Guilford reserves the right without prejudice to reject any or all proposals.

IX. APPENDICES

- A. List of Key Personnel and Contact Information
- B. Proposer Guarantees and Proposer Warranties
- C. General Conditions and Instructions to Bidders
- D. Format for Schedule of Professional Fees and Expenses to Support the Total All-inclusive Maximum Price
- E. Insurance Requirements
- F. Non-Collusive /Non-Conflict Affidavit
- G. Affirmative Action Affidavit

APPENDIX A

LIST OF KEY PERSONNEL AND TELEPHONE NUMBERS

Maryjane Malavasi	Finance Director	malavasim@ci.guilford.ct.us	203-453-8023
Sandra Offredi	Assistant to Finance Director	offredis@ci.guilford.ct.us	203-453-8025
Linda Trudeau	BOE Business Manager	Trudeau@guilfordschools.org	203-453-8111(1)

APPENDIX B

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

Proposer Guarantees

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

Proposer Warranties

- A. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
- B. 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.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Town of Guilford.
- D. 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
GENERAL TERMS AND CONDITIONS

All Respondents must be willing to adhere to the terms and conditions of this RFP, including the following, and must positively state their acceptance and compliance with them in their response to this RFP.

1. Acceptance or Rejection by the Town of Guilford – The Town of Guilford reserves the right to accept and/or reject any or all qualification statements submitted for consideration to serve the best interests of the Town of Guilford. Respondents whose qualification statements are not accepted will be notified in writing.
2. Ownership of Documents – All qualification statements submitted in response to this RFP are to be the sole property of the Town of Guilford and subject to the provisions of Section 1-200 of the Connecticut General Statutes (re: Freedom of Information).
3. Ownership of Subsequent Products – Any product, whether acceptable or unacceptable, developed under a contract awarded as a result of this RFP is to be the sole property of the Town of Guilford unless stated otherwise in the RFP or contract.
4. Timing and Sequence – Timing and sequence of events resulting from this RFP will ultimately be determined by the Town of Guilford.
5. Oral Agreements – The Town of Guilford will not be responsible for any alleged oral agreement or arrangement made by a Respondent with any agency or employee.
6. Amending or Canceling Requests – The Town of Guilford reserves the right to amend or cancel this RFP prior to the due date and time, if it is in the best interest of the Town of Guilford to do so.
7. Rejection for Default or Misrepresentation – The Town of Guilford reserves the right to reject the proposal of any Respondent that is in default of any prior contract or for misrepresentation.
8. Town's Clerical Errors in Awards – The Town of Guilford reserves the right to correct inaccurate awards resulting from its clerical error.

9. Rejection of Qualification Statements - Qualification statements are subject to rejection in whole or in part if they limit or modify any of the terms and conditions and/or specifications of the RFP.
10. Changes to Qualification Statements - No additions or changes to the original qualification statement will be allowed after submittal.
11. Contract Requirements – A formal agreement will be entered into with the selected Respondent, as previously described. The contents of the proposal submitted by the successful Respondent and the RFP will become part of any contract award.
12. Rights reserved to the Town of Guilford – The Town of Guilford reserves the right to award in part, to reject any and all qualification statements in whole or in part, to waive technical defects, irregularities and omissions if, in its judgment, the best interests of the Town of Guilford will be served.
13. Withdrawal of Qualification Statements – Negligence on the part of the Respondent in preparing the qualification statement confers no right of withdrawal after the time fixed for the acceptance of the qualification statement.
14. Assigning, Transferring of Agreement – The successful Respondent is prohibited from assigning, transferring, conveying, subletting or otherwise disposing of this agreement, its rights, title or interest therein or its power to execute such agreement by any other person, company, or corporation without the prior consent and approval in writing by the Town of Guilford.
15. Cost of Preparing Qualification/Proposal Statements – The Town of Guilford shall not be responsible for any expenses incurred by the organization in preparing and submitting a qualification statement. All qualification statements shall provide a straightforward, concise delineation of the firm’s capabilities to satisfy the requirements of this request. Emphasis should be on completeness and clarity of content.

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 Audit Staff at this Location:

Number of Municipal Audit Staff to be assigned to Town of Guilford:

Connecticut Municipal Audit Clients (Fiscal Year 2016) engagements for municipalities with populations of 20,000 or more:

The undersigned agrees to provide the services set forth in the RFP for the following **FIXED FEES**:

It is understood that the Contract will be for fiscal year audit for period from July 1, 2017 through June 30, 2018, with the Town's option to extend for each of four successive fiscal year periods.

Town of Guilford	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Financial	\$	\$	\$	\$	\$
Pension					
Single Audit Federal					
Single Audit State					
Total	\$	\$	\$	\$	\$

Total Hours Included in total fees	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Partner					
Manager					
Staff					

Hourly Rates

Partner-in-charge and Review Manager: _____

Supervising Manager: _____

Audit Staff: _____

Rate for hours in excess of those above or for services outside the specified scope:

Submitted by: _____

Date: _____

Signature: _____

Title: _____

Telephone: _____

Fax: _____

APPENDIX E

Insurance Exhibit - Financial Auditing Service

The Auditor (hereinafter called the Contractor) shall procure insurance coverage against claims that may arise from, or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors. The Contractor shall keep all the required insurance in force continuously pursuant to their responsibility described in this contract, including any and all extensions. The Contractor shall pay all costs, premiums, and audit charges earned and payable under the required insurance.

For the purpose of this exhibit: the term "Contractor" shall also include their respective agents, representatives, employees or subcontractors; and the term "Town of Guilford and Guilford Board of Education" (hereinafter called the "Town") shall include their respective officers, agents, officials, employees, volunteers, boards and commissions.

A. Minimum Scope and Limits of Insurance:

The insurance required shall be written for not less than the scope and limits of insurance specified in this exhibit, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever coverage is greater. It is agreed that the scope and limits of insurance coverage specified in this exhibit are minimum requirements and shall in no way limit or exclude the Town from additional limits and coverage provided under the Contractor's policies.

- 1) **Commercial General Liability:** \$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, contractual liability and products /completed operations.
- 2) **Automobile Liability and Physical Damage Coverage:** \$500,000 combined single limit per occurrence for any auto, including statutory uninsured/underinsured motorist's coverage and \$1,000 medical payments. Policy to include collision and comprehensive coverage for any auto used for the purpose of this contract.
- 3) **Workers' Compensation:** Coverage A / Workers' Compensation: statutory limits as required by the Labor Code of the State of Connecticut. Coverage B / Employer's Liability: limits of \$100,000 each accident, \$500,000 disease/policy limit, \$100,000 disease/each employee. If the Contractor decides not to procure workers' compensation in accordance with Connecticut law, the Contractor agrees to comply with the Connecticut Workers' Compensation Act's (Act) requirements for withdrawing from the provisions of the Act, including, but not limited to, filing the appropriate notice of withdrawal with the commissioner. The Contractor is wholly responsible for taking the actions necessary to withdraw from the provisions of the Act. In lieu of procuring workers' compensation insurance and providing the Town with proof thereof, the Contractor agrees to hold the Town of Guilford, the Guilford Board of Education, their respective boards and commissions, officers, agents, officials, employees, servants, volunteers, contractors and representatives harmless from any and all suits, claims, and actions arising from personal

injuries sustained by the Contractor or Contractor's employees during the course of the performance of this contract, however caused.

4) **Crime & Fidelity:** Coverage A - \$1,000,000 Employee Theft Coverage B - \$1,000,000 Forgery & Alteration Coverage C - \$1,000,000 Theft of Monies & Securities Coverage D - \$1,000,000 Robbery & Safe Burglary. The Contractor shall provide that the bonding company name the **Town of Guilford and Guilford Board of Education as Joint Loss Payee** for purposes of this Contract.

5) **Professional Liability:** \$1,000,000 per occurrence, \$2,000,000 aggregate each claim.

6) **Personal Property:** "All risk" insurance on a replacement cost basis to cover the value of personal property belonging to the Contractor and others (including but not limited to the personal property of subcontractors) located on Town property while in use or in storage for the duration of the contract. Deductible not to exceed \$1,000. The Contractor agrees that the Town will not assume any responsibility for the Contractor's personal property.

B. Additional Insured Endorsement: All liability policies (with the exception of Worker's Compensation and Professional Liability) shall have the Town of Guilford, the Guilford Board of Education, and their respective officers, agents, officials, employees, volunteers, boards and commissions endorsed as an Additional Insured with respect to liability arising out of or in connection with the activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, leased, or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Town.

C. Acceptability of Insurers: Contractor's policies shall be written by insurance companies licensed to do business in the State of Connecticut, with a Best's rating of no less than A:VII, or otherwise deemed acceptable by the Town's Administrative Officer.

D. Subcontractors: Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

E. Waiver of Subrogation: Contractor shall provide that all insurance policies include a waiver of subrogation clause that states that it is agreed that in no event shall the insurance company have any right of recovery against the Town. When the Contractor is self-insured, it is agreed that in no event shall the Contractor have any right of recovery against the Town.

F. Claims-Made Form: If the insurance coverage is underwritten on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the contract. The certificate of insurance shall state the retroactive date and that the coverage is claims-made. The Contractor shall maintain coverage for the duration of the contract and for the two (2) years following the completion of the contract. Evidence of such coverage shall be provided to the Town thirty (30) days prior to each policy expiration.

G. Aggregate Limits: If a general aggregate is used, the general aggregate limit shall apply separately to the project or shall be twice the occurrence limit. All aggregate limits must be declared to

the Town. It is agreed that the Contractor shall notify the Town with reasonable promptness with information concerning the erosion of limits due to claims paid under the general aggregate during the contract term. If the aggregate limit is eroded, the Contractor agrees to reinstate or purchase additional limits to meet the minimum limit requirements stated herein. The Contractor shall pay the premium.

H. Deductibles and Self-Insured Retentions: Contractor must declare any deductibles or self-insured retentions to the Town. All deductibles or self-insured retentions are the sole responsibility of the Contractor to pay and/or to indemnify.

I. Notice of Cancellation or Nonrenewal: For other than non-payment of premium, each insurance policy required by this exhibit shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the Town. Ten (10) days prior written notice shall be given for non-payment of premium

J. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

1) **Liability Coverage**

The Contractor's insurance coverage shall be primary insurance with respect to the Town. Any insurance or self-insurance maintained by the Town shall be excess of the Contractor's insurance and shall not contribute with it.

Coverage shall state that the Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought.

Any failure to comply with the claim reporting provisions of the policy shall not affect coverage provided to the Town.

K. Verification of Coverage: The Contractor shall provide the Town with certificates of insurance, declaration pages, policy endorsements or provisions confirming compliance with this exhibit before work commences. 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. 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 should be mailed to: Town of Guilford, Office of the First Selectman, 31 Park Street, Guilford, CT 06437.

L. Failure to Purchase or Maintain Insurance: If the Town or the Contractor is damaged by failure of the Contractor to purchase or maintain insurance required by this exhibit, the Contractor shall bear all reasonable costs including, but not limited to, attorney's fees and costs of litigation, properly attributable thereto.

Initials/ Contractor

Date

Initials/ Town of Guilford

Date

APPENDIX F

NON-COLLUSIVE/NON-CONFLICT AFFIDAVIT

FOR: RFP #2-1617 AUDITING SERVICES

The undersigned bidder, having fully informed themselves regarding the accuracy of the statements made herein certifies that:

1. the RFP has been arrived at by the bidder independently and has been submitted without collusion with, and without any agreement, understanding, or planned common course of action with any other vendor of materials, supplies, equipment, or services described in the invitation to bid, designed to limit independent bidding or competition;

2. the contents of the RFP have not been communicated by the bidder and its employees or agents to any person not an employee or agent of the bidder or its surety on any bond furnished with the bid, and will not be communicated to any such person prior to the official opening of the bid;

3. no Selectman or other officer or employee or person whose salary is payable in whole or in part from the Town of Guilford, nor any immediate family member thereof, is directly or indirectly interested in the Bid/Proposal, or in the supplies, materials, equipment, work or labor to which it relates, or in any profits thereof; and

4. he/she has read the Guilford Code of Ethics, set forth in Chapter 31 of the Code of the Town of Guilford, which is available on the Town website and he/she agrees on his/her behalf and on the behalf of his/her firm/company that he/she nor his/her firm/company are in violation of the Code with respect to this bid.

The undersigned further certifies that this statement is executed for the purpose of inducing the Town of Guilford to consider the bid and make an award in accordance therewith.

Legal Name of Bidder: _____

Business Name: _____

Business Address: _____

Signature and Title of Person

Subscribed and sworn to me _____

this _____ day of _____, 20_____.

Notary Public

My Commission Expires _____
Date

APPENDIX G

AFFIRMATIVE ACTION STATEMENT

FOR: RFP #2-1617 AUDITING SERVICES

Concerning Equal Employment Opportunities and/or Affirmative Action Policy

I/we, the respondent, certify to the TOWN OF GUILFORD that:

1. I/we are in compliance with the equal opportunity clause as set forth in Connecticut state law (Executive Order No. Three, <http://www.cslib.org/exeorder3.htm>).
2. I/we do not maintain segregated facilities.
3. I/we have filed all required employer's information reports.
4. I/we have developed and maintain written affirmative action programs.
5. I/we list job openings with federal and state employment services.
6. I/we attempt to employ and advance in employment qualified handicapped individuals.
7. I/we are in compliance with the Americans with Disabilities Act.
8. I/we (check one)
_____ have an Affirmative Action Program, or
_____ employ 10 people or fewer

Legal Name of Bidder: _____

Business Name: _____

Business Address: _____

Signature and Title of Person

Subscribed and sworn to me _____

this _____ day of _____, 20_____.

Notary Public

My Commission Expires _____
Date