

TOWN OF VERNON, CONNECTICUT

CONTRACT # 917-3/23/09

REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES

**DUE ON MARCH 23, 2009 – AT 2:00 P.M.**

LEGAL NOTICE

REQUEST FOR PROPOSALS

TOWN OF VERNON

CONTRACT # 917 -3/23/09

REQUEST FOR PROPOSALS

FOR AUDITING SERVICES

The Town of Vernon, Connecticut is requesting proposals from qualified independent public accounting firms or accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the Comprehensive Annual Financial Statements of the Town. Proposals will be received at the office of the Town Administrator, Vernon Town Hall (Memorial Building), 14 Park Place, Vernon, Connecticut 06066, no later than 2:00 P.M. on Monday, March 23, 2009, at which time no further proposals will be considered. Request for Proposal forms may be obtained at the office of the Town Administrator from 8:30 A.M. until 4:30 P.M. on Mondays through Wednesdays; 8:30 A.M. until 7:00 P.M. on Thursdays; and 8:30 A.M. until 1:00 P.M. on Fridays; or from the Town's website at <http://www.vernon-ct.gov/>. Information concerning this Request For Proposal may be obtained by contacting Finance Officer James M. Luddecke at telephone (860) 870-3690. The Town of Vernon is an Equal Opportunity Employer.

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## I. INTRODUCTION

### A. General Information

The Town of Vernon is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2009, with the option of auditing its financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards generally accepted in the United States of America, *the standards applicable to financial audits contained in the U.S. Comptroller General's Government Auditing Standards, the provisions of the Single Audit Act of 1984 and 1996 amendments, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act.)*

There is no expressed or implied obligation for the Town of Vernon to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, Town Administrator John D. Ward must receive six (6) copies of a proposal, by 2:00 p.m. on March 23, 2009 at 14 Park Place, Vernon, Connecticut, 06066. The Town of Vernon reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a five (5) member Selection Committee composed of the Finance Officer, the Controller and the Audit Committee which is comprised of three Town Council members.

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

The Town of Vernon reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Vernon and the firm selected.

It is anticipated the selection of a firm will be completed by March 26, 2009. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

B. Terms of Engagement

A four (4) year contract is contemplated, subject to the annual review and recommendation of the Selection Committee or Town Council, the satisfactory negotiation of terms (including a price acceptable to both the Town of Vernon and the selected firm), the concurrence of the Town Council and the annual availability of an appropriation.

**II. DESCRIPTION OF THE GOVERNMENT**

A. General

The auditor's principal contact with the Town of Vernon will be James M. Luddecke, Finance Officer and Treasurer, or Frank J. Zitkus, Controller, who will coordinate the assistance to be provided by the Town to the auditor. The principal contact for the Department of Education will Stanley Karasinski, Director of Business and Finance.

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

B. Background Information

The Town of Vernon, located in the northeast part of the state, serves an area of 18.6 square miles with a population of 29,620. The Town was originally part of Bolton, Connecticut, and was incorporated as a separate township in October 1808. In 1965, the Town, in its current form, was created when the Town, the City of Rockville and the Vernon Fire District were consolidated. The Town's fiscal year begins on July 1 and ends on June 30.

In addition to General Government services, the Town provides the following services to its residents:

Police	Fire Protection & Ambulance	Animal Control
Engineering	Street Lights	Emergency Management
Road Repair	Snow Removal	Solid Waste Removal
Recycling	Human Services	Leaf Removal
Recreation	Waste Treatment	Building Inspection
Education	Economic Development	Planning and Zoning

The Town (including education) has a total payroll of approximately \$41,570,000 covering 855 employees.

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

- Finance Officer
- Board of Education
- Water Pollution Control Authority

More detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report (CAFR), Official Statement, and Budget Summary located on the Town's website or by contacting the Finance Department at (860) 870-3690.

C. Fund Structure

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

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>	<u>FY 2008 Expenditures (Expenses)</u>
General Fund	1	1	\$ 71,979,212
Special Revenue Funds	29		\$ 11,878,079
Debt Service Funds	1		\$ 1,691,582
Capital Project Funds	5		\$ 31,526,258
Permanent Funds	3		\$ 39,581
Enterprise Funds	2		\$ 5,572,578
Internal Service Funds	3		\$ 3,227,799
Pension Trust Funds	3		\$ 2,990,733
Agency Funds	3		\$ 1,110,715

D. Budgetary Basis of Accounting

The Town prepares its budgets on a basis consistent with Generally Accepted Accounting Principles, except that on-behalf payments are not reported as budgetary revenues or expenditures.

E. Pension Plans

The Town administers three single employer, contributory, defined benefit plans, as follows:

<u>Plan</u>	<u>Multiple-Employer</u>		<u>Single-Employer</u>	
	<u>Cost - Sharing</u>	<u>Defined Agent</u>	<u>Defined Benefit</u>	<u>Defined Contribution</u>
Town Pension			X	
Police Pension			X	
LOSAP			X	

LOSAP, is a Length of Service Award Program of volunteer firefighters and ambulance personnel.

### **III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

#### **A. Statements and Schedules and other pertinent information to be Prepared by the Town**

The staff of the Town will prepare or provide statements and schedules for the auditor as follows:

1. Adjusted trial balance for all funds
2. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances
3. Detail of balance sheet and subsidiary account activity
4. Check registers for all funds
5. Bank reconciliation for all accounts
6. Detail of capital projects expenditures on a project to life basis
7. Analysis of accounts as requested
8. Investment activity schedules
9. Debt schedules
10. Fixed assets schedules
11. Payroll records
12. Tax collection, sewer assessment, and sewer user schedules
13. Schedule of Compensated Absences
14. Latest Actuarial Reports
15. Completed ED-001 and Supporting Documents
16. Standard representation letters
17. Combined, combining, and individual fund statements for all funds and account groups
18. Notes to the combined financial statements.
19. CAFR statistical tables
20. Schedules of federal and state assistance

#### **B. General**

Office space will be provided in close proximity to the financial records. Telephones will be made available as well as the use of a copy machine during the engagement. The auditors will be required to provide any other equipment and supplies.

### **IV. NATURE OF SERVICES REQUIRED**

#### **A. General**

The Town is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2009, with the option to audit the Town's financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this Request for Proposal.

#### **B. Qualifying Requirements**

**Qualified Firm:**

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ended June 30, 2008, as independent auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality with a population of at least 20,000.

**Location:**

The auditor's must have an office located within the State of Connecticut, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

**Non-Discrimination:**

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town and may result in ineligibility for further Town contracts. The proposer shall at all times in the proposal and contract process comply with all applicable Town, State, and Federal anti-discrimination laws, rules, regulations and requirements thereof.

**Reports:**

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

**Other:**

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of Connecticut. The Selection Committee intends to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

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

The Town desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The auditors are not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

#### D. Auditing Standards to be Followed

To meet the requirements of this Request for Proposal, the audit shall be performed in accordance with generally accepted auditing standards generally accepted in the United States of America, *the standards applicable to financial audits contained in the U.S. Comptroller General's Government Auditing Standards, the provisions of the Single Audit Act of 1984 and 1996 amendments, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act*

#### E. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, Government Auditing Standards, OMB Circular A-133, and the Connecticut General Statutes, including but not limited to the following:

- A report on the fair presentation of the general purpose financial statements in conformity with generally accepted accounting principles.
- A report on compliance and on internal control over financial reporting based on an audit of general purpose financial statements performed in accordance with government auditing standards.
- A report on compliance applicable to each major federal program, on internal control over compliance in accordance with OMB Circular A-133, and on the Schedule of Federal Awards.
- A report on compliance applicable to each major State program, on internal control over compliance in accordance with the State Single Audit Act, and on the Schedule of Expenditures of State Financial Assistance.
- Reports on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. Reports should include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major and non-major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal and state financial assistance program transactions tested.

The auditor shall communicate in a letter to management 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. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls. The “management letter” shall include recommendations for improvements in internal control, accounting procedures and other significant observations that are considered as non reportable conditions.

The reports on compliance shall include all instances of non-compliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following individuals:

Town Administrator  
Finance Officer and Treasurer  
Mayor

#### F. Special Considerations

1. The Town will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the Town to meet the requirements of that program.
2. The Town currently anticipates it will prepare several Official Statements in connection with the sale of debt securities which will contain the general purpose financial statements and the auditors report thereon. In addition, the general purpose financial statements and the Auditors report thereon will be used in connection with providing annual financial information to all NRMSIRs (Nationally Recognized Municipal Securities Information Repositories.) The auditors, by executing a contract, agree to the inclusion in any official statement, NRMSIR filing, or disclosure document in conjunction with any issuance of debt, **of the general purpose financial statements, the opinion thereon and any supplemental and supporting information in the audit report** as well as to furnish the TOWN with a “consent and citation of expertise” as the auditor and any necessary “comfort letters.”
3. The Schedules of Expenditures of Federal Awards and State Financial Assistance and related auditor's reports, as well as the reports on the internal control structure and compliance are to be issued separately from the Comprehensive Annual Financial Report.
4. The formal and official TOWN accounting records are maintained by the Finance Officer and Treasurer. The formal and official accounting records for the Department of Education are maintained by the Director of Business and Finance.
5. The Town may request technical advice on Social Security and Federal and State Income Tax withholding questions related to payroll. It is understood that the

firm, in giving technical advice, must maintain its “independence” for audit purposes. The audit firm should have expertise in the area of Federal and State Payroll Laws and withholding requirements, including applicable Social Security Regulations.

6. In addition to hard copies of the CAFR, the Town will require the CAFR be provided in a PDF format for posting on the Town’s website.

#### G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Town of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

#### H. Other Audit Services

Periodically the Town is required to have separate audits performed. The auditors will be expected to perform these audits and any other audit services requested by the Town outside of the standard audit at the hourly rate(s) stated in Appendix D.

#### I. Implied Requirements

All services not specifically mentioned in this Request for Proposal that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

### **V. TIME REQUIREMENTS**

#### A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposal issued	March 6, 2009
Due date for proposals	March 23, 2009
Oral presentation by selected firms	Week of March 23, 2009
Appointment by Town Council	March 31, 2009



## VI. PROPOSAL REQUIREMENTS

### A. General Requirements

#### 1. *Inquiries*

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

John D. Ward, Town Administrator

or

James M. Luddecke, Finance Officer and Treasurer

14 Park Place, Vernon, Connecticut 06066

860-870-3690

#### 2. *Submission of Proposals*

The following material is required by March 23, 2009 for a proposing firm to be considered:

a. The **“Technical Proposal”** and five (5) copies are to include the following:

i. Title Page

Title page showing the request for proposal's subject; the firm's name; the name, address and telephone number of a contact person; and the date and contract number of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI. B. of this request for proposals.

v. Guarantees and Warranties

Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).

- b. The proposer shall submit an original and five copies of a **“Sealed Dollar Cost Bid”** attached to this request for proposals (Appendix D).
- c. Proposers should send the completed proposal consisting of the two (2) separate envelopes to the following address:

Mr. John D. Ward, Town Administrator  
14 Park Place, Vernon, Connecticut 06066

Envelope #1: Technical Proposal

Envelope #2: Sealed Sealed Dollar Cost Bid

## **B. Technical Proposal**

### ***1. General Requirements***

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in Appendix D). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, items Nos. 2 through 8, must be included. They represent the criteria against which the proposal will be evaluated.

### ***2. Independence***

The firm should provide an affirmative statement that it is independent of the Town of Vernon as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the Town of Vernon 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 written notice of any professional relationships entered into during the period of this agreement.

### **3. *License to Practice in Connecticut***

An affirmative statement should be included indicating that the firm and its municipal principal are qualified to practice in Connecticut.

### **4. *Firm Qualifications and Experience***

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

### **5. *Partner, Supervisory and Staff Qualifications and Experience***

The firm should identify the principal supervisory and management staff, including engagement principals, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

The proposer should identify the extent to which its staff reflects the Town's commitment of Affirmative Action.

Engagement principals, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of Town. However, in either case, the Town retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written permission of the Town, which retains the right to approve or reject replacements.

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

### **6. *Similar Engagements with Other Government Entities***

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement principals, total hours, and the name and telephone number of the principal client contact.

## **7. *Audit Approach***

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section IV of this request for proposal. In developing the work plan, reference should be made to such sources of information as the Town's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

**NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.**

- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the Town'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.

## **8. *Identification of Anticipated Potential Audit Problems***

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Town.

### **C. SEALED DOLLAR COST BID**

#### **1. *Total All-Inclusive Maximum Price***

The Sealed Dollar Cost Bid, hereon referred to as "dollar cost bid", should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Town will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

## **2. *Fixed Fees by Category***

The dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix D) that supports the total all-inclusive price.

## **3. *Rates for Additional Professional Services***

If it should become necessary for the Town of Vernon to request the auditors to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town and the firm. Any such additional work agreed to between the Town and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D.

## **4. *Manner of Payment***

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a Period of not less than a calendar month.

# **VII. EVALUATION PROCEDURES**

## **A. Selection Committee**

Proposals submitted will be evaluated by a five (5) member Selection Committee consisting of the Finance Officer, Controller and Audit Committee (3 Town Council Members).

## **B. Evaluation Criteria**

The following represents the principal selection criteria that will be considered during the evaluation process of proposals.

### **1. Mandatory Elements**

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town.

- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- f. The firm shall submit one copy of 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 two years.

## **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.
  - 4. Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.

## **3. Service Delivery Plan**

- 1. Describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how, and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences.

## **4. Price**

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

### **C. Oral Presentations**

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The Selection Committee will recommend a firm for approval by the Town Council.

It is anticipated that a firm will be selected by March 31, 2009. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

E. Right to Reject Proposals

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

The Town of Vernon reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

## APPENDIX A

### LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

NAME AND TITLE	LOCATION OF OFFICE	TELEPHONE
James M. Luddecke Finance Officer and Treasurer	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3690
John D. Ward Town Administrator	Town Hall, 14 Park Place Third Floor, Administration	860-870-3665
Frank J. Zitkus Controller	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3692
Penny Calcasola Payroll Coordinator	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3630
Diane Luddecke Budget Analyst	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3631
Raelene Phillips Accountant	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3632
Beverly States Assistant Treasurer	Town Hall, 14 Park Place Second Floor, Finance Dept.	860-870-3643
Carol Nelson Collector of Revenue	Two Park Place First Floor, Tax Office	860-870-3616
David Wheeler Assessor	Two Park Place First Floor, Assessment Office	860-870-3602
Arthur Beirn Director of Data Processing	Two Park Place Second Floor, Data Processing	860-870-3673
George Rostkowski Business Manager - WPCA	Two Park Place Second Floor, WTP Admin.	860-870-3608
Stanley Karasinski Director of Business & Finance	30 Park Street School Administration Building	860-870-6000
Harold Cummings Town Attorney	1610 Ellington Road South Windsor, CT 06074	860-644-3473

**APPENDIX B**

**PROPOSER GUARANTEES  
AND  
PROPOSER WARRANTIES**

Proposer Guarantees

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

Proposer Warranties

1. . Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
2. 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.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Vernon.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: \_\_\_\_\_

Name (typed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX C

### INSURANCE

#### INSURANCE EXHIBIT - PROFESSIONAL SERVICES

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term "professional individual or firm" shall also include the individual's or firm's respective officers, agents, officials, employees, volunteers, boards and commissions.

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

1. **Broad Form Comprehensive General Liability**

\$1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products / completed operations.

2. **Automobile Liability**

\$1,000,000 combined single limit per occurrence for bodily injury and property damage

3. **Umbrella Liability**

\$1,000,000 per occurrence, following form.

4. **Workers' Compensation**

Limits as required by State of Connecticut Labor Code

5. **Employer's Liability**

\$100,000 each accident  
\$500,000 disease/policy limit  
\$100,000 disease/each employee

6. **Professional Liability** (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two (2) years following contract completion.)

\$1,000,000 per occurrence  
\$1,000,000 aggregate

7. **Personal Property Coverage**

Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Town property, while in use or in storage, for the duration of the contract.

B. **Aggregate Limits**

Any aggregate limits must be declared to and be approved by the Town. At the option of the Town, the insurer shall increase or eliminate the aggregate limit and notify the Town of any erosion of aggregate limits.

C. **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and be approved by the Town. At the option of the Town, the insurer shall reduce or eliminate such deductibles or self-insured retentions as regards the Town or the Auditors shall procure a bond which guarantees payment of the losses and related investigations, claims administration and defense expenses. At no time will the Town be responsible for the payment of deductibles or self-insured retentions.

D. **Notice of Cancellation or Non-renewal**

Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

E. **Other Insurance Provisions**

The policies are to contain, or be endorsed to contain, the following provisions;

1. **Liability, (General, Automobile, Professional) Coverage;**

- a. **“The Town and its respective officers, agents, officials, employees, volunteers, boards and commissions”** are to be **named as additional insureds** with regards to liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the Town.
- b. The Auditor’s insurance coverage shall be the primary insurance as regards the Town. Any insurance or self-insurance maintained by the Town shall be in excess of the Auditor’s insurance and shall not contribute with it.

- c. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the Town.
- d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer's liability.

2. Workers' Compensation and Employer's Liability Coverage

- a. The insurer shall agree to waive all rights of subrogation against the Town for losses arising from the work performed by the Auditor for the Town.
- b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish the Town with adequate proof of the self-employment status. The Auditor agrees to waive all rights of claims against the Town for losses arising from the work performed by the Auditor. In the event that during the contract this self employment status should change, the Auditor shall immediately furnish proper notice to the Town and a certificate of insurance indicating that Workers' Compensation insurance and Employer's Liability coverage has been obtained by the Auditor as required by this Exhibit.

F. Acceptability of Insurers

- 1. Insurance is to be placed with insurers which have a Best's rating of at least A.
- 2. Insurance companies must either be licensed to do business in the State of Connecticut or be deemed to be acceptable by the Town's Town Administrator.

G. Verification of Coverage

The Auditor shall furnish the Town with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Town Administrator before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies, at any time.

All insurance documents required by this Exhibit shall be mailed to the Town Administrator.

Signed:

Auditor \_\_\_\_\_ Date \_\_\_\_\_

Town \_\_\_\_\_ Date \_\_\_\_\_

**APPENDIX D**

**“SEALED DOLLAR COST BID”**

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: \_\_\_\_\_

Connecticut Municipal audit clients (FY 2008 engagements for municipalities with populations of 20,000 or more): \_\_\_\_\_

**TOTAL ALL-INCLUSIVE MAXIMUM PRICE**

**BY CATEGORY:**

	<b>June 30, 2009</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
<b>General Government:</b>				
-Financial				
-State Single Audit				
-Federal Single Audit				
<b>General Government Subtotal:</b>				
<b>Education:</b>				
-Financial				
-State Single Audit				
-Federal Single Audit				
-ED 001, etc.				
<b>Education Subtotal:</b>				
<b>TOTAL ALL-INCLUSIVE MAXIMUM PRICE:</b>				

**APPENDIX D**

**“SEALED DOLLAR COST BID”**

Rates for hours for services **outside the specified scope**

	<b>QUOTED HOURLY RATES</b>
Principal	\$
Manager	\$
Staff	\$
Other	\$

Submitted by: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

**APPENDIX E**

**SAMPLE AUDIT SERVICES PROPOSAL LETTER**  
(To be submitted on your firm's letterhead)

[Chief Financial Officer]  
[Address]

Dear \_\_\_\_\_:

We have read the Request for Proposal and fully understand its intent and contents. We certify that we have adequate personnel, insurance, equipment, and facilities to fulfill the specified requirements. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the Selection Committee.

We have attached the following:

1. Audited CAFR reports for two (2) clients as outlined in Section IV, B.
2. Technical Proposal as outlined in Section VI
3. Appendix B: Proposer Guarantees and Warranties
4. Appendix C: Insurance
5. Appendix D: Sealed Dollar Cost Bid (separate envelope).

It is further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to the Town.

Submitted by \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

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