



# REQUEST FOR PROPOSAL

## Compliance Audit Committee

## Forensic Auditing Services

Township of North Stormont,  
Township of South Stormont,  
Township of North Dundas,  
Municipality of South Dundas,  
Township of North Glengarry; and  
Township of South Glengarry.

**CLOSING DATE:**

**Friday, November 23, 2018**

# Part 1: Scope of Services

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## Project Summary

This Request for Proposal (RFP) is being issued for selecting an experienced and qualified licensed audit firm or auditor licensed under the Public Accounting Act, 2004, to conduct a forensic compliance audit of candidate's election campaign finances, as needed, in connection with the October 22, 2018 Municipal Elections.

## Background

### Statutory Framework

The Municipal Elections Act, S.O. 1996, (the "Act") requires that all Municipalities establish a Compliance Audit Committee (the "Committee") to undertake the following:

- a) To hear and determine all applications filed in accordance with Sections 88.33 to 88.36 of the Act pursuant to the procedures established by the Clerks under the Act.
- b) The powers and functions of the Committee are set out in Sections 88.33 to 88.36 of the Act. The Committee will perform the functions relating to the compliance audit application process as outlined in the Act. The powers and functions are generally described as:
  - i. Within 30 days of receipt of a compliance audit application from an elector, review and decide whether it should be granted or rejected;
  - ii. If the application is granted, appoint an auditor licensed under the Public Accounting Act, 2004 to conduct a compliance audit of the election campaign finances;
  - iii. Receive the auditor's report;
  - iv. Within 30 days of receipt of the auditor's report, consider the report and if the report concludes the candidate or registered third party appears to have contravened a provision of the Act relating to election campaign finances, decide whether legal proceedings against the candidate or registered third party for the apparent contravention shall be commenced; and
  - v. Within 30 days after receipt of a report from any participating municipality's Clerk of any apparent over-contributions to candidates or registered third parties, the Committee shall consider the Clerk's report and decide whether legal proceedings against the contributor should be commenced.

## Committee Administration and Financial Filing Requirements

Three individuals and two alternates were appointed to the Stormont, Dundas and Glengarry Compliance Audit Committee. A chair will be selected from the committee amongst the members to act as a liaison between the Committee, the Clerk and the Auditor. The Clerk of the responding municipality may act as Secretary to the Committee.

The Clerks from each of the participating municipalities established an administrative policy for the Compliance Audit Committee, and the Council from each participating municipality adopted the policy by by-law.

While the basis for a municipal election compliance audit application is based on reasonable grounds of an apparent contravention of the Act relating to election campaign finances and not specifically information included in a financial statement, it is expected that the financial statement from the candidate or third party will form a part of the materials submitted or referred to as part of the application.

### Anticipated Scope of Work

If called upon by the Committee, the auditor will promptly conduct a forensic audit of the candidate or third party's election campaign finances including all matters and documents presented to the Committee, to determine whether he or she has complied with the Act related to election campaign finances and shall prepare a comprehensive and detailed report outlining any apparent contravention by the candidate or third party, or that the candidate or third party has complied with the Act.

The compliance audit shall be guided and must be completed in accordance with the Ontario Municipal Elections Act (as amended) including the following provisions:

1. Section 81 Compliance Audit
  - a. Licensed Auditor
    - i. Only an auditor who is licensed under the Public Accounting Act may be appointed under subsection (4) 1996, c.32 Sched., s 81(5)
  - b. Duty of the Auditor  
For the purposes of the audit, the auditor,
    - i. Is entitled to have access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of the municipality; and
    - ii. Has the powers of a commission under Part II of the Public Inquires Act, which Part applies to the audit as if it were inquiry under the Act 2006, c.33, Sched., s.8 (44)
  - c. Who receives the report  
The auditor shall submit the report to:
    - i. The candidate;
    - ii. The relevant Council

- iii. The Clerk with whom the candidate filed his or her nomination;
  - iv. The applicant
- d. Report to be forwarded to the Committee  
Within thirty (30) days after receiving the report, the Clerk of the municipality shall forward the report to the Compliance Audit Committee.
- e. Powers of the auditor  
For the purposes of the audit, the auditor;
  - i. Is entitled to have access, at all reasonable hours, to all relevant books, papers, documents or things of the candidate and of the municipality; and
  - ii. Has the powers of a commission under Part II of the Public Enquires Act, which Part applies to the audit as if it were an inquiry under that Act, 2009 c.33, Sched 21, s.8(44)
- f. Immunity  
No action or other proceeding for damages shall be instituted against an auditor appointed under subsection (7) for any act done in good faith in the execution or intended execution of the audit or for any alleged neglect or default in its execution in good faith. 2009 c.33, Sched 21, s.8(44)

Audit firms are required to provide proof of licensing under the Public Accounting Act, 2004. Failure to provide will result in disqualification. The forensic audit must be led by, personally conducted by, and signed by a licensed auditor(s), and proof of qualifications shall form part of the submission. The auditor will be required to provide four (4) hard copies and one soft copy (in pdf format) of the audit report to the Compliance Audit Committee through the Township Clerk's Office.

## Part 2: Standard Terms and Conditions

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The terms, conditions and pricing of all proposals submitted shall remain for a period of ninety (90) days from the date of closing.

### **Proposal Documents – Submission**

Proponents must submit one (1) soft copy (in pdf format) and two (2) hardcopies of your proposal in paper format in a sealed package and clearly marked as to the contents, such as Forensic Auditing Services.

Proposals must be submitted to:                      Township of North Glengarry  
   Attention: Sarah Huskinson  
   90 Main Street South  
   Alexandria, Ontario  
   K0C 1A0

### **Closing/Due Date**

Proposals must be received no later than the closing date and time of:

**Friday, November 23, 2018 at 3:00 p.m.**

The use of any means of delivery of a proposal shall be at the risk of the Proponent and any proposal received after this closing/due date shall be returned unopened.

### **Clarification or Inquiries**

Any clarifications or inquiries shall be made prior to the submission of the proposal and made in writing no later than **November 16<sup>th</sup>, 2018 at 12:00 noon**. Answers to inquiries will be provided via written addendum to all proponents who have received a copy of the documents. The response will be provided in a manner which will not identify who has requested the clarification. Amendments / clarifications / addendums to this request for proposal shall take precedence over the portion that has been amended and shall be considered part of the contract.

All questions must be directed to:    Sarah Huskinson, Chief Administrative Officer/ Clerk  
   Township of North Glengarry  
   [cao@northglengarry.ca](mailto:cao@northglengarry.ca)  
   613-525-1625

### **Exclusions from Submitting a Bid**

The Committee reserves the right to disqualify a submission from any audit firm if any of the following apply:

1. The auditor firm and/or any of its partners or team members have contributed to the candidate in the 2018 municipal election.

2. The auditor firm and/or any of its partners or team members have conducted the audit for the 2018 municipal election campaign contributions for the candidate.
3. The auditor firm is the auditor for any business that the candidate is a principal and/or owner of.

### **Right to Accept Proposal**

The Committee reserves the right to reject any part of or all proposals. This RFP should not be construed as a contract to purchase goods or services. The Committee is not bound to accept the lowest priced or any proposal of those submitted. The Committee may award this proposal in part, in whole, or not at all.

### **Time Open for Acceptance**

This RFP is irrevocable and is to continue open for acceptance by the Committee for a period of ninety (90) calendar days after the date and time set for submission of the proposal. The Committee may at any time within the above ninety (90) calendar day period accept this proposal whether or not any other proposal has previously been accepted.

### **Clarification**

It shall be the proponent's responsibility to clarify any points in question as indicated below prior to submitting the proposal.

Any clarification or inquiries shall be made in writing to Sarah Huskinson, Chief Administrative Officer/ Clerk, Township of North Glengarry at [cao@northglengarry.ca](mailto:cao@northglengarry.ca). Answers to inquiries will be provided to all proponents who have received a copy of this document.

### **Liability for Errors**

While the Committee has used considerable efforts to ensure an accurate representation of information of the RFP the information contained in this RFP is supplied solely as a guideline for proponents. The information is not guaranteed or warranted to be accurate by the Committee, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve proponents from forming their own opinions and conclusions with respect to the matters addressed in the RFP.

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

In accordance with the Municipal Freedom of Information and Protection of Privacy Act, this is to advise that the personal information respondents provide is being collected under authority of the Municipal Act and will be used exclusively in the selection process. All proposals submitted become the property of the Committee. Because of MFIPPA, respondents are reminded to identify in their proposal material any specific scientific, technical, commercial, proprietary, or similar confidential information, the disclosure of which could cause them injury. Complete proposals are not to be identified as confidential. The Committee reserves the right to discuss any and all proposals, to request additional information from proponents and to accept or reject any and all proposals.

**Confidentiality of Information**

A proponent receiving this RFP may not use, disclose, or duplicate it for any purpose other than to prepare a response. The proponent shall keep the municipality's data confidential and shall not disclose its content to any other party, other than to those internal employees or agents responsible for preparing a submission, without the prior written approval of each of the individual municipalities.

**Non-Performance**

The Committee reserves the right to determine of non-performance or poor quality of goods and/or services, and further reserves the right to cancel the contract. The opinion of the Committee in this regard shall be final in all instances. Informal or Unbalanced Proposals  
Proposals which are incomplete, conditional, illegible or obscure, or that contain reservations, erasures, alterations or irregularities of any kind, may be rejected as informal. Proposals that contain prices which appear to be so unbalanced as likely to affect adversely the interests of the Committee, may be rejected.

**Non-Assignment**

The successful bidder may not assign this contract or any work thereunder to another institution without the prior written consent of the Committee. Such written consent however shall not under any circumstances relieve the bidder of his liabilities and obligations under this contract and such consent or denial of consent shall be within the sole and unfettered discretion of the Committee.

**Period of Contract**

The contract with the successful bidder shall be for a four (4) year period. The Committee reserves the right to terminate the contract or parts thereof for any reason, without penalty or obligations to the Committee, upon provisions of ninety (90) days written notice.

**Conflict of Interest**

All proponents are required to disclose to the Committee prior to accepting this assignment any potential conflict of interest. If a conflict of interest does exist as referred to above, the Committee may, at its discretion, withhold the assignment from the proponent until the matter is resolved to the satisfaction of the Committee. If, during the conduct of the assignment, the proponent is retained by another client giving use to a potential conflict of interest, then the proponent shall so inform the Committee and if a significant conflict of interest is deemed to exist by the Committee, then the proponent shall:

- a) refuse the new assignment; OR
- b) take such steps as are necessary to remove the conflict of interest

**Insurance**

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

- a) Comprehensive General Liability insurance and an occurrence basis for an amount not less than five million (\$5,000,000) dollars and shall include the Township as an additional insured with respect to the successful proponent's operations, acts and omissions relating to its obligations under this agreement. Such policy to include but not be limited to bodily injury and property damage including loss of use; personal injury; contractual liability; premises, property and operations; non-owned automobiles liability, personal injury including humiliation, broad form property damage, contractual liability, Owners and Contractors protective; occurrence property damage; products and completed operations; employees as Additional Insured (s); contingent employers liability; cross liability and severability of interest clauses. The above coverage shall be non-contributing with and apply as primary and not as excess of any insurance available to the Township.
  
- b) Professional Liability Insurance coverage to a limit of not less than \$5,000,000. If such insurance is written on a claim made basis, the coverage shall be maintained for a period of two years subsequent to the conclusion of services provided or contain a twenty-four month extended reporting period:

The above coverage shall be non-contributing with and apply as primary and not as excess of any insurance available to the Committee.

Any applicable Deductible to any insurance coverage shall be the sole responsibility of the Named Insured and the Committee shall bear no cost towards such deductible.

In addition to General Insurance, the respondent shall provide evidence of WSIB or its equivalent.

The policies shown above will not be cancelled or permitted to lapse unless the insurer notifies the Committee in writing at least sixty (60) days prior to the effective date of cancellation or expiry. The Committee reserves the right to request such higher limits of insurance or other types of policies appropriate to the work as the Committee may reasonably require.

**Indemnification**

Without limiting any other obligation of the proponent under this contract or otherwise, the proponent hereby agrees to indemnify and save harmless the Committee, its elected officials, officers, employees, servants, agents and others for whom the Committee is in law responsible, from and against any liability, loss, claims, demands, damages, fines and penalties, costs and expenses (including consulting fees), investigatory and legal expenses, and any other actions or causes of actions, suits, caused by or attributed to any willful or negligent act, omission, delay, or allegations thereof on the part of the proponent, its officers, employees, subcontractors, agents, licensees, assignees, invitees or other persons engaged in the performance, non performance or attempted performance of the Work pursuant to this contract or anyone else for whom the proponent is in law responsible.

Should the Committee be made a party to any litigation commenced by or against the proponent, then the proponent will protect, indemnify and hold the Committee harmless and will promptly



pay all costs, expenses, and legal fees (on a solicitor and own client basis) incurred or paid by the Committee in connection with such litigation upon demand. The proponent will also promptly pay upon demand all costs, expenses and legal fees (on a solicitor and own client basis) that may be incurred or paid by the Committee in enforcing the terms, covenants and conditions in this contract.

The proponent's obligation under this indemnification section will survive the expiry or early termination of this contract.

#### Rights Reserved by the Committee

- a) The Committee is not liable for any costs incurred by interested parties in the preparation of their response to this request or interviews. Furthermore, the Committee shall not be responsible for any liabilities, cost, expenses, loss or damage incurred, sustained or suffered by any interested party, prior to subsequent to, or by reason of the acceptance, or non-acceptance by the Committee of any response, or by reason of any delay in the acceptance of the response.
- b) The lowest submission will not necessarily be accepted, and the Committee reserves the right to accept or reject any or all responses and/or to reissue the RFP in its original or revised form.
- c) The Committee reserves the right to request proponents to:
  - i) provide additional information;
  - ii) modify submissions in areas considered to be deficient;
  - iii) address specific requirements not accurately covered in their initial submissions;
  - iv) substitute components where the Committee considers that an alternative may be more suitable.
- d) The Committee reserves the right to modify any and all requirements stated in the RFP prior to the possible awarding of a contract. In such an event, any and all changes will be forwarded to all parties in possession of an RFP package.

# Part 3: Proposal Evaluation

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## Evaluation Criteria

The project will be awarded to the proponent who, in the sole judgement of the Committee, provides the best overall value. The Committee will not be obligated to select the lowest cost of any proposal.

Each proponent shall submit a proposal which details their forensic auditing services for each of the criteria as described in the applicable Appendix A, B, C, D, E and F.

Proposals will be evaluated as follows:

<b>Proposal Evaluation Criteria</b>	<b>Points Available</b>
Hourly Rates, See Appendix B	25
Key Personnel List, See Appendix E	25
Overall Project Implementation Schedule, See Appendix F	30
References, See Appendix D	20
<b>Total Available Points</b>	<b>100</b>

The Committee may elect to interview one or more of the respondents to further evaluate their experience, ability, understanding of the work, or proposed alternatives.

# APPENDIX A – SUBMISSION REQUIREMENTS CHECKLIST

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Please confirm that you have provided the required documents and acknowledgements by initialing the applicable box before signing the form.

No	Submission Requirements	Comment	Initial By Bidder
1	Quotation Submission Checklist and Bid Form	Mandatory	
2	Summary of Auditing Fee and Hourly Fee Schedule	Mandatory	
3	Proof of licensing under the Public Accounting Act	Mandatory	
4	References	Mandatory	
5	Names of Key Project Personnel	Mandatory	
6	Project Overall Schedule	Mandatory	
7	Acknowledgement of Receipt of Addendum	If Applicable	

## APPENDIX B – BID FORM

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By submitting a Proposal, the Bidder agrees to be bound by the terms and conditions of this Request for Proposal.

The Bidder, by signing this Bid Form, acknowledges the following:

- This Bid is made without any connection, knowledge, comparison of figures or arrangements with any other firm, company or person putting forward a response to the same proposal for the same work and is in all respects fair and without collusion or fraud
- Declare that all information stated in response to this Request for Proposal is in all respects fair and true
- Declare that no member of the Committee or municipal's Council, or any municipal employee, is or will become interested directly or indirectly as a contracting party or in performance of the Contract.

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Company Name

Authorized Signature

Print Name

## APPENDIX C – HOURLY RATES

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Provide the hourly auditing fee schedule in the table below of all personnel (include titles) involved in this project

Staff Name	Position	Bid Price (rate per hour less HST)	
		Normal work-hours	\$
		Overtime hours	\$
		Normal work-hours	\$
		Overtime hours	\$
		Normal work-hours	\$
		Overtime hours	\$
		Normal work-hours	\$
		Overtime hours	\$
		Normal work-hours	\$
		Overtime hours	\$

1. Hourly auditing fee must be guaranteed until the completion of the project
2. For any additional work beyond the scope of this RFP, the above hourly rates are to be followed, however, the Committee or the municipality reserves the right to negotiate a fixed upper fee or request quotes.

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Company Name

Authorized Signature

Print Name

## **APPENDIX D – REFERENCES**

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List at least three (3) similar past or present auditor consultant services contracts of similar size and scope as those of the work under this RFP, preferably in a municipal environment. Reference letters or documents may also be included.

<b>Company or Municipality</b>	<b>Contact person and contact information</b>	<b>Contract duration and dollar value</b>	<b>Description of consulting services provided</b>	<b>Completion date</b>

## APPENDIX E – KEY PERSONNEL LIST

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List key personnel to be directly involved in this project. The Committee reserves the right not to accept any substitution of key personnel other than the list provided below.

Staff Name	Key Task or Position	Qualifications or Experience
		Curriculum Vitae is attached
		Curriculum Vitae is attached
		Curriculum Vitae is attached
		Curriculum Vitae is attached
		Curriculum Vitae is attached

We hereby agree that should the contract be awarded to us, the work as specified in the contract will be performed using appropriate licensed professional staff and will be satisfactorily completed and in accordance with the contract.

# APPENDIX F – OVERALL PROJECT IMPLEMENTATION SCHEDULE

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Bidders shall prepare an overall project implementation schedule indicating timing dedicated for each component task of the work, and the proposed sequence of all required tasks to complete the work. The submitted schedule shall be used to evaluate the bidder's capability in management and control all project phases.

The schedule is subject to change by mutual agreement of the parties.

Description of Task	Start	Finish	Number of Hours