

**REQUEST FOR PROPOSALS**  
**AUDITING SERVICES**

The Town of North Stonington, Connecticut is requesting proposals from qualified independent public accounting firms, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the annual financial statements of the Town of North Stonington.

The Board of Finance for the Town of North Stonington through the Town's Administration & Finance Officer will receive sealed proposals for furnishing the services described in the accompanying specifications, in accordance with the instructions, conditions and reservations that follow:

**A. CLOSING DATE:**

Proposals will be received by close of business November 19, 2021, in the Selectmen's Office, Town Hall, 40 Main Street, North Stonington, CT 06359

Any proposal may be withdrawn prior to the above-scheduled time for receiving bids or authorized postponement. Any proposals received after the date and time specified shall NOT be considered. No bidder may withdraw a proposal within 60 days after the actual bid opening.

**B. INSTRUCTIONS:**

Proposals are to be submitted electronically via email or a USB sealed in an envelope and clearly marked with the bid number and description, including all outer packaging (DHL, FedEx, UPS, etc.). Questions must be submitted by November 10, 2021 to Christine Dias, [cdias@northstoningtonct.gov](mailto:cdias@northstoningtonct.gov). Proposals can be addressed to:

Selectmen's Office  
North Stonington Town Hall  
40 Main Street  
North Stonington, CT 06359

**C. CONDITIONS: Bid Surety:** A Bid Surety is not required.

**Taxes:** The Town of North Stonington is exempt from all State and Federal taxes. Do not include these amounts in your quotation.

**Addendums:** All addendums will be posted on the town website [www.northstoningtonct.gov](http://www.northstoningtonct.gov). It is the responsibility of the bidder to check the website for addendums before submitting their bid.

**D. RESERVATIONS:**

The Town of North Stonington may consider informal any proposal not prepared and submitted to the Town in accordance with the provisions herein stated.

The Town of North Stonington reserves the right to reject any or all proposals or parts of proposals or to waive defects in same proposals.

## **I. INTRODUCTION**

### **A. General Information**

The Town of North Stonington ("the Town") is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2022, June 30, 2023, June 30, 2024 with an option for each of the two (2) subsequent fiscal years.

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133 and the State Single Audit Act.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

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

Proposals submitted will be evaluated by the eight (8) member Board of Finance ("BOF") as well as reviewed by the First Selectman, Treasurer, Accounting Generalist and Administration & Finance Officer.

The Town reserves the right, where it may serve the Town'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, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town 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 and the firm selected.

It is anticipated the selection of a firm will be completed no later than December 15, 2021. 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 five (5) year contract is contemplated, subject to the annual review and recommendation of the BOF, the satisfactory negotiation of terms (including a price acceptable to both the Town and the selected firm), and the annual availability of an appropriation. It is expected this will take the shape of 3 years plus an option for each of the two (2) subsequent fiscal years.

## **II. DESCRIPTION OF THE GOVERNMENT**

### **A. General**

The auditor's principal contacts with the Town will be the Accounting Generalist (an appointed position) and the Administration & Finance Officer (an appointed position), or their designated representative, who will coordinate the assistance to be provided by the Town to the auditor.

### **B. Background Information**

The Town comprises an area of 54 square miles with a population of approximately 5,223.

The Town provides the following services to its citizens: Animal Control, Emergency Management, Street Lights, Road Repair, Snow Removal, Transfer Station/Recycling, Parks and Recreation, Education, and General Government Services.

The Town is organized into several departments and agencies. All funds and account groups are under the administrative control of the Administration & Finance Officer and Accounting Generalist, with the exception of some minor Board of Education ("BOE") funds. More detailed information on the government and its finances can be found in the following documents which are available on the Town of North Stonington's website at [www.northstoningtonct.gov](http://www.northstoningtonct.gov) on the Board of Finance page:

1. Most recent Annual Financial Report
2. FY2021-2022 Annual Budget

The Town's fiscal year begins on July 1 and ends on June 30. The Town has over fifty funds; all of which utilizes **pool cash**. Types of funds are listed below:

- One general fund
- Two pension funds (Town and Board of Education)
- Debt service
- Capital non recurring fund
- Grants fund
- School Building Project fund
- Fixed Assets

### **C. Accounting System**

The Town's current account software is QuickBooks 2020, but will be upgrading to Infinite Visions during this fiscal year. Payroll is processed with a payroll service provider (PSP).

The BOE also uses several applications for student activity accounts.

### **D. Budgetary Basis of Accounting**

The Town prepares its budgets on a basis consistent with generally accepted accounting principles.

### **E. Pension Plans**

The Town administers a defined contribution benefit pension plan. This plan does not issue standalone reports. All of the above plans are managed by Morgan Stanley and Aetna. Actuarial services for this plan is provided by Voya. Teacher pensions are provided by the Connecticut State Teachers' Retirement System State of Connecticut.

## **III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

### **A. Statements and Schedules**

Pertinent information to be prepared by the Town will include the following statements and schedules:

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 reconciliations for all accounts
6. Detail of capital projects expenditures on a project to life basis
7. Analysis of accounts as requested
8. Debt schedules
9. Fixed assets schedules
10. Payroll records
11. Tax collection schedules
12. Schedule of Compensated Absences
13. Most recent available Actuarial Reports
14. Completed ED-001 and Supporting Documents
15. Standard representation letters
16. Notes to the combined financial statements
17. Required supplementary information
18. Management's discussion and analysis
19. Statistical tables as required

### **B. General**

Working space will be provided for the audit team in close proximity to the financial records. This space will have appropriate precautions to safeguard the auditor's staff. Access to Internet as well as the use of a copy machine will be provided during the engagement. The auditor will be required to provide its own equipment and other office materials.

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

### **A. General**

The Town of North Stonington is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2022, June 30, 2023, and June 30, 2024 with an option for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

## **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 ending June 30, 2021, 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 5,000.

### Location:

The auditors 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 antidiscrimination laws, rules, regulations, and requirements thereof.

### Reports:

Each proposer shall submit one copy of at least two Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. This need not be hardcopy, a PDF file or similar will do.

### Other:

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut. Staff auditors must also be well experienced in municipal and government finance audit. 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 auditor is not required to audit the supporting schedules contained in the Annual Financial Report. However, the auditor is to provide a 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 will include the implementation of all the new GASB pronouncements in the base price. The auditor is not required to audit the statistical section of the report.

## **D. Auditing Standards**

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants,

the standards for financial audits set forth in the U.S. Comptroller General's Government Auditing Standards, the provisions of the Single Audit Act of 1984, as amended in 1996, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations, and in conjunction and conformity with 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, and Government Auditing standards, OMB Circular A-133, and the Connecticut General Statutes, including but not limited to the following:

- Audit of the Annual Financial Report plus a searchable pdf of the document
- Municipal Audit Questionnaire for Submission to the State Office of Policy and Management
- Circular A-133, Federal Single Audit Report plus a searchable electronic report in pdf
- State Single Audit Report plus a searchable electronic report in pdf
- Management Letter (if applicable)
- ED001 Certification for the Board of Education
- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- A report on compliance and on internal control over financial reporting based on an audit performed in accordance with Government Auditing Standards.
- Federal Audit Clearinghouse report
- Documentation as appropriate for recommended journal entries/adjustments. The auditor shall communicate in a letter to the First Selectman 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
- A description of changes in funds which, while not rising to the level of audit findings, may, in the opinion of the auditors, represent a risk to the town going forward.

The auditor shall have the following reporting responsibilities:

1. Reportable conditions - If the auditor becomes aware of deficiencies in the design and operations of the Town's internal control structure, these deficiencies, must be brought to the attention of the First Selectman and Board of Finance.
  
2. Nonmaterial instances of noncompliance – GAGAS requires that all material instances of noncompliance with applicable laws and regulations be included in the auditors' report on compliance. GAGAS also requires that non-material instances of noncompliance be reported to the First Selectman in writing, and North Stonington further requires that the BOF receive all notifications sent to the First Selectman. Since the Town is subject to the provisions of the Federal Single Audit Act, OMB Circular A-133 requires the auditor to include all instances of noncompliance in its report. Reportable conditions that are also material weaknesses, non-reportable conditions, material instances of noncompliance and all instances of noncompliance, as required by OMB Circular A-133, should be included in the Management Letter.

3. Errors and irregularities, etc. - The auditor's responsibilities for reporting errors and irregularities are set forth in SAS No. 99, Consideration of Fraud in a Financial Statement Audit. The auditor will also be required to report any indications of abnormalities, non-recurring or extraordinary items or one-time changes in the pattern of Town expenditures or procedures to the First Selectman and Board of Finance, in writing.

4. Illegal acts and indications of illegal acts – The auditor's responsibilities for reporting illegal acts and indications of illegal acts are set forth in SAS No. 54, Illegal Acts by Clients. Additional reporting responsibilities for GAGAS audits are set forth in the GAO's yellow book. GAGAS require the auditor who becomes aware of illegal acts or indications of illegal acts to promptly report them to the First Selectman. Also, when illegal acts or indications of illegal acts involve funds received from another government, the auditor must assure that the audited government has properly notified the officials of the donor government, including officials of the donor government's audit organization. If the audit government does not notify the donor government in a reasonable time, GAGAS requires the auditor to inform the donor government directly. GAGAS also requires that all notifications of illegal acts or indications of illegal acts be made in writing.

5. Other matters to be brought to the Board of Finance and First Selectman's attention - The auditor's responsibilities under GAGAS include significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered in performing the audit, a written list and explanation of all adjustments made to the financial reports and Management Letter between its draft and final issuance. The Town requires that the auditor communicate in writing to the Board of Finance and First Selectman.

6. Upon completion of the audit the engagement partner shall timely present the financial statements to the Board of Finance and provide an analysis of the financial statements including any significant changes in fund balances or multi-year trends in fund balances

#### **F. Special Considerations**

1. The schedule of federal 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 Annual Financial Report.

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

All working papers and reports must be retained, at the auditor's expense, for the entire length of the engagement. 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 Services**

Periodically the Town is required to have separate audits performed. The Auditor will be expected to perform these audits and any other audit services requested by the Town outside of the standard audit at an agreed upon hourly rate.

## **I. Implied Requirements**

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

## **V. TIME REQUIREMENTS**

### **A. Proposal Calendar**

The following is a list of key dates up to and including the date proposals are due for submission

- Request for proposal issued October 26, 2021
- Questions to [cdias@northstoningtonct.gov](mailto:cdias@northstoningtonct.gov) November 10, 2021
- Due date for proposals November 19, 2021
- Oral presentations if required December 1, 2021
- Appointment by Board of Finance no later than December 15, 2021
- Contract date within 30 days of appointment

### **B. Schedule for the Annual Audit**

- Entrance conference with Controller and Finance Director to commence year-end audit work *no later than* Friday, September 9, 2022
- Preliminary field work begins *no later than* October 1, 2022
- Final audit work begins *no later than* November 1, 2022
- Exit conference to review draft and significant findings no later than December 7, 2022
- Draft comments, including proposed entries, returned to Auditors by December 21, 2022
- Final Financial Statements delivered December 28, 2022

## **Report Submissions**

Copies of all reports shall be addressed to the Town of North Stonington via both the Board of Finance (BOF) and First Selectman. Softcopy acceptable except where a “wet” signature is required, if any. The successful proposer will also submit copies of reports as required by state and federal audit requirements. The submission dates for the various reports to the municipality and the appropriate cognizant agencies are as follows:

Annual Financial Report December 31

Single Audit Report December 31

ED001 Certification December 31

Where an extension of time may be required, it will be the responsibility of the auditor to promptly notify the Town, in writing to the BOF and First Selectman. It is the Town's responsibility to secure all necessary approvals in a timely manner. The auditor will commit staffing resources consisting with the year-end deadline. The staff is required to be on site for a majority of the annual audit schedule (page 8). Any extension request needs to be discussed in advance with the Administration & Finance Officer and Accounting Generalist to plan for a subsequent deadline.

The auditor shall promptly notify the Board of Finance, First Selectman and Town's Administration & Finance Officer of any suspicion of fraud, defalcation, or misapplication of funds. Such notice shall be in addition to any notice to grantors required by single audit legislation.



The final report and 25 signed copies should be delivered to:  
Administration & Finance Officer  
40 Main Street  
North Stonington, CT 06359

## **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:

Christine Dias, Administration & Finance Officer  
Town of North Stonington  
40 Main Street  
North Stonington, CT 06359  
860-535-2877 ext 119  
[cdias@northstoningtonct.gov](mailto:cdias@northstoningtonct.gov)

### **2) Submission of Proposals**

The following material is required for a proposing firm to be considered

a. Proposals (twelve copies) are to include the following:

1. Title Page
  - a. The title page must show the request for proposal's subject; the firm's name; the name, address, and telephone number of a contact person; and the date of the proposal.
2. Table of Contents
3. Transmittal Letter  
A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.
4. Detailed Proposal  
The detailed proposal should follow the order set forth (below) in Section VI B of this request for proposals.
5. Guarantees and Warranties  
Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix A).
6. Technical Proposal
7. Cost Proposal

### **B. Technical Proposal**

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

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town 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. 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 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 or any of its agencies or principal officers 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 is qualified to practice in the state of 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 employed on this engagement. 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.

The Town of North Stonington is also requesting a peer review letter to ensure that all practices are in full compliance with professional standards.

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

The firm should identify the principal supervisory and management staff, including engagement partners, 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.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Town. 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 partners, total hours, and the name and contact information for 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. Sample size and the extent to which statistical sampling is to be used in the engagement
- b. Extent of use of EDP (electronic data processing) software in the engagement
- c. Type and extent of analytical procedures to be used in the engagement
- d. Approach taken to gain and document an understanding of the Town's internal control structure
- e. Approach taken to determine laws and regulations that will be subject to audit test work
- f. Approach 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. Cost Proposal**

The following should be included in the cost proposal:

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

The cost proposal 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 or cost proposals. Such costs should not be included in the proposal.

#### 2. Fixed Fees by Category.

The cost proposal should include a schedule of professional fees and expenses, including number of hours by staff category and rate (Partner, Manager, staff) that supports the total all-inclusive price. The total bid shall include review and certification of information reproduced from audited financial statements in the Town's Official Statement's for bond and note sales and other special reports as needed during the year.

#### 3. Rates for Additional Professional Services

If it should become necessary for the Town to request the auditor 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 cost proposal.

#### 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 cost proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the final annual financial reports.

### **VII. EVALUATION PROCEDURES**

#### **A. Selection Committee**

Proposals submitted will be evaluated by the Board of Finance with input from the First Selectman, Treasurer, Accounting Generalist and Administration & Finance Officer.

#### **B. Evaluation Criteria**

The following represent the principal selection criteria which 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 of North Stonington
- 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 at least two Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained.

##### 2. Technical Qualifications

- a. Expertise and Experience
  - The firm's past experience and performance on comparable government engagements
  - 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
  - Experience with the preparation of federal and state financial assistance and related reports
- b. Audit Approach/Service Delivery Plan:
  - 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.

3. Price

Cost will be an important, but not 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**

It is anticipated that a firm will be selected and notified no later than the December 1, 2021. 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 and the firm selected. The Town 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: 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,
- II. Nature of Services Required. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
- III. 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.
- IV. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of North Stonington.
- V. 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 B: 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**

Contractor shall agree to maintain in force at all times during the contract the following minimum coverages and shall name the Town of North Stonington as an Additional Insured on a primary and non- contributory basis to all policies, except Workers Compensation. All policies should also include a Waiver of Subrogation. Insurance shall be written with Carriers approved in the State of Connecticut and with a minimum AM Best’s rating of “A-“VIII. In addition, all Carriers are subject to approval by the Town of North Stonington.

		(Minimum Limits)
General Liability	Each Occurrence	\$1,000,000
	General Aggregate	\$2,000,000
	Products/Completed Operations Aggregate	\$2,000,000
Automobile Liability	Combined Single Limit	
	Each Accident	\$1,000,000
Umbrella (Excess Liability)	Each Occurrence	\$5,000,000
	Aggregate	\$5,000,000
Professional Liability	Each Claim or Each Occurrence	\$1,000,000
	Aggregate	\$1,000,000
Workers’ Compensation and Employers’ Liability	WC Statutory Limits	
	EL Each Accident	\$1,000,000
	EL Disease Each Employee	\$1,000,000
	EL Disease Policy Limit	\$1,000,000

Original, completed Certificates of Insurance must be presented to the Town of North Stonington prior to contract issuance. Contractor agrees to provide replacement/renewal certificates at least 60 days prior to the expiration date of the policies.

#### B. License and rating

Any insurance provider of the Consultant shall be admitted and authorized to do business in the State of Connecticut and shall carry and maintain a minimum rating assigned by A.M. Best & Company's Key Rating Guide of "A-" overall and a minimum Financial Size Category of "V". Insurance policies and certificates issued by non-admitted insurance companies are not acceptable unless approved in writing by the Town.

#### C. Indemnification

To the fullest extent permitted by law, for any loss not covered by insurance under this contract, the Consultant shall indemnify, defend and hold the Town, its officers, employees and agents harmless from all suits, claims, judgments and expenses including attorney's fees resulting or alleged to result, to its proportionate extent, from any negligent, grossly negligent, reckless and/or intentional wrongful or tortuous acts or omissions by the Consultant or its employees and agents occurring in the performance of this agreement. Further, the Contractor agrees to waive any right of recovery by its insurer against the Town.

#### D. 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 Administration & Finance Officer 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 Treasurer and Administration & Finance Officer.



## APPENDIX C

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

Christine Dias  
Administration & Finance Officer  
40 Main Street  
North Stonington, CT 06359

Dear Ms. Dias:

by the Selection Committee.

We have attached the following:

- 1** Proposal as outlined in Section VI
- 2** Appendix A: Proposer Guarantees and Warranties
- 3** Appendix B: Insurance
- 4** Appendix C: Fixed Fees (separate envelope).

Request for Proposal shall be public record upon delivery to the Town.