



**THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON
REQUEST FOR PROPOSAL**

EXTERNAL AUDIT SERVICES

RFP # 2011 FIN-01

Name of Firm
TYPEWRITER

Address

Postal Code

Telephone Number

Fax Number

Name of Person Signing for Firm

Name of Contact Person

Email Address for Contact Person

Company Web site

Closing September 23, 2011 at 12:00:00 p.m.

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Bidders: Mandatory Requirements:

All Bidders are required to register with The Corporation of the Municipality of Brighton, prior to tender submission. Failure to register with the Municipality will result in your tender being rejected – no exceptions.

In order to register, please send your contact information to the following:

Linda Widdifield
Director of Finance and Administrative Services
P.O. Box 189
Brighton, Ontario
K0K 1H0
Email: linda@brighton.ca
Fax: 613-475-3453

Please be sure to indicate that your firm is registering for RFP # 2011 FIN-01

DEFINITIONS AND INTERPRETATIONS

1. **Purchasing By-Law:**

PROPOSALS will be called, received, evaluated, accepted, and processed in accordance with the MUNICIPALITY'S Purchasing By-law and Procedures (copy available upon request). By submitting a PROPOSAL each BIDDER agrees to be bound by the terms and conditions & definitions of that By-law and those Procedures and any amendments to them, as fully as if it were reproduced and attached to this RFP.

2. **Interpretation: The following rules of interpretation apply:**

- a) Each reference to Provincial legislation in this RFP, unless otherwise specified, is a reference to the Revised Statutes of Ontario, 1990 edition, and, in every case, includes all applicable amendments to the legislation, including successor legislation.
- b) The words "shall", and "will" used in this TENDER denote imperative.
- c) The word "and" is an inclusive conjunction, the use of which indicates that all items or phrases in the subsection, article, or list in which it appears are permitted or required, as the case may be. The word "or" is an alternate conjunction, the use of which indicates that alternate or optional items or phrases in the subsection, article or list in which it appears are permitted or required, as the case may be; however, notwithstanding the foregoing, where the context permits, the word "or" may also be an inclusive conjunction having the same meaning as the word "and".

PART A - INSTRUCTIONS TO BIDDERS

1) CONTRACT/ INTENT

The intent of this RFP is to secure a qualified **EXTERNAL AUDIT SERVICES** for the Corporation of the Municipality of Brighton.

The **External Audit Services** in accordance with the terms, conditions, terms of reference, and appendices and attachments of this RFP. The MUNICIPALITY may or may not enter into a CONTRACT as a result of the issuance of this RFP.

2) PROPOSAL DELIVERY & OPENING

- a) PROPOSALS made on the forms provided must be submitted in a sealed package, clearly marked **External Audit Services RFP** and must be submitted to the following address to the attention of the following individual **prior to 12:00 p.m., Local Time, September 23, 2011** (the "deadline for submission"). PROPOSALS must be time-stamped at the above location to be considered. Late submissions will not be accepted and will be returned unopened without exception. The time stated on the time stamp located in the following office shall be the only recognized timepiece for the purpose of this submission.

Linda Widdifield, Director of Finance and Administrative Services
THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON
35 Alice Street,
P.O. Box 189
Brighton, ON
K0K 1H0

- b) BIDDERS shall submit one document marked "original" and three (3) additional copies.
- c) In the event that the PROPOSAL is too large for an envelope, the PROPOSAL shall be **sealed** in a carton clearly marked with "RFP #2011 FIN-01, External Audit Services".
- d) The use of the mail or courier services for delivery of a PROPOSAL will be at the risk of the BIDDER.

In the event that the PROPOSAL is received by a means other than 'in person' and is received past the submission deadline, it will be time stamped and returned unopened by courier.

- e) **Note: Since PROPOSALS must be submitted in a sealed envelope, submissions by facsimile or electronic delivery secure site or otherwise, are not acceptable.**
- f) The MUNICIPALITY shall not be liable for any cost of preparation or presentation of PROPOSALS, and all PROPOSALS and accompanying documents submitted by the BIDDER become the property of the MUNICIPALITY and will not be returned. There will be no payment to BIDDERS for work related to and materials supplied in the preparation, presentation and evaluation of any PROPOSAL, nor for the CONTRACT negotiations whether they are successful or unsuccessful.

- g) The MUNICIPALITY, its elected officials, employees and agents shall not be responsible for any liabilities, costs, expenses, loss or damage incurred, sustained or suffered by any BIDDER, prior or subsequent to, or by reason of the acceptance, or non-acceptance by the MUNICIPALITY of any PROPOSAL, or by reason of any delay in the acceptance of any PROPOSAL.
- i) PROPOSALS will be opened at a public proposal opening meeting at 1:00 p.m., September 23, 2011 at 35 Alice Street, Brighton, Ontario and BIDDERS are invited to attend. Only the names of the BIDDERS and their compliance status will be read out at the opening. No additional information will be disclosed at that time. Requests for information as disclosed at the public opening shall be in writing, directed to the individual indicated in Part A, item 4 of this RFP.

3) PROPOSAL SUBMISSION

- a) Submission of a PROPOSAL will constitute acceptance of all provisions contained in this RFP on the part of all BIDDERS.
- b) When submitting a PROPOSAL, BIDDERS must ensure that all areas of this RFP that require information are completed and submitted in accordance with the instructions, including but not limited to a completed original Schedule of Prices. Failure to do so may result in the incomplete PROPOSAL being rejected.
- c) If a PROPOSAL does not conform in every detail with the Terms of Reference attached to this RFP as Part C, the BIDDER is required to explain the deviation in the PROPOSAL.
- d) All PROPOSALS must include the Form of Proposal/Agreement to Contract attached to this RFP as Part D.
- e) The PROPOSAL must bear an original signature of an authorized signing officer of the BIDDER or the PROPOSAL may be rejected. If a joint PROPOSAL is submitted it must be signed by signing officers of each of the joint BIDDERS.
- f) PROPOSALS which are incomplete, conditional, illegible, or obscure or which contain reservations, erasures, alterations, or irregularities will be declared IMPROPER and may be rejected. PROPOSALS must be legible, written in ink, or by typewriter. PROPOSALS written in pencil will not be considered. In the case of an error in extending the unit prices, the unit price shall determine the quoted price.
- g) None of the conditions contained on the Bidder's standard or general conditions of sale shall be of any effect unless explicitly agreed to by the MUNICIPALITY and specifically referred to on the Contract.
- h) Any erasures or corrections to a PROPOSAL must be initialled or noted by the BIDDER or the PROPOSAL may be deemed as IMPROPER and may not be considered.

4) INQUIRY

- a) All inquiries regarding this RFP shall be directed, in writing, to the attention of Linda Widdifield, Director of Finance and Administrative Services via fax at: (613) 475-3453, or by email to linda@brighton.ca. A fax cover sheet, entitled "Questions for Clarification" is included for the BIDDER'S convenience at the end of this document.
- b) Any inquiries will be responded to in writing. Any clarification shall not alter the PROPOSAL. Oral arrangements or discussions cannot be relied upon.
- c) If during the period prior to submission of PROPOSALS, the MUNICIPALITY determines, in its sole and unfettered discretion, that part of the PROPOSAL requires formal amendment or clarification, written addenda to this PROPOSAL will be produced and distributed to all registered BIDDERS. In that case, the PROPOSALS shall identify the addenda and indicate how they respond to them. The BIDDER shall list and attach any addenda that were considered when the PROPOSAL was prepared. Failure to execute and return any and all addenda issued by the MUNICIPALITY will result in the PROPOSAL being deemed as IMPROPER.
- d) BIDDERS attempting to contact MUNICIPALITY staff or elected officials other than the contact indicated in this RFP in subsection a) above, for whatever reason, during the PROPOSAL or evaluation process, are advised that such action may result in their disqualification from the process and removal of their name from the BIDDER'S LIST. If consultation is deemed to be necessary by the MUNICIPALITY, a pre-proposal meeting of all BIDDERS and MUNICIPAL staff will be arranged at a location of the MUNICIPALITY'S choosing. The MUNICIPALITY reserves the right to change the deadline for submission, if necessary, to accommodate such a meeting.
- e) Although The Corporation of the Municipality of Brighton will make every reasonable effort to ensure a BIDDER receives all addenda issued, it is the BIDDER'S ultimate responsibility to ensure all addenda have been received.
- f) All references to BIDDERS include all staff from the proposing organization as well as all Consultants and sub-consultants that the proposing organization may hire to supply the SERVICES.
- h) A bidder may submit a question by fax, mail or email and request that the question and answer not be circulated to other registered bidders. The Corporation of the Municipality of Brighton will determine if the question points to an error or shortcoming in the RFP. If that is the case, The Corporation of the Municipality of Brighton reserves the right to ignore the bidder's request, and will notify all interested registered bidders of the error and what corrective action to take. If the information is not critical, but The Corporation of the Municipality of Brighton judges it fair to circulate the answer to all bidders, the enquiring bidder will be given the opportunity to withdraw the question. If none of the above conditions exists, and the question reveals a bidder's unique proposal strategy, The Corporation of the Municipality of Brighton will honour the bidder's request and respond only to the enquiring bidder.

5) PROPOSAL CONTENT

PROPOSALS will be deemed complete if they include:

- a) A completed title page including the legal name and address of the head office of the BIDDER.
- b) A completed and executed Form of Proposal - Agreement to Contract and Schedule of Prices, attached to this RFP as Part D.
- c) Reference list, attached to this RFP as Part D. BIDDERS must provide three appropriate references, listing completed projects of a similar size and nature, including contact names and telephone numbers.
- d) A detailed information package, clearly identifying each item as outlined in Part C of this RFP.

If any of the above information (items (a) through (d) inclusively) is missing or deficient, the MUNICIPALITY reserves the right, in its sole and unfettered discretion, to request written clarification, or, if substantively remiss, to reject the PROPOSAL in its entirety.

6) PROPOSAL EVALUATION

PROPOSALS will be evaluated on the basis of information provided by the BIDDER at the time of the submission as well as the previous experience of the BIDDER.

PROPOSALS will be evaluated by an Evaluation Team. The evaluation team will compile a "short list", and the Municipality may contact those BIDDERS for interviews. The MUNICIPALITY may ask BIDDERS to provide further information or clarification on the contents of their PROPOSAL or may be required to confirm statements on capacity, capability or costs.

PROPOSALS will be evaluated and scored based on the information supplied in accordance with Part C, as well as the following requirements:

- a. PROPOSAL quality: including organization, clarity, completeness, content and presentation;
- b. BIDDER experience in similar or related projects as well as their experience with government bodies;
- c. The cost effectiveness of each PROPOSAL will be based upon the information supplied in Part C.
- d. Background and proposed staffing experience, eg: Is this an area of expertise? Has the bidder indicated similar projects/background?
- e. Project Control/Measurable: does the bidder show significant experience /planning to meet objectives?
- f. Price: was the proposal within budget? Does the criteria justify the price?
- g. Specifications: Were RFP questions answered? Was the challenge in the RFP sufficiently addressed?
- h. Quality/Methodology/Creativity: Was this unique, innovative, insightful? Good quality of thinking? Were you impressed with process used?

7) ACCEPTANCE OF TERMS

Each BIDDER, by submitting a PROPOSAL, represents that the BIDDER has read, completely understands, and accepts the terms and conditions of the RFP in full.

PART B – STANDARD TERMS AND CONDITIONS

1) INTENT

- a. The intent of this RFP is to secure an External Audit Service for the Corporation of the Municipality of Brighton. The MUNICIPALITY reserves the right to choose more than one BIDDER.
- b. The intent of the CONTRACT is that the BIDDER shall supply EXTERNAL AUDITING SERVICES complete and suitable to the MUNICIPALITY'S requirements.

2) ACCEPTANCE

- a) As soon as practicable after opening the PROPOSALS, the MUNICIPALITY will endeavour to act upon them. The acceptance of a PROPOSAL will be notice in writing signed by duly authorized representatives of the MUNICIPALITY, and no other act of the MUNICIPALITY shall constitute the acceptance of a PROPOSAL. Acceptance of a PROPOSAL by the MUNICIPALITY shall bind the BIDDER to execute the CONTRACT.
- b) The CONTRACT shall consist of and have priority in the following order:
 - i) The contract for services
 - ii) the RFP;
 - iii) and the Bidder's PROPOSAL.
- c) The above mentioned documents will be interpreted in precedential order as they are named above regardless of the chronological order in which they are issued or executed. This means, in effect, that if there is a discrepancy between a term in the MUNICIPALITY'S Contract for Services and a term in the chosen PROPOSAL, the term in the Contract for Services prevail to the extent of the discrepancy.
- d) The MUNICIPALITY may accept a PROPOSAL in whole or in part, whether the TOTAL ACQUISITION COST is the lowest or not, and may reject any or all PROPOSALS. There shall be no requirement of this RFP, implied or otherwise, that the PROPOSAL representing the lowest TOTAL ACQUISITION COST will be selected or preferred. The RFP process is used as a means of evaluating a number of criteria (one of which is TOTAL ACQUISITION COST). BIDDERS must submit their PROPOSALS in accordance with all items identified in Part A, Part B, Part C and Part D of this RFP.
- e) The MUNICIPALITY reserves the right to award by items, groups of items, parts of items or parts of groups of items, or all items of the PROPOSAL, and to award CONTRACTS to one or more BIDDERS; to accept or reject any PROPOSAL in whole or in part; to waive irregularities and omissions in the MUNICIPALITY'S sole and unfettered discretion, if in so doing, the best interests of the MUNICIPALITY will be served. No liability shall accrue to the MUNICIPALITY for its decision in this regard.
- f) All PROPOSALS shall be irrevocable for one hundred and twenty (120) days following the deadline for submission to allow sufficient time for evaluation of the PROPOSALS and for the investigation of the BIDDERS.

- g) Upon acceptance of a PROPOSAL, (or any part of it), by the MUNICIPALITY, the successful BIDDER shall, if requested by the MUNICIPALITY to do so, execute and enter into an additional formal contract that is satisfactory to the MUNICIPALITY, to properly secure the CONTRACT resulting from the acceptance of a PROPOSAL (or any part of it) and to embody indemnity and related provisions that in the opinion of the MUNICIPALITY are required to protect the MUNICIPALITY. If at any time the MUNICIPALITY, in its sole and unfettered discretion, decides that satisfactory terms and conditions cannot be realized with a successful BIDDER, the MUNICIPALITY reserves the right to enter into negotiations and finalize a CONTRACT with an alternative BIDDER or revise and reissue this RFP or cancel this RFP. If the MUNICIPALITY exercises such right, the successful BIDDER has no legal claim or recourse against the MUNICIPALITY, its elected officials, employees and agents for any expenses, costs, loss or damages incurred or suffered.
- h) No PROPOSAL shall be accepted from any person or BIDDER who, has a claim or has instituted a legal proceeding against the MUNICIPALITY or against whom the MUNICIPALITY has a claim or has instituted a legal proceeding, without the prior approval of the MUNICIPAL Council. This applies whether the legal proceeding is related or unrelated to the subject matter of this RFP.

3) BIDDER ELIGIBILITY

- a) BIDDERS must meet the MUNICIPALITY'S requirements for experience. The MUNICIPALITY will disqualify any BIDDER who cannot provide the following, when requested by the MUNICIPALITY:
- i. proof that they have previously held and satisfactorily completed an audit of the size and type being proposed; or
 - ii. proof of employment in municipal audits and written references as to their satisfactory performance; or
 - iii. adequately demonstrate that they have the ability to provide the necessary expertise and resources to satisfactorily complete the CONTRACT.
 - iv. evidence of sufficient professional liability insurance.
- b) The MUNICIPALITY reserves the right to investigate and evaluate the experience, capability, registration and financial position of any BIDDER prior to an award of a CONTRACT. The MUNICIPALITY reserves the right to reject any BIDDER OR PROPOSAL based on the information obtained.

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 SERVICES, and is in all respects fair and without collusion or fraud.

4) ASSIGNMENT

- a) The BIDDER shall not assign the CONTRACT (or any portion of it) without the prior written consent of the MUNICIPALITY.

- b) It is understood and agreed that the BIDDER will be an independent BIDDER and that all services will be performed by the employees or agents of the BIDDER. Sub-contracting agreements made by the BIDDER will not release the BIDDER from any obligation to the MUNICIPALITY with respect to the performance of the CONTRACT. Joint or consortium PROPOSALS must have one prime BIDDER who will be responsible for overall project success, provide one point of contact and a single billing point. The MUNICIPALITY shall not be responsible for payment to the BIDDER'S partners, sub-bidders or suppliers in the event the prime BIDDER defaults on its responsibilities. The prime BIDDER must communicate such to its partners, sub-Contractors and suppliers. The prime BIDDER must also provide the MUNICIPALITY with a written statement outlining function components that the sub-BIDDERS (s) will be offering. The MUNICIPALITY must grant prior written approval, in its sole and unfettered discretion, for any assignment and all sub-bidders.

5) INDEMNIFICATION

- a) The BIDDER agrees that it will continuously save, keep harmless and fully indemnify the MUNICIPALITY, its elected officials, employees and agents and its successors and assigns, from and against all actions, claims, and demands whatsoever which may be brought against or made upon the MUNICIPALITY and the BIDDERS also agrees that it will continuously save, keep harmless and fully indemnify the MUNICIPALITY, its elected officials, employees and agents and its successors and assigns, against all types of losses, liabilities, claims, costs or expenses which the MUNICIPALITY may incur resulting from or arising out of the Bidder's failure to exercise reasonable care, skill or diligence in their performance or rendering of any SERVICES or SERVICES to be performed or rendered by the BIDDER, pursuant to the CONTRACT.
- b) The BIDDER shall indemnify the MUNICIPALITY from all claims arising out of unpaid accounts relating to the CONTRACT. The MUNICIPALITY shall have the right at any time to require satisfactory evidence that the SERVICES (or any part of it) in respect of which any payment has been made or is to be made by the MUNICIPALITY is free of and clear of construction or other liens, attachments, claims, and demands, charges or other encumbrances.

6) CHARACTER OF WORKERS

- a) The reference to "workers" refers to workers of the BIDDER and its sub-bidders (if any), and includes Corporate Officers.
- b) The BIDDER agrees to employ only orderly, competent, and skilful workers. Whenever the MUNICIPALITY informs the BIDDER in writing that any worker is, in its sole and unfettered opinion, incompetent, unfaithful or disorderly, the BIDDER will ensure that the worker in question is removed from the work and shall not be further employed on the CONTRACT without the MUNICIPALITY'S written consent.

7). PROJECT SITE WORKING CONDITIONS

It is the BIDDER'S responsibility to investigate the project site and the nature of the work and inform itself, before bidding, of all the physical and working conditions and administrative practices applicable.

8) ERRORS AND OMISSIONS OF THE BIDDER

Errors, mistakes, or omissions made by the BIDDER, its agents, employees, or workmen shall be rectified by the BIDDER at its sole expense.

9) TERMS OF PAYMENT

- a) Unless alternate payment terms are specified in the Terms of Reference attached to this RFP as Part C, the MUNICIPALITY will accept billing for 100 percent of the actual value of each element of the SERVICES provided or performed in each month and accepted by the MUNICIPALITY. Invoices will be payable by the MUNICIPALITY 30 days after they are received.
- b) Payments made by the MUNICIPALITY, including final payment, shall not relieve the BIDDER from its obligations or liabilities under the CONTRACT.
- c) Acceptance by the BIDDER of the final payment shall constitute a waiver of claims by the BIDDER against the MUNICIPALITY, except those previously made in writing in accordance with the CONTRACT and still unsettled.
- d) The MUNICIPALITY shall have the right to withhold from any sum otherwise payable to the BIDDER any amount sufficient to remedy any defect or deficiency in the SERVICES, pending correction of the deficiencies or any amount sufficient to satisfy any claim the MUNICIPALITY has against the BIDDER resulting from a previous CONTRACT, a legal proceeding or unpaid accounts, including property or business taxes.

10) UNPAID ACCOUNTS

The BIDDER must indemnify the MUNICIPALITY from all claims arising out of unpaid accounts relating to the SERVICE. The MUNICIPALITY shall have the right at any time to require satisfactory evidence that the SERVICES in respect of which any payment has been made or is to be made by the MUNICIPALITY is free of and clear of construction or other liens, attachments, claims, and demands, charges or other encumbrances.

11) CHANGES IN THE SERVICES OR SERVICES

The MUNICIPALITY may, without invalidating the CONTRACT, direct the BIDDER to make changes to the SERVICES. When a change causes an increase or decrease in the SERVICES, the CONTRACT price shall be increased or decreased by the applicable unit price, or in the absence of applicable unit prices, by an amount to be agreed upon in writing between the MUNICIPALITY and BIDDER. All changes must be in writing.

12) NON-PERFORMANCE

- a) The MUNICIPALITY reserves the right to determine, in its sole and unfettered discretion, non-performance of the CONTRACT, including the level of quality of SERVICES provided and further reserves the right to cancel any or all of the CONTRACT if the BIDDER fails to correct deficiencies upon thirty (30) days written notice. The MUNICIPALITY'S evaluation and determination in this regard shall be final and not reviewable by any court or tribunal.

- b) In the event that the BIDDER fails or neglects to comply with any condition set out in the CONTRACT, the CONTRACT may be unconditionally cancelled by the MUNICIPALITY without notice.
- c) The MUNICIPALITY reserves the right to remove from the BIDDERS' LIST (disqualify), for an indeterminate period (minimum two (2) years), the name of any BIDDER for breach of the terms and conditions of this RFP or for unsatisfactory performance of the CONTRACT. This disqualification will apply to the terminated BIDDER on future quotations, tenders or requests for proposal or as a sub-trade on future competitions (quotations, tenders, or proposals) issued by the MUNICIPALITY. The MUNICIPALITY also reserves the right to publish the names of all disqualified BIDDERS in any future quotation, tender or requests for proposal.

13) PRICING (TERM OF AGREEMENT)

- a) Prices proposed must include all incidental costs and the BIDDER must be satisfied as to the full requirements of the RFP. No claims for extra work or SERVICES will be entertained and any additional SERVICES must be authorized in writing prior to commencement. Should the BIDDER require more information or clarification on any point, it must be obtained prior to the submission of the PROPOSAL.
- b) Should any additional or change of any tax, imposed by the Government of Canada or Province of Ontario become directly applicable to any SERVICES, prior to delivery or completion of the SERVICES, the appropriate increase or decrease in the price of the SERVICES, shall be made to compensate for the change as of the effective date.
- c) The BIDDER shall be responsible for the collection and remittance of all applicable taxes, and agrees to hold the MUNICIPALITY harmless in this regard.
- d) All prices bid must be in Canadian funds and shall include the Harmonized Goods and Services Tax.

14) DISCLOSURE

- a) Total bid prices will only be made available if provided to THE MUNICIPALITY'S Council in a public report.
- b) Submissions of PROPOSALS as a result of this RFP are in accordance with the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*.
- c) Release of information contained in the PROPOSAL may be requested by anyone under the *MFIPPA* unless they contain either a trade secret or information that if disclosed would result in harm to the BIDDER. This would include scientific, technical, financial or labour relations information.
- d) All requests for information must be made in writing and submitted to Linda Widdifield.
- e) To prevent the release of information the BIDDER must state that the PROPOSAL is submitted in confidence and indicate the nature of the confidential information and what harm would result from the release.

15) WITHDRAWAL OR QUALIFYING OF PROPOSALS

- a) If, after submission of a PROPOSAL, a BIDDER receives an addenda issued by the MUNICIPALITY, AND the addenda content does NOT alter the original submission of that PROPOSAL, the BIDDER shall sign the addenda and deliver it to Linda Widdifield, Director of Finance and Administrative Services. The addenda shall be in a sealed envelope, which clearly identifies the contents of it. The envelope shall include the following information: Bidder's name (or company name under which the original PROPOSAL was submitted), the appropriate competition document reference and the addenda number.
- b) If after submission of a PROPOSAL, a BIDDER receives an addenda issued by the MUNICIPALITY, and the information contained in the addenda DOES alter the original submission of the BIDDER, the BIDDER shall 'withdraw' its previous submission in accordance with the withdrawal procedures outlined below.
- c) A BIDDER who has submitted a PROPOSAL may request that its PROPOSAL be withdrawn. (Adjustments or corrections to a PROPOSAL submitted will not be allowed). The withdrawal shall be allowed if the request is made before the deadline for submission. Withdrawal requests must be directed to Linda Widdifield, Director of Finance and Administrative Services by letter, fax, email or in person. Telephone requests will not be considered. Withdrawals will be handled in accordance with the MUNICIPALITY'S Purchasing By-law.

16) CONTRACT CANCELLATION

- a) The MUNICIPALITY shall have the right to cancel any uncompleted or unperformed portion of the SERVICES or part of them. In the event of such cancellation, the MUNICIPALITY and the BIDDER shall negotiate a settlement.
- b) The MUNICIPALITY shall not be liable to the BIDDER for loss of anticipated profit on the cancelled portion or portions of the CONTRACT. In the event that the BIDDER fails or neglects to comply with any condition outlined in the CONTRACT, the CONTRACT may be unconditionally cancelled by the MUNICIPALITY without notice.

17) LAWS AND REGULATIONS

The BIDDER shall comply with relevant federal, provincial and municipal statutes, regulations and by-laws pertaining to the CONTRACT and its performance. The BIDDER shall be responsible for ensuring similar compliance by its suppliers and sub-contractors. The CONTRACT shall be governed and interpreted in accordance with the laws of the Province of Ontario.

18) DEFAULT BY CONSULTANT

- a) If the BIDDER: commits any act of bankruptcy; or if a receiver is appointed on account of its insolvency or in respect of any of its property; or if the BIDDER makes a general assignment for the benefit of its creditors; then, in any such case, the MUNICIPALITY may, without notice, terminate the CONTRACT.
- b) If the BIDDER: fails to comply with any request, instruction or order of the MUNICIPALITY; or fails to pay its account; or fails to comply with or persistently

disregard statutes, regulations, by-laws or directives of relevant authorities related to the SERVICES; or fails to prosecute the SERVICES with skill and diligence; or purports to assign or sublet the CONTRACT or a portion of it without the MUNICIPALITY'S written consent; or refuses to correct defective SERVICES; or is otherwise in default in carrying out its part of any of the terms, conditions and obligations of the CONTRACT; then, in any such case, the MUNICIPALITY may, upon expiration of ten days from the date of written notice to the BIDDER, terminate the CONTRACT.

- c) Any termination of the CONTRACT by the MUNICIPALITY, as mentioned in b) above shall be without prejudice to any other rights or remedies the MUNICIPALITY may have.
- d) If the MUNICIPALITY terminates the CONTRACT, it is entitled to:
 - i) withhold any further payment to the BIDDER until the completion of the SERVICES or SERVICES and the expiry of all obligations under the CONTRACT; and
 - ii) recover from the BIDDER any loss, damage and expense incurred by the MUNICIPALITY by reason of the Bidder's default (which may be deducted from any monies due or becoming due to the BIDDER).

19) DECLARATIONS

- a) I/We declare that no person, firm or corporation other than the one whose signature or the signature of whose proper officers is or are attached to this RFP, has any interest in this PROPOSAL or in the CONTRACT.
- b) I/We further declare that this PROPOSAL is made without any connection, knowledge, comparison of figures or arrangement with any other CONSULTANT, firm or person making a similar PROPOSAL and is in all respects fair and without collusion or fraud.
- c) I/We further declare that no MUNICIPALITY employee, or member of Council (or their families) is, or will become interested directly or indirectly as a contracting party or otherwise in the performance of the CONTRACT or in the supplies, work or business to which it relates or in any portion of the profits of it, or of any such supplies to be used therein or any of the monies to be derived from it.
- d) I/We further declare that the statements contained in the PROPOSAL are in all respects true.
- e) I/We further declare that I/We have examined the locality and site(s) of the proposed SERVICES, as well as all the terms of reference relating to them, prepared, submitted and rendered available on behalf of the MUNICIPALITY and are hereby acknowledged to be an integral part of the CONTRACT. I/We hereby propose and offer to enter into the CONTRACT on the terms and conditions and under the provisions set forth in the PROPOSAL, and to accept in full payment for it the sums calculated in accordance with the actual Schedule of Prices attached to this PROPOSAL.
- f) I/We agree that this PROPOSAL is an offer which is to continue open for acceptance until the placing in the mail or delivery to the address given in this PROPOSAL of a notice of award, which shall constitute formation of the

CONTRACT, or for 120 days following the PROPOSAL closing date, whichever occurs first, and that the MUNICIPALITY may at any time within that period, and without notice, accept this PROPOSAL whether any other PROPOSAL had been previously accepted or not.

24) ERRORS, OMISSIONS IN THE MUNICIPALITY DOCUMENTS

The MUNICIPALITY shall not be held liable for any errors or omissions in any part of this RFP. While the MUNICIPALITY has used considerable effort to ensure an accurate representation of information in this RFP, the information contained in the RFP is supplied solely as a guideline for BIDDERS. The information is not guaranteed or warranted to be accurate by the MUNICIPALITY, nor is it necessarily comprehensive or exhaustive.

25) MULTIPLE PROPOSALS

The RFP outlines minimum or base requirements only. The BIDDER is free to offer alternative methodology. Each ALTERNATIVE must comply with the intent of this RFP and be complete in all respects, with point by point responses to all relevant sections, including pricing and schedules.

For comparison purposes, each BIDDER shall submit a complete response that meets the base requirements. PROPOSALS that do not address the base requirements shall be rejected.

Multiple PROPOSALS from any one BIDDER will be acceptable provided the following conditions are met:

- each PROPOSAL must be packaged separately.
- each PROPOSAL shall be dealt with separately and shall be subject to the requirements of the RFP.

26) INSURANCE REQUIREMENTS AT TIME OF CONTRACT EXECUTION

The Owner/Contractor will obtain and maintain in full force and effect during the term of this contract, commercial general liability insurance acceptable to the Municipality in an amount of not less than two million dollars (\$2,000,000.00) per occurrence in respect of the services provided pursuant to this contract.

The insurance policy shall:

- (a) include as an additional insured "The Corporation of the Municipality of Brighton" in respect of and during the provision of services by the Owner/Contractor pursuant to this contract;
- (b) Provide to the Municipality, 30 days prior notice of any alteration, cancellation or change in policy terms which reduce coverage.
- (c) Automobile Liability Insurance, bodily injury in the amount of \$2,000,000.00 and property damage.

PART C, TERMS OF REFERENCE, SPECIFICATIONS, DELIVERABLES

1.0 PROJECT DESCRIPTION

This Request for Proposal is a call for external audit services for The Corporation of the Municipality of Brighton. Also included in the scope of the audit services are related examinations of the Brighton Library Board, the Mount Hope Cemetery Board and the Brighton DBIA. Required reporting includes the production of the Annual Financial Statements, the Financial Information Return, the Annual Gas Tax Audit Report and required audit submissions to the Ministry of Municipal Affairs and Housing.

1.1 BACKGROUND

The Municipality of Brighton has a population of approximately 10,600 with an annual budget (operating and capital) of just under \$16,000,000.00.

The Municipality of Brighton is a lower-tier municipality. The Municipality provides the following types of services: Public Works (roads, storm sewers, sidewalks, bridges, water, wastewater) Planning (land use planning, building inspections, bylaw enforcement, canine control, parking control), Recreation, Parks and Culture (parks, arenas, marinas, halls), Fire, Community Development (economic development, tourism, community events) and Finance and Administration. The municipality is also responsible for policing services, which are contracted to the Ontario Provincial Police.

Municipal Council has a seven member Council with the Mayor being the head of Council.

The Municipality uses Microsoft Great Plains system for all of its major corporate financial operations. The suite of systems includes taxation, payroll, general ledger and budgeting, water and sewer billing, accounts payable, and the capability for fixed asset accounting. The fixed asset module is still under development and is currently being tracked in Excel format.

Consideration will have to be given to these and other issues, which may affect structures and technology within the organization, during the period of engagement.

1.2 Reporting Structures

The External Auditors are appointed in accordance with the *Municipal Act, 2001*. They provide specific reports and presentations to Council.

2.0 SCOPE OF PROJECT

a.1 Entities Requiring External Audit Service

- a) This Request for Proposal is a call for external audit services for The Corporation of the Municipality of Brighton, Brighton Library Board, Mount Hope Cemetery Board, Brighton Downtown Business Improvement Association (DBIA).
- b) Also included in the scope of the audit services are related examinations required in order to produce the Accountant's Reports required for the Ministry of Municipal Affairs, as well as the Annual Financial Information Return. The Municipality of Brighton reserves the right to remove the preparation of the FIR from the scope of the external audit process and produce the documents internally at any time after the first year. Please indicate the cost of the FIR preparation as a separate item, as provided for in Part D, Schedule of Prices.

2.2 General

- a) The *Municipal Act, 2001* Section 296 allows for the appointment of external auditors for a term of five years or less. The intent of the Municipality of Brighton is to appoint external auditors for a five year term, subject to satisfactory performance.
- b) The audits shall include the examination of the records and financial statements of the Municipality of Brighton, Mount Hope Cemetery Board, Brighton DBIA and the Brighton Library Board to a degree necessary to express an audit opinion on such statements.
- c) Also included will be all related examinations required in order to produce the Accountant's Reports for the Ministry of Municipal Affairs.
- d) The work will generally not include accounting or the preparation of draft schedules.

2.3 Annual Schedule

On a date mutually agreed upon in October of each year (December 2011 for the 2012 audit), the auditors shall meet with the Director of Finance and Administrative Services to discuss and agree upon;

- i) a schedule, which includes all aspects of the completion and audit of the various financial statements of the Municipality for the current year;
- ii) a list of the necessary schedules, working papers, analyses and other information to be prepared by the staff of the Municipality.
- iii) Should a bidder be unable to meet any dates, they shall note any deviation in their submission document and where possible, provide alternate dates.

2.4 Qualified Statements

The auditors shall immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to any of the Municipality's financial statements, inform and fully discuss such matters with CAO and the Director of Finance and Administrative Services. Also, the auditors shall, as far as possible, allow a reasonable time for the Municipality to investigate, analyze, report and take corrective action so as to avoid the inclusion of such qualifications.

2.5 Meetings and Subsequent Assistance

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

2.6 Audit Management Letter

No later than 60 days following completion of the report on the audit of the annual statements, the auditor shall prepare and deliver to the Chief Administrative Officer, 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 Corporation. The auditors 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 Chief Administrative Officer and Director of Finance and Administrative Services, to discuss the comments, following which an official management letter will be submitted to the Chief Administrative Officer, with a copy to the Director of Finance and Administrative Services. The Director of Finance and Administrative Services shall, upon receipt of the final version of the Audit Management Letter co-ordinate the management response to the Auditor's comments.

2.7 Term of Engagement

To provide for a 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 five years, subject to the performance of the audit firm.

2.8 Evaluating the Auditor's Performance

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; and any subsequent changes to audit personnel must be acceptable to the Director of Finance and Administrative Services;

ii) On-site participation of the audit senior:

It is expected that the audit senior will be present throughout the audit.

iii) Performance in the manner proposed:

It is expected that the audit will be carried out in the manner proposed. Any changes in the audit program which impact staff and other resources of the Municipality shall be discussed with and agreed to by the Director of Finance and Administrative Services.

iv) Adherence to Audit Deadlines:

It is expected that the audit will be completed within the time frames agreed to in the annual schedule. Significant dates for the Corporation currently include:

- Completion of all financial statements by about late April;
- Submission to Council by end of June, submission of the Financial Information Return to the Province by May 31 or such other date as stipulated by the Province.

The dates are approximate and may require adjustment from year-to-year depending on issues facing the Municipality.

3.0 PROJECT REQUIREMENTS

3.1 General Requirements

- a) The Municipality is requesting proposals from firms that are both interested and capable of undertaking the project and reporting its findings. The onus is on the bidder to show their knowledge, understanding and capacity to conduct the work outlined in the Request for Proposal.
- b) The responses will be assessed according to how well they assure the Municipality's success in relation to the submission requirements. The detail and clarity of the written submission will be considered indicative of the respondent's expertise and competence.
- c) All information provided in response to this RFP must contain sufficient detail to support the services being proposed. Incomplete submissions will not be considered.

Confidentiality

The successful auditor shall not at any time before, during or after the completion of the engagement, divulge any confidential information communicated to or acquired by the auditor or disclosed by any of the entities being audited in the course of carrying out the engagement. No such information shall be used by the auditor on any other project without prior written approval.

3.2 Mandatory Requirements

The following mandatory requirements are identified for inclusion in the proposal:

- i) the name, address and telephone number of the firm and its principal contact person;
- ii) satisfactory evidence that the partner(s) is (are) licensed under the Public Accountancy Act;
- iii) Indicate compliance with Section 296 of the *Municipal Act; 2001*.

3.3 Audit Firm Technical Requirements

- a) Provide a list of the firm's current and prior largest municipal clients indicating the type(s) of service performed, the number of years served for each client. Please provide the names and phone numbers of senior staff of these municipalities that may be contacted as references.
- b) 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 client, the type(s) of services performed, and the local office which provided the service.
- c) Show evidence of well-developed professional auditing techniques to evaluate systems of internal control and review for audit work performed.
- d) Provide evidence that the firm has experience in auditing complex and computerized municipalities.
- e) Firms must show evidence they have substantial expertise, resources and support services available to perform the audits consistently from one year to the next, in an expeditious manner and within the required time frames.
- f) Have expertise and resources sufficient to address the scope of audit services required in a timely manner to meet Municipality and provincial reporting requirements.
- g) Demonstrate an understanding of legislation relevant to the municipal environment.
- h) Display a commitment to providing reasonable annual continuity of experienced and qualified personnel.
- i) Demonstrate a commitment to meeting all reporting deadlines.

3.4 Audit Personnel Technical Requirements

- a) Include resume(s) and experience profile of the bidder's principal contact person(s) who will be responsible for this contract.
- b) Describe the experience in municipal audits of the partner, manager/supervisor, and senior assigned to the audit including years on each job and their position on each audit. Describe the role of each member of the audit team assigned to the audit including staff in specialized areas such as computer auditing or

commodity tax specialists.

- c) Indicate the local office(s) where the staff will be located, which office will be assigned the audit and provide a detailed list of audit staffing and their positions.
- d) Describe the relevant educational background of each individual assigned to the audit. This should include seminars and courses attended within the past two years.
- e) Describe any specialized skills, training and background in public finance by assigned individuals. This may include participation in municipal or provincial consulting assignments, speaker or instructor roles in conferences or seminars or authorship of articles and books.

3.5 Audit Approach

Describe the firm's approach to the audit. This should include at least the following points:

- (i) Type of audit program used;
- (ii) Use of statistical sampling (techniques and automated tools);
- (iii) Use of computer audit specialists;
- (iv) Organization of the audit team and approximate percentage of time spent on the audit by each team member.

3.6 Advisory Services and Publications

Information should be included in the proposal regarding any advisory services which may be available to the municipality free of charge on routine matters. These may include staff assistance and/or publications relating to the economy, income tax, payroll tax, commodity and excise taxes, employment benefit plans, management, cash management, etc.

3.7 Fee Schedule

A listing of proposed fees for each of the five years, detailed by specific municipal entity must be included. For each municipal entity, a schedule of the estimated hours of involvement of each member of the audit team is to be included. The total fees required to complete the Scope of Work as detailed including all disbursements and related costs.

In the event that less time is required to perform the audit than anticipated, it is expected that a reduction will be provided to the entity (ies) involved.

Should a significant increase or decrease occur in the scope of work to be conducted by the auditor during the terms of the engagement, the auditor must discuss this change with the Director of Finance and Administrative Services. The auditor must provide a firm quote of the impact of such changes on fees, if any, prior to the submission of the annual audit plan to the Director of Finance and Administrative Services. Without a firm quote and agreement by the respective entity, additional billings will not be accepted.

Persons to be Assigned	Title	Hours
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3.8 General

Provide a brief explanation of why your firm should be selected (specific, detailed, verifiable information). Also, include comment on any ideas respecting the audit function that your firm believes the Municipality should consider.

The onus is on the bidders to show their knowledge, understanding and capacity to conduct the work outlined in the RFP. The proposals will be assessed according to how well they assure the Municipality of success in relation to the RFP requirements. The detail and clarity of the written submission will be considered indicative of the bidder's expertise and competence.

4.0 EVALUATION CRITERIA

4.1 Evaluation of Proposals

The Proposals will be evaluated on the basis of all information provided by the bidders. Selection of a proposal will be based on (but not solely limited to) the following criteria and any other relevant information provided by the bidder.

In recognition of the importance of the procedure by which a Bidder may be selected, the following outlines the primary considerations to be used in the evaluation and awarding of this contract (not in any order).

4.1.2 Evaluation Process

The Evaluation Team will review all proposal submissions and will consider overall completeness and suitability of the responses. All responses will be evaluated against the evaluation criteria.

4.2 Evaluation Criteria

The evaluation criteria may include but not be limited to the following:

- i) Compliance with the mandatory requirements;
- ii) Municipal audit experience and references;
- iii) Utility audit experience and references;
- iv) Experience providing specialized services;
- v) Skills and experience of personnel assigned in areas of public sector auditing, public finance and specialized areas;
- vi) Audit program and techniques;
- vii) Computer audit experience;
- viii) Staffing plan;
- ix) Ability to meet service needs of the Municipality on an interactive basis;
- x) Presentation and compliance with the RFP; and
- xi) Audit fee

4.3 Selection Process

The Evaluation Team will recommend the appointment of an audit firm to Council. Municipality Council makes the final decision on the appointment of an audit firm.

Evaluation Criteria	Available Points to be awarded
Qualifications and Experience	30
Submission	20
Experience	20
Price	30
Total	100

Point Score for Price Above

Point Score for Price Alone = $30 \times [1 - (A - B) / B]$

Where A = Bid B = Lowest Bid

5.0 Timetable

The following is a tentative schedule to assist bidders:

Request for Proposal Closing Date	September 23, 2011 12:00 p.m.
Interviews With Short listed Firms (if necessary)	1st Week of November 2011
Recommendation to Council and Council Appointment	3 rd week of November 2011

**PART D - FORM OF PROPOSAL
AGREEMENT TO CONTRACT AND SCHEDULE OF PRICES**

CONTRACT NUMBER: **RFP # 2011-FIN-01**
 PROJECT TITLE: **External Audit Services**
 SUBMITTED TO: THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON

I/We, _____
(Company Name)

of _____
(Business Address)

having examined the RFP including all information to BIDDERS, general terms and conditions, terms of reference, appendices and terms of reference as issued by THE CORPORATION OF THE MUNICIPALITY OF BRIGHTON and including Addenda number ___ to ___ hereby offer and agree to enter into a Contract to supply the SERVICES required by this RFP at the costs detailed in the Schedule of Prices below.

The undersigned offers to complete and supply the SERVICES in accordance with the instructions to BIDDERS, terms, conditions, terms of reference, and appendices in the Request for Proposal **RFP # 2011 FIN-01** for the price(s) shown on the Schedule of Prices attached to it. Furthermore, it is certified that the undersigned is/are authorized and empowered to sign and submit this PROPOSAL.

Schedule of Prices

	Municipal Audit	Library Board	Cemetery Board	DBIA	FIR Preparation	Yearly Total
Year One	\$	\$	\$	\$	\$	\$
Year Two	\$	\$	\$	\$	\$	\$
Year Three	\$	\$	\$	\$	\$	\$
Year Four	\$	\$	\$	\$	\$	\$
Year Five	\$	\$	\$	\$	\$	\$
HST	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$

Total Proposal before taxes \$ _____

Total HST \$ _____

Total Proposal \$ _____

PART D - FORM OF PROPOSAL
AGREEMENT TO CONTRACT AND SCHEDULE OF PRICES – continued

This PROPOSAL is irrevocable and is to continue open to acceptance by the MUNICIPALITY for a period of one hundred and twenty (120) calendar days after the date and time set for submission of the PROPOSAL.

Furthermore, it is certified that the undersigned is/are authorized and empowered to sign and submit this PROPOSAL.

Company: _____
(Name)

(Street Address or Postal Box Number)

(MUNICIPALITY, Province, and Postal Code)

Signature: _____
(I have the authority to bind the corporation)

Print Name and Title: _____

Dated at _____ this _____ day of 2011.

The Corporation of the Municipality of Brighton
35 Alice Street, P.O. Box 189
Brighton, Ontario K0K 1H0
(MUNICIPALITY, Province, and Postal Code)

Signature: _____
(I have the authority to bind the corporation)
Mark A. Walas, Mayor

Dated at _____ this _____ day of _____, 2011.

Signature: _____
(I have the authority to bind the corporation)
Gayle Frost, CAO:

Dated at _____ this _____ day of _____, 2011.

seal

**THIS DOCUMENT MUST BE SIGNED AND SUBMITTED TO BE A VALID OFFER OR THE PROPOSAL
WILL BE REJECTED.**

PART D - REFERENCE INFORMATION

BIDDERS are required to provide three (3) references listing contracts similar to the project described in this RFP and undertaken within the past three (3) years.

- 1) NAME (Company/Government Agency) _____
Contract Description _____
Contact Person _____
Phone Number () _____ Fax Number: _____
Email Address (if available): _____
Number of Years At Location: _____ Value Of Contract \$ _____
- 2) NAME (Company/Government Agency) _____
Contract Description _____
Contact Person _____
Phone Number () _____ Fax Number: _____
Email Address (if available): _____
Number of Years At Location: _____ Value Of Contract \$ _____
- 3) NAME (Company/Government Agency) _____
Contract Description _____
Contact Person _____
Phone Number () _____ Fax Number: _____
Email Address (if available): _____
Number of Years At Location: _____ Value Of Contract \$ _____

The MUNICIPALITY reserves the right to check additional references and sources to those supplied by the BIDDER.

Company/BIDDER

Authorized Signature

Date

NOTE: THIS DOCUMENT MUST BE COMPLETED AND WILL FORM A PART OF THE SELECTION PROCESS

