# TOWN OF CHAPLIN, CONNECTICUT

## Request for Proposals

## For Auditing Services

## For the Fiscal Year Ending June 30, 2019

## And for Three Additional Fiscal Years

# TOWN OF CHAPLIN, CONNECTICUT

## REQUEST FOR PROPOSALS FOR AUDITING SERVICES

The Town of Chaplin, Connecticut, acting through its Board of Finance, is seeking proposals from qualified independent public accounting firms to conduct an examination and to render an opinion on the annual financial statements of the Town. An original and nine (9) copies of the proposal must be received by March 4, 2019 at 3:00pm in a sealed envelope clearly marked "RFP-Auditing Services" at the Chaplin Town Hall:

Attn: William H. Rose IV
First Selectman
495 Phoenixville Road
Chaplin, CT 06235

Questions regarding the content of this RFP should be directed to The Chair of the Board of Finance, Richard Weingart at 860-455-0073 extension 310. The Town of Chaplin reserves the right to accept or reject any and all proposals, or any part thereof, if it is in the best interest of the Town.

William H. Rose IV

First Selectman

860-455-0073 extension 310

Richard G. Weingart

Chair, Board of Finance

860-455-0073 extension 310

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# TOWN OF CHAPLIN, CONNECTICUT

REQUEST FOR PROPOSALS FOR AUDITING SERVICES

## I. INTRODUCTION

### A. General Information

The Town of Chaplin, Connecticut is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2019, with the option of auditing its financial statements for each of the three (3) subsequent fiscal years.

These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the Government Accountability 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 of Connecticut 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 of Chaplin to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, an original and nine (9) copies of a proposal must be received by the First Selectman by March 4, 2019. The Town of Chaplin reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town of Chaplin reserves the right, where it may serve the Town's best interest, to request additional information or clarifications from submitting firms, or to allow corrections of errors or omissions. At the discretion of the Town of Chaplin, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Chaplin 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 by Monday, May 13, 2019. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within twenty (20) days of approval.

## B. Terms of Engagement

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

# II. DESCRIPTION OF THE GOVERNMENT

## A. General

The auditor's principal contact with the Town of Chaplin will be the Board of Finance Chair or a designated representative, who will coordinate the assistance to be provided by the Town to the auditor. A list of key personnel with the location of their principal offices (Appendix A) is attached.

## B. Background Information

The Town of Chaplin serves an area of approximately 20 square miles with a population of approximately 2,250 (2017 estimate). The Town's fiscal year begins on July 1 and ends on June 30.

The Town of Chaplin provides the following services to its citizens either directly, or through collaboration with other towns:

| | | |
|---|---|---|
| General Government<br>General Town Services<br>Animal Control<br>Recreation<br>Library<br>Senior Center | Public Health/Safety<br>Ambulance Service<br>Fire Protection<br>Emergency Management<br>Civil Preparedness<br>Resident State Trooper | Public Works<br>Road Maintenance<br>Snow Removal<br>Transfer Station<br>(residential solid & bulky waste) |
| Education<br>Chaplin Elementary School<br>(grades PreK-6)<br><br>RSD11 Parish Hill<br>Middle/High School<br>(grades 7-12) | | |

The Town of Chaplin had a total FY 2017-18 payroll of about $602,000.00 covering approximately 10 full-time and 25 part-time employees. The Board of Education total FY 2017-18 payroll was about $2,128,000. Town employees are organized into several

departments and agencies. All funds and account groups are under the administrative control of the First Selectman/Board of Finance/Treasurer or the Board of Education.

## C. Fund Structure

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

| Fund Type or Account Group | Number of Individual Funds | Number with Legally Adopted Annual Budgets |
|---|---|---|
| General Fund | 1 | 1 |
| Capital Projects Funds | 1 | N/A |
| Permanent Fund | 1 | N/A |
| Special Revenue Funds | 6 | N/A |
| Internal Service Funds | 0 | N/A |
| Pension Trust Funds | 0 | N/A |
| Private-Purpose Trust Funds | 0 | N/A |
| Agency Funds | 1 | N/A |
| General Fixed Assets Account Group | 1 | N/A |
| General Long-Term Debt Account Group | 1 | N/A |

## D. Budgetary Basis of Accounting

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

## E. Pension Plans

The Town participates in two defined contribution plans:

| | Single-Employer | | Non-Employer-Contributor |
|---|---|---|---|
| Plan | Defined Benefit | Defined Contribution | |
| Town of Chaplin | N/A | X | N/A |
| CT State Teachers – Board of Education | X | N/A | X |

The Town's plan is for all full-time employees, defined as a minimum of forty hours per week for Public Works employees and a minimum of twenty-four hours per week for other employees. The pension plans are part of the Town's reporting entity and are included in the Town's general purpose financial statements. Administration services for the Town's plan are provided by RBC Wealth Management, Glastonbury, CT, 06033.

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

## A. Statements and Schedules and other pertinent information to be prepared by the Town of Chaplin

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

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. Investment activity schedules.
9. Debt schedules.
10. Fixed assets schedules.
11. Payroll records.
12. Tax collection schedules.
13. Schedule of Compensated Absences.
14. Latest Actuarial Reports.
15. Completed ED-001 and Supporting Documents.

## B. General

Resource space will be provided in close proximity to the financial records. Telephones, facsimile machines and a copier will be made available to the auditor during the engagement. The auditor will be required to provide a method for collecting material to be submitted by the town. The auditor will also be required to have a method for secure delivery (electronic or physical) of all materials from the Town. The auditor will be required to provide any other equipment and other office materials that it may require.

# IV. NATURE OF SERVICES REQUIRED

## A. General

The Town of Chaplin is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2019 with the option to audit the Town of Chaplin's financial statements for each of the three (3) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

## B. Qualifying Requirements

**Qualified Firm:**

Firms submitting proposals must be qualified to perform independent audits of municipalities in the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2014 as independent Auditors for the purpose of rendering an opinion on the annual financial statements of at least three (3) Connecticut municipalities.

**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 submitting firms shall at all times in the proposal and contract process comply with all applicable Town, state, and federal anti-discrimination laws, rules, regulations and requirements.

**Other:**

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

## C. Scope of Work to be Performed

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

## D. Auditing Standards to be Followed

To meet the requirements of this request for 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 of Connecticut 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, in both hard copy and searchable pdf format:

- Audit of the Annual Financial Report
- Municipal Audit Questionnaire for Submission to the State Office of Policy and Management
- Circular A-133, Federal Single Audit Report
- State Single Audit Report
- Management Discussion and Analysis
- 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 (if applicable)
- Documentation as appropriate for recommended journal entries/adjustments.

- The auditor shall communicate in a letter to the First Selectman and Board of Finance 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.

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 (Generally Accepted Government Auditing Standards) 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 and Board of Finance in writing. If the provisions of the Federal Single Audit Act are or become applicable, 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 and Board of Finance. 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 attention of the First Selectman and Board of Finance - 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 First Selectman and Board of Finance.

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

All working papers and reports must be retained, at the auditor's expense, for a minimum of four (4) years, unless the firm is notified in writing by the Town of Chaplin of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Chaplin.

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.

## G. Other Audit 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 the hourly rate stated in Appendix D. Agreements to perform such services shall be reduced to writing.

The Town of Chaplin may prepare one or more official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor, underwriter or bond counsel, to issue supporting statements and required documentation.

## H. 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 to be submitted:

| | |
|---|---|
| This RFP Issued: | January, 2019 |
| Due Date for Proposals: | March 4, 2019 at 3:00pm |
| Oral Presentations of Selected Proposals: | March and April 2019, by invitation |
| Appointment by Board of Finance: | Board of Finance Regular Meeting, May 13, 2019 |
| Contract date within 20 days of appointment | |

## B. Annual Audit Calendar

| | |
|---|---|
| Entrance Conference with Finance Staff and Board of Finance to commence Year-End Audit Work: | July |
| Field Work Begins | July |
| Draft Copy of Audit Submitted to Board of Finance and Board of Selectmen: | 2 Weeks before Exit Conference |
| Exit Conference to review Draft and Significant findings with Auditor, First Selectmen, Finance staff, and members of Board of Finance and Board of Education: | No later than 15 November |
| Comments from Review Conference participants returned to Auditors: | Within 15 days of Exit Conference |
| Final Presentation by Auditor to Board of Finance | At the Board of Finance's Annual December Regular Meeting |

## C. Report Submissions

Copies of all reports shall be addressed to the Board of Finance. The successful submitting firm 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 as follows:

| | |
|---|---|
| Financial Statements: | December 31, 2019 |
| Single Audit Report: | December 31, 2019 |
| EDO01 Certification: | December 31, 2019 |

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town, in writing. It is the Town's responsibility to secure all necessary

approvals in a timely manner. The Auditor shall promptly notify the Town's Finance Officer/Treasurer, Board of Finance, and the Board of Selectmen 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 twenty-five (25) copies should be delivered to Board of Finance Chair, Chaplin Town Hall, 495 Phoenixville Rd. Chaplin CT 06235, with one copy in searchable pdf format delivered via email.

# VI. PROPOSAL REQUIREMENTS

## A. General Requirements

**1. Inquiries concerning the content of the request for proposals must be made to:**

Board of Finance Chair Dick Weingart or First Selectman William H. Rose IV.

Chaplin Town Hall
495 Phoenixville Rd.
Chaplin, CT. 06235.
Telephone: Richard G. Weingart or William H. Rose IV at (860) 455-0073 ext. 310
Email: bofinance@chaplinct.org
Email: firstselectman@chaplinct.org

**2. Submission of Technical Proposals and Dollar Cost Bid Fee Proposals:**

In order for a submitting firm to be considered, the original technical proposal and dollar cost bid fee proposal, together with nine (9) copies, is required by Monday, March 4, 2019 at 3:00pm. The technical proposal must be submitted in the following format:

i. Title Page

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

ii. Table of Contents

iii. Transmittal Letter

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

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI. B.

v. Guarantees and Warranties

Executed copies of Submitting Firm's Guarantees and Warranties attached to this request for proposals (Appendix B).

A separate dollar cost bid fee proposal (original and nine (9) copies) must be submitted using the form included as Appendix D.

Submitting firms should send the completed technical proposal and dollar cost bid fee proposal in two (2) separate envelopes marked as noted below to the following address:

First Selectman
Chaplin Town Hall
495 Phoenixville Road
Chaplin, CT 06235

Envelope #1: Technical Proposal

Envelope #2: Dollar Cost Bid Fee 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 of Chaplin in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in Appendix D). The proposal should be prepared simply and economically, providing a straightforward, concise description of the submitting firm's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, items Nos. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

### 2. Independence

The firm should provide an affirmative statement that it is independent of the Town of Chaplin as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards. The firm should also list and describe the firm's professional relationships involving the Town of Chaplin or any of its agencies for the past five (5) years,

together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit. In addition, the firm shall give the Town of Chaplin written notice of any professional relationships entered into during the period of this agreement.

**3. License to Practice in Connecticut**

An affirmative statement should be included indicating that the firm and its municipal partner are qualified to practice within 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 so employed on a part-time basis. The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

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

The firm should identify the principal supervisory and Management staff, including engagement 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. The submitting firm should identify the extent to which its staff reflects the Town of Chaplin's commitment of Equal Employment Opportunity / Affirmative Action.

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 Town of Chaplin. However, in either case, the Town of Chaplin retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the submitting firm provided that replacements have substantially the same or better qualifications or experience.

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 of Chaplin, which retains the right to approve or reject replacements.

**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 (minimum of two (2) and maximum of five (5)) performed in the last five (5) 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 telephone number of the principal client contact.

### 7. Audit Approach

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

a. Proposed segmentation of the engagement
b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
**NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL**
c. Sample size and the extent to which statistical sampling is to be used in the engagement.
d. Extent of use of EDP software in the engagement.
e. Type and extent of analytical procedures to be used in the engagement.
f. Approach to be taken to gain and document an understanding of the Town's internal control structure.
g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

### 8. Identification of Anticipated Potential Audit Problems

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

## C. Dollar Cost Bid Fee Proposal

### 1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses. The Town of Chaplin will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

**2. Fixed Fees by Category**

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

**3. Rates for Additional Professional Services**

If it should become necessary for the Town of Chaplin 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 of Chaplin and the firm. Any such additional work agreed to between the Town of Chaplin and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D.

**4. Manner of Payment**

Progress Payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a Period of not less than a calendar month. Ten percent (10%) will be withheld from the total pending delivery of the firm's final reports.

# VII. EVALUATION PROCEDURES

## A. Selection Committee

Proposals submitted will be evaluated by the Board of Finance. There may be additional input from the Board of Selectman/Board of Education or any other Town official.

## 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 Chaplin.

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.

**2. Technical Qualifications**

a. Expertise and Experience

i. The firm's past experience and performance on comparable Government Engagements.

ii. 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.

iii. Experience with the preparation of federal and state financial assistance and related reports.

b. Audit Approach

i. 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, monitored and the method to access to them will be ensured through entrance conferences, progress reporting, and exit conferences.

**3. Price**

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

## C. Oral Presentations

During the evaluation process, the audit 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 at the Board of Finance's Regular Meeting. Following notification of the firm selected, it is expected a contract will be executed on May 13, 2019 between both parties within twenty (20) days of approval.

## E. Right to Reject Proposals

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

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

# APPENDIX A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS, AND TELEPHONE NUMBERS

| **Name**<br>**Title** | **Office Location** | **Telephone** |
|---|---|---|
| William H. Rose IV<br>First Selectman | Chaplin Town Hall | (860) 455-0073 |
| Richard G. Weingart<br>Chairman, Board of Finance | Chaplin Town Hall | (860) 465-7033 |
| Valerie Garrison<br>Town Accountant | Chaplin Town Hall | (860) 455-0073 |
| Diana Alvarez<br>Treasurer | Chaplin Town Hall | (860) 455-0073 |
| Gay St. Louis<br>Tax Collector | Windham Town Hall | (860) 465-3037 |
| Chandler Rose<br>Assessor | Chaplin Town Hall | (860) 455-0073 |
| Shari Smith<br>Town Clerk | Chaplin Town Hall | (860) 455-0073 |
| Suzanne Gluck<br>Administrative Assistant | Chaplin Town Hall | (860) 455-0073 |
| Kenneth Henrici<br>Superintendent of Schools | Parish Hill Middle/High School | (860) 455-9584 |
| David Solin<br>Business Manager | Parish Hill Middle/High School | (860) 455-9584 |

# APPENDIX B

SUBMITTING FIRM GUARANTEES AND WARRANTIES

**Submitting Firm Guarantees**

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

**Submitting Firm Warranties**

1. Submitting firm warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.

2. Submitting firm warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

3. Submitting firm warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Town of Chaplin.

4. Submitting firm warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (printed): _____

Title: _____

Firm: _____

Date: _____

# APPENDIX C

## INSURANCE SPECIFICATIONS AND REQUIREMENTS
## 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, 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 Chaplin 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-". In addition, all Carriers are subject to approval by the Town of Chaplin.

| | | (Minimum Limits) |
|---|---|---|
| General Liability | Each Occurrence | $1,000,000 |
| | General Aggregate | $2,000,000 |
| | Products/Completed Operations | $2,000,000 |
| Automobile Liability | Combined Single Limit Each | $1,000,000 |
| Umbrella | Each Occurrence | $5,000,000 |
| (Excess Liability) | Aggregate | $5,000,000 |
| Professional Liability | Each Claim or Each Occurrence | $1,000,000 |
| | Aggregate | $1,000,000 |
| Workers' Compensation (WC) | | WC Statutory Limits |
| Employers' Liability (EL) | (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 Chaplin 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 First Selectman 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 First Selectman.

# APPENDIX D

## DOLLAR COST BID FEE PROPOSAL

(to be submitted on your firm's letterhead in a separate envelope)

Firm's Name and the location of office staffing the audit:

_____

Number of Municipal professional auditors at this location: _____

Number of Municipal audit staff to be assigned to the Town of Chaplin engagement: _____

Listing of Connecticut municipal audit clients (FY17 & FY18) Engagements for municipalities with populations of:

| 4,000 or more: | 4,000 or less: |
|---|---|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

**FIXED FEES**

| **Town:** | Year 1 | Year 2 | Year 3 | Year 4 |
|---|---|---|---|---|
| -Financial audit | $ | $ | $ | $ |
| -Single Audit (Federal) | $ | $ | $ | $ |
| -Single Audit (State) | $ | $ | $ | $ |
| -Preparation of Financial Statements | $ | $ | $ | $ |
| -Preparation of MD&A (Management Discussion & Analysis) | $ | $ | $ | $ |
| **Town of Chaplin (sub-total)** | $ | $ | $ | $ |
| **Board of Education:** | | | | |
| -Financial audit | $ | $ | $ | $ |
| -Cafeteria | $ | $ | $ | $ |
| -Single Audit (Federal) | $ | $ | $ | $ |
| -Grants | $ | $ | $ | $ |
| -Agency Funds | $ | $ | $ | $ |
| -Preschool | $ | $ | $ | $ |
| -ED001 and related | $ | $ | $ | $ |
| **Board of Education (sub-total)** | $ | $ | $ | $ |
| **COMBINED TOTAL:** | $ | $ | $ | $ |

# APPENDIX E

## SAMPLE AUDIT SERVICES PROPOSAL LETTER

(to be submitted on your firm's letterhead)

(Submission Date)

William H. Rose IV,
First Selectman
Town of Chaplin
495 Phoenixville Road
Chaplin, Connecticut 06235

Dear Mr. Rose:

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

We have attached the following:

1. Proposal as outlined in Section VI

2. Appendix B: Submitting Firm Guarantees and Warranties

3. Appendix C: Insurance

4. Appendix D: Fixed Fees (separate envelope).

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

Submitted by _____ Date _____

Signature _____ Title _____

Telephone _____ Fax _____

Email Address _____