

NORTH GLENGARRY NORD



**TOWNSHIP OF NORTH GLENGARRY
REQUEST FOR PROPOSALS**

RFP ADM2021-02

MUNICIPAL AUDIT SERVICES 2021-2024

**TOWNSHIP OF NORTH GLENGARRY
REQUEST FOR PROPOSALS**

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1.0 Introduction/Background:

The Township of North Glengarry is a rural and urban, lower-tier municipality located in the United Counties of Stormont, Dundas, and Glengarry in Eastern Ontario. It was formed in 1998 by the amalgamation of the former Village of Maxville, Town of Alexandria and the Townships of Lochiel and Kenyon.

North Glengarry's population is approximately 8,407 with 4,898 households as per the Municipal Property Assessment Corporation (MPAC). The Township's 2021 budgets consist of the following:

- operating budget of \$10,400,000 and capital budget of \$5,700,000
- waterworks operating budget of \$2,000,000 and capital budget of \$600,000

The Township employs forty-five (45) full-time employees, approximately seventy-five (75) paid on call volunteer fire-fighters and approximately forty-five (45) seasonal and part-time employees.

The Township provides a full range of services to its residents, including fire services, building regulations, by-law enforcement, licensing and permits, parks and recreation, planning, roads and transportation services, recycling, and waste disposal services. Water and sewer services are available in Alexandria and Maxville and water services are available in Glen Robertson.

The Township of North Glengarry is affiliated with the following outside boards, committees and commissions that operate under their own management:

- United Counties of Stormont, Dundas, and Glengarry
- South Nation Conservation Authority
- Raisin Region Conservation Authority

Definitions:

Throughout this Request for Proposal (“RFP”), the following definitions apply:

“Conflict of Interest” means a real or seeming incompatibility between one’s private interests and one’s public interests and one’s public or fiduciary duties; and includes a situation in which financial or other personal considerations have the potential to compromise or bias professional judgement and objectivity; or any other conflict of interest situation that would give rise to an unfair procurement hereunder, such as attempted collusion between Proponents, attempting to exert influence on Township of North Glengarry decision makers, etc. A Conflict of Interest includes a seeming conflict of interest i.e., where a reasonable person would perceive in the circumstances that a conflict of interest is likely to exist that would likely compromise an individual’s judgement or otherwise give rise to an unfair procurement hereunder.

“Contract” means a legally binding written agreement for the provision of the Deliverables entered into between the Township of North Glengarry and the Selected Proponent(s) in accordance with the terms of this RFP.

“Contractor” means the preferred Proponent to this RFP who enters into a written Contract with the Township of North Glengarry.

“Deliverables” means the goods and services that are subject of and described in this RFP, and which, subject to the terms herein and finalization and execution of a Contract, are to be provided by the selected Proponent(s) to the Township of North Glengarry.

“Mandatory” means a requirement that must be met in order for a proposal to receive consideration and evaluation. Failure to meet mandatory requirements will result in disqualification and proposal will no longer be considered.

“Proponent” means an individual or Contractor that submits or intends to submit a proposal in response to this RFP.

“Proposal” means all of the documentation and information submitted by a Proponent in response to this RFP, provided that to constitute a Proposal, such response must comply with the requirements for composition and submission of Proposals set out in this RFP and shall be subject to all of the terms and conditions and express and implied rights as set out herein.

“Qualified firms” means a firm who is licensed provide external auditing services in the Province of Ontario.

“Request for Proposal” or **“RFP”** means the process described in this document.

2.0 Process

Three copies of the proposal must be returned in a sealed envelope, clearly marked “RFP ADM2021-02 Municipal Audit Services 2021-2024” on or before 12:00 noon, Wednesday, June 30th, 2021, to:

Kimberley Goyette, Director of Finance/Director of Finance/Treasurer
Township of North Glengarry
Box 700, 90 Main Street South
Alexandria, Ontario
K0C 1A0

Alternately, one electronic submission with the subject line “RRP ADM2021-02 Municipal Audit Services 2021-2024” received before 12:00 noon, Wednesday, June 30th, 2021 will be accepted. Electronic bids shall be addressed to Treasurer@northglengarry.ca.

Any questions or clarifications arising from this request for proposal may be submitted only in writing to Treasurer@northglengarry.ca.

Any questions/clarifications and answers that substantiate an addendum to this request will be forwarded to all audit firms that submitted a tender and will form an addendum to the request.

Proposals will be reviewed by the senior staff who may short-list the proposals received, based on the rating scheme outlined on Section 7.0 Evaluation Format. Senior staff may set up interviews with the short-listed firm if required.

Decision:

Senior staff will recommend an audit firm to be appointed by Council. The term of the appointment will be four (4) years. It is expected that Council approval will occur in July 2021.

Eligibility:

Before preparing a proposal for the provision of audit services for the Township of North Glengarry, proponents are advised to ensure that their firm can meet the following criteria:

- 1) holds a valid public accountant’s licence issued under the Public Accountancy Act,
- 2) has recent Ontario municipal or other local government audit experience (at least within the last 5 years),
- 3) has established well developed professional auditing techniques and a sound system of control and review of audit work performed,
- 4) has complete knowledge of recent provincial auditing changes, such as PSAB, tax capping, and performance measures,

- 5) indicates compliance with section 296 of the Municipal Act, 2001
- 6) As of January 1, 2012, Contractors must meet the requirements of the Customer Service Standard of the Accessibility for Ontarians with Disabilities Act (AODA) 2005. It is the Proponent's responsibility to ensure that they and their sub-contractors are fully aware of and meet all requirements under the AODA.
- 7) Workplace Safety Insurance Board (WSIB) Certificate. The preferred Proponent will be required to submit proof of Workplace Safety Insurance Board Coverage, within ten (10) working days of notification of award of contract. Failure to provide such proof shall result in cancellation of the Contract. In the event that the Proponent is exempt, proof of exemption must be provided within 10 working days of notification of award of contract. Failure to provide such proof shall result in cancellation of the Contract.

3.0 Audit Scope and Requirements

General:

Commencing with the 2021 fiscal year, the audits shall include the examination of the records and financial statements of the Township to the degree necessary to express an audit opinion on the financial statements for the Township of North Glengarry. The audit shall meet all legislative requirements as necessary for a municipal audit.

Financial Statements:

The audit firm shall prepare and provide the following annual documents:

- 1) Complete financial statements as required by the province and general accounting standards
- 2) Audit findings report to Council;
- 3) Management letter and
- 4) Financial information return (includes filing).

Annual Schedule/Timetable:

Before October 30th of each year the Township Auditors shall meet with the Director of Finance/Treasurer to discuss and agree upon:

- 1) a schedule for the interim audit and the final audit,
- 2) a list of necessary schedules, working papers, analyses, and other information necessary to be prepared by Township staff for the audit,
- 3) the extent and type of internal audit involvement.

Systems and Procedures Review:

An annual systems and procedures review shall be undertaken by the Auditors and shall define, confirm, and test the various methods used by the Township to obtain, record, validate, confirm, and communicate information in its accounting systems. The review should include testing of computer processing and systems controls as well as internal controls in Township operations.

A report containing recommendations for improving the Township of North Glengarry systems shall be submitted by the Auditors to the Director of Finance/Treasurer by June 30th of each year.

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 the Township's financial statements, inform and fully discuss such matters with the Director of Finance/Treasurer. In addition, the Auditors shall, as far as possible, allow a reasonable period of time for the Director of Finance/Director of Finance/Treasurer to make an investigation and take such corrective action as to avoid the inclusion of such qualification.

Meeting and Subsequent Assistance:

The Auditors will attend such meetings as are called 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 statement.

The Auditors shall firstly supply the Director of Finance/Director of Finance/Treasurer and the Chief Administrative Officer/Clerk a draft copy of the financial statements for the Township for their review. Upon review the Auditors shall present the financial statements to Council.

Working Papers:

The Auditors shall make available to the Director of Finance/Director of Finance/Treasurer copies of any of their working papers immediately upon request.

Post-Audit "Management Letter":

No later than 60 days following the completion of the annual statements, the Auditors shall prepare and deliver to the Director of Finance/Treasurer draft letters conveying their concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the Township's operations which may have been discovered in the course of the audit.

The auditor shall also provide recommendations as to such corrective actions as may be required and be prepared to provide advice and assistance with regard to implementation, if requested.

The Auditors shall meet with the Director of Finance/Treasurer to discuss the comments and the accuracy of the observations. A revised management letter (if necessary) shall be submitted to Council together with the appropriate staff responses. The management letter, once received by Council, shall become a public record.

Confidentiality:

The successful Auditor shall not at any time before, during or after the completion of the engagement disclose any confidential information. No such information shall be used by the Auditors on any other project without the prior written consent of the Township's Director of Finance/Treasurer.

4.0 Insurance Requirements

The successful bidder shall, at their own expense within 10 days of notification of acceptance and prior to the commencement of work, obtain and maintain until the termination of the contract or otherwise stated, provide the Township with evidence of:

Commercial General Liability Insurance:

Commercial General Liability Insurance issued on an occurrence basis for an amount of not less than \$5,000,000 per occurrence / \$5,000,000 annual aggregate for any negligent acts or omissions by the contractor relating to its obligations under this Agreement. Such insurance shall include, but is not limited to bodily injury and property damage including loss of use; personal injury; contractual liability; premises, property & operations; non-owned automobile; broad form property damage; broad form completed operations; owners & contractors protective; occurrence property damage; products; employees as Additional Insured(s); contingent employers' liability; tenants' legal liability; cross liability and severability of interest clause

Such insurance shall add the Township of North Glengarry as Additional Insured with respect to the operations of the contractor. This insurance shall be non-contributing with and apply as primary and not as excess of any insurance available to the Township.

Automobile Liability Insurance:

Automobile liability insurance with respect to owned or leased vehicles used directly or indirectly in the performance of the services covering liability for bodily injury, death, and damage to property with a limit of not less than \$5,000,000 inclusive for each and every loss.

Errors & Omissions Liability Insurance:

Errors and Omissions insurance coverage shall be obtained to a limit of not less than \$2,000,000. If such insurance is written on a claims made basis, the policy shall contain a 24 month extended reporting period or be maintained for a period of two years subsequent to conclusion of services provided under this Agreement.

The Policies shown above shall not be cancelled unless the Insurer notifies the Township in writing at least thirty (30) days prior to the effective date of the cancellation. The insurance policy will be in a form and with a company which are, in all respects, acceptable to the Township.

Indemnification and Hold Harmless:

The successful contractor shall indemnify and hold the Corporation of the Township of North Glengarry, their officers, and employees harmless from and against any liability, loss, claims, demands, costs, and expenses, including reasonable legal fees, occasioned wholly or in part by any negligence acts or omissions whether willful or otherwise by the contractor, their agents, officers, employees, or other persons for whom the contractor is legally responsible.

Other Requirements:

Occupational Health and Safety Act

The Preferred Proponent, for purposes of the Ontario Occupational Health and Safety Act, shall be designated as the Contractor for this project and shall assume all of the responsibility of the Contractor as set out in that Act and its regulations. The foregoing shall apply notwithstanding that the preferred Proponent has been referred to as the “Contractor” in this and any other related document.

The Contractor acknowledged that he/she has read and understood the Occupational Health and Safety Act.

The Contractor covenants and agrees to observe strictly and faithfully the provisions of the said Occupational Health and Safety Act. The Contractor agrees to indemnify and save the Township harmless from damage or fines arising from any breach or breaches of said Occupational Health and Safety Act and/or the Township’s Health and Safety Policies and Procedures.

The Contractor agrees to assume full responsibility for the enforcement of said Occupational Health and Safety Act and the Township’s Health and Safety Policies and Procedures and to ensure compliance therewith.

The Contractor further acknowledges and agrees that any breach or breaches of the Occupational Health and Safety Act and/or the Township’s Health and Safety Policies and Procedures whether by the Contractor or any of its sub-contractors may result in the Contractor and/or sub-contractor being removed from the site and in the immediate termination of this contract herein and forfeiture of all sums owing to the Contractor by the Township.

5.0 Terms of Engagement:

It is expected that the successful auditing firm will be the Township Auditor for a period of four (4) years.

During the term of the engagement, the auditor’s performance will be evaluated based on the following criteria:

1) Adherence to the Proposed Fees

It is expected that the successful candidate adheres to their fees quoted in their proposal for the term of the mandate.

In each year before any audit work begins, the Auditors shall submit to the Director of Finance/Treasurer a fee estimate detailing the expected audit hours by major audit task, the staff level proposed to work on each task, the hourly rates to be charged and the total expected fees.

The auditor shall keep account of actual time spent on each task and submit to the Director of Finance/Treasurer upon the completion of the audit a schedule which compares the actual audit time spent and the audit time budgeted. The cost of this accounting of audit time shall be considered to be included in the auditing fees quoted under this proposal.

2) Persons Assigned to the Audit

For the initial year of the engagement, the persons assigned to the audit should be those originally proposed. Any subsequent changes to audit personnel must be acceptable to the Director of Finance/Treasurer.

3) On-Site Participation of the Senior Auditor

The Township expects that the senior auditor assigned to the account will be present throughout most of the audit.

4) Performance in the Manner Proposed

The Township expects the audit to be carried out in the manner proposed. Any changes in the audit program shall be discussed with the Director of Finance/Treasurer.

5) Audit Deadlines

All on site audits must be scheduled for completion by April 30th of each year. Audited financial statements must be presented to the Council of the Township of North Glengarry by later than June 30th each fiscal year.

It is expected that the audit will be completed within the time frame specified in this proposal call or a time frame mutually acceptable to the Director of Finance/Treasurer and Auditors.

6) Appointment

Council may move to terminate the appointment at the end of any year if dissatisfied in any way with performance, the fees charged, or any other elements of the services provided by written notice.

6.0 Proposal Format

Please provide the information in the order presented and under the three sub-headings used. The candidate firms will be evaluated on the basis of the experience and qualifications of the audit personnel assigned to the audit, the experience, qualifications and approach of the audit firm and the quoted fee.

The personal information in this document is collected under the authority of the Municipal Act and the Municipal Freedom of Information and Protection of Privacy Act. All information collected will be used for the purpose of evaluating and awarding the contract for auditing services.

The proposal should include the following information:

Section 1: Audit Personnel Technical Qualifications:

- 1) Describe the experience in municipal audits of the senior, manager/supervisor and audit partners assigned to the audit including the years on each job and position on each job.
- 2) Describe the relevant educational background of each individual assigned to the audit. This should include relevant seminars and courses attended within the past 5 years.
- 3) Describe any specialized skills, training, or background in public finance by assigned individuals. This may include participation in municipal or provincial consulting assignments, speaker or instructor rolls in conferences or seminars, or authorship of articles and books.

Section 2: Audit Firm Technical Qualifications and Approach:

- 1) Indicate which local office (if any) will be assigned the audit and provide the number of people (by level) located in that office.
- 2) Provide a list of the firm's current and prior municipal audit clients (for the past 5 years) indicating the type(s) of services performed, the number of years served for each and the local offices which served each client. Also, provide the names, addresses, and telephone numbers of three current and/or prior municipal audit clients that the Township may contact as references.
- 3) Indicate the firm's experience in providing additional services to government clients by listing the name of the client, the type(s) of services performed, and the local office which provided the service.
- 4) Describe your firm's approach to the audit. It may include the following points:
 - organization of audit team and approximate percentage of time spent on audit tentative
 - audit time schedule use of internal audit management letter (provide sample letter)
- 5) Describe your firm's quality control program.

6) Section 3: Fees and Expenses:

The proposal should include a firm quotation for the audit fees to be charged throughout the 4 year term on the attached Fee Schedule (Appendix B)

The fee estimate should show the estimate of hours broken down between the various responsibilities which are perceived to be required and showing the category of staff assigned to each of the responsibilities. Separate fee schedules, bookkeeping and accounting services, should be provided for the preparation of the financial statements as outlined above.

The 2019 FIR is available on the Township's website at www.northglengarry.ca

There were approximately fifty (50) adjusting entries for the Township 2019 Year-End. (2020 unavailable at the time of issuing this RFP).

Notes:

- 1: Please state whether miscellaneous expenses are included in the fees or extra, and if extra, an estimate of such expenses.
- 2: It is expected that the audit be considered a "local" audit. Therefore, the Township shall not be responsible for disbursements incurred by the audit firm which are caused by sending staff outside of eastern Ontario.
- 3: The fees should include all auditing assignments.
- 4: All fees quoted will be kept confidential until they are released for purpose of Council approval (immediately prior to the audit appointment).

Interview:

If selected to make an oral presentation to the senior staff, it is expected that the partner (and auditor, if applicable) who will be assigned to the Township's audit will be present and will preferably make the presentation on behalf of the firm.

Reserved Rights of the Township:

The Township does not bind itself to accept any offer submitted in response to this RFP. The Township reserves the right to accept offer(s) in whole or in part, or to discuss with any Proponent, different or additional terms to those envisioned in this RFP or in such Proponent's proposal.

The Township will not be liable for any costs incurred by the proposers in the preparation of their response to this proposal.

After selection of preferred offer(s), if any, the Township has the right to negotiate with the preferred Proponent(s) and, as a part of that process, to negotiate changes, amendments, or modifications to the offer(s), at the exclusion to other Proponents.

Without limited the foregoing, the Township reserves the right to:

- a) Seek clarification or verify any or all information provided by the Proponent with respect to this RFP, including, if applicable to this RFP, contacting the named reference contacts.
- b) Modify, amend, or revise any provisions of the RFP or issue any addendum at any time, any modifications, amendment, revision, or addendum will, however, be issued in writing and provided to all Proponents;
- c) Reject or accept any or all offers, in whole or in part, without prior negotiations;
- d) Reject any offer based on real or potential conflict of interest;
- e) If only one proposal is received, elect to accept, or reject it;
- f) In its sole discretion, cancel the RFP process at any time, without award, noting that the lowest or any offer will not necessarily be accepted;
- g) Negotiate resulting Contract terms and conditions;
- h) Cancel and/or re-issue the RFP at any time, without liability whatsoever to any Proponent.
- i) Award all of any part of the work to one or more Proponent based on quality, services and price and other selection criteria indicated herein;
- j) Retain all offers submitted in response to this RFP.
- k) In the Township's sole and unique discretion, contact any former clients of the proponents as a reference check and not simply rely on the references provided in the proposal.

Ownership of Proposals

All proposals submitted to the Township will become the property of the Township. The proposals will be received and held in confidence by the Township, subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and this RFP.

Any personal information required and received in response to the RFP will be an integral component of the Proponent's submission.

All written Proposals received by the Township will become a public record, once a Proposal is accepted, and all information contained in the Proposal is available to the public, including personal information.

No Lobbying

Proponents must not attempt to communicate directly or indirectly with any employee, contractor, or representative of the Township, including the evaluation committee and/or any elected officials of the Township, or with members of the public or media, about the project described in this RFP, or otherwise in respect of the RFP, other than as expressly directed or permitted by the Township.

7.0 EVALUATION FORMAT

1. Requests for Proposals (RFP's) shall be reviewed by the senior staff.
2. Each senior staff member shall complete the following RFP Evaluation Form for each proposal:

REQUEST FOR PROPOSAL EVALUATION FORM

Proponent's Name: _____		
Project Title: _____		
Evaluation Date: _____		
Evaluator: _____		
Step 1	Yes	No
Mandatories:		
Proposal received prior to closing		
Resumes of project team included		
Reference List		
Appendix A - Mandatory Disclosure		
Appendix B - Mandatory Fee Schedule		
Step 2	Maximum Points	Points Awarded
Proponent (30%)		
Qualifications of firm and project team members	10	
Experience of firm and project team members	10	
Past performance	10	
Proposal 35%		
Methodology - audit approach	10	
Scheduling	10	
Clarity of Proposal	15	
Price 35%		
Lowest Cost proposal divided by number of proposals being evaluated x 35% weight	35	
Total Score	100	

8.0: Appendix A - Mandatory Disclosure

THIS FORM MUST BE SUBMITTED WITH YOUR PROPOSAL

The Township reserves the right to accept or reject any or all tenders and to waive irregularities at its discretion. The Township reserves the right to accept a proposal other than the lowest price without stating the reasons. By the act of submitting a proposal, the consultant waives any right to contest, in any legal proceeding or action, the right of the Township to award the work to whomever it chooses, and for whatever reasons the Township deems appropriate. Without limiting the generality of the foregoing, the Township may consider any factor besides price and capability to perform the work that it deems, in its sole discretion, to be relevant to its decision, including, but not limited to the following:

1. Any past experience with the bidder or lack thereof;
2. The results of any reference check done by the Township;
3. Information relating to the financial state of the bidder, however obtained and;
4. Any other factors that the Township deems pertinent in the selection process.

The successful bidder shall be expected to submit a complete proposal and enter into a formal contract with the Township.

I, _____, confirm that this offer is valid for 60 calendar days.
(PROPONENT'S FULL LEGAL NAME)

DOING BUSINESS AS (if different from above) _____

FULL BUSINESS ADDRESS: _____

Sign this form in the space below as follows:

EXECUTED by or on behalf of the Proponent this _____ day of _____, 2021.

SIGNATURE: _____ TITLE: _____

PRINTED NAME: _____

I have the legal authority to bind the corporation.

9.0: Appendix B – Fee Schedule

The Proposer is required to prepare the Financial Fee Schedule. Please provide separate figures for each functional grouping.

Any estimates for cost-reimbursable items, such as out of pocket expenses should be listed separately.

Description	Total Fee 2021	Total Fee 2022	Total Fee 2023	Total Fee 2024
Audit in preparation of Financial Statements for the Township of North Glengarry				
Audit of Reserve Funds				
Preparation of Financial Statements				
Post Audit Management Letter				
Preparation and submission of Financial Information Return				
Verification and reporting of Federal Gas Tax (if needed)				
TOTAL				
Staff Assigned	Hourly Rate 2021	Hourly Rate 2022	Hourly Rate 2023	Hourly Rate 2024
Partner(s)				
Manager(s)				
Senior Auditor				
Field Auditor/Support Staff				
Other Disbursements (identify)				

- Note:**
- Fees are listed in Canadian dollars, excluding applicable taxes.
 - Fees for 2021 shall be firm.
 - Fee increases in future years are limited to the Canadian Price Index, Ontario and shall not exceed inflation rates or 2%, whichever is less
 - Fees shall include all travel costs and time expended between the Township Office and the Proponent’s place of business.
 - Additional value-added services and applicable fees may be submitted on a separate sheet.