

TOWN OF KENSINGTON



REQUEST FOR PROPOSALS

MUNICIPAL AUDIT SERVICES FOR THE TOWN OF KENSINGTON

**TOWN OF KENSINGTON
P.O. Box 418
KENSINGTON, PE
C0B 1M0**

ISSUED BY: PUBLIC

PROPOSALS DUE: OCTOBER 6, 2015

1.0 General

The following is a Request for Proposals (RFP) for the provision of auditing and professional accounting services for the Town of Kensington. The requirements of the submission are outlined in this RFP, and the requirements of the project are outlined in the Terms of Reference.

1.1 Introduction

The Town of Kensington is requesting proposals for the services of a qualified Chartered Accounting firm to conduct the Financial and Compliance Audit of the Town's operations as per the requirements of the PEI Municipalities Act, Part VII Section 27.2. The responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements, discussions with respect to presentation and disclosure, comments and observations in regards to any aspect of the accounting, reporting or financial affairs of the Town. The Auditor will also be responsible for the completion of certain regulatory reports required by the Island Regulatory and Appeals Commission, Province of Prince Edward Island and the Government of Canada.

1.2 Background Information

Kensington is located in the heartland of Prince Edward Island. Providing a rich cultural heritage and progressive attitude, the Town is attractive as a community in which to live, raise a family, conduct business or just to visit. Its services include:

- Town Police Force, Recreation Facilities, Central Water and Sewer, Fire Protection, Parks;
- Library, Community Medical Centre, Day Cares, Dental Office, Veterinary Clinic, Pharmacy, Post Office;
- Clothing and Gift Stores, Flower Shop, Real Estate, Food Outlets, Gas Stations, Bed and Breakfast Facilities, Variety of Other Businesses;
- Canadian Legion, Clubs, Churches, Schools and Fraternal Organizations

2.0 INSTRUCTIONS TO PROPONENTS

2.1 Submission

Proponents shall submit three (3) copies of their sealed proposal, clearly marked with the name of the project. Facsimile transmitted proposals will **not** be accepted.

The proposals are to be submitted to:

Town Hall
Town of Kensington
P. O. Box 418
Kensington, PE
C0B 1M0

Attention: Mrs. Wendy MacKinnon
Deputy Administrator

no later than 4:00 pm on October 6, 2015

2.2 Inquiries and Amendments

All technical inquiries concerning this Request for Proposal are to be directed to:

Mrs. Wendy MacKinnon, Deputy Administrator
Town of Kensington
P. O. Box 418
Kensington, PE
C0B 1M0

Phone: 902-836-3781, Fax: 902-836-3741

Email: mail@townofkensington.com

2.3 Proponents Requirements

The successful proponent must be licensed in the Province of Prince Edward Island prior to commencement of the project.

The successful proponent shall have professional liability/errors/omissions insurance coverage having a minimum limit of two million dollars per occurrence with the Town of Kensington shown as an additional insured.

3.0 TERMS AND CONDITIONS

- Submission of a proposal constitutes acknowledgement that the proponent has read and agrees to be bound by all the terms and conditions of this Request for Proposal.
- The Town will not make any payments for the preparation of a response to this Request for Proposal. All costs incurred by the proponent will be borne by the proponent.
- This is not an offer. The Town of Kensington does not bind itself to accept the lowest price, the highest scored, or any proposal submitted.
- The Town has the right to cancel this Request for Proposal at any time and to reissue it for any reason whatsoever, without incurring any liability and no proponent will have any claim against the Town as a result of the cancellation or reissuing of the Request for Proposal.
- If a contract is to be awarded as a result of this Request for Proposal, it will be awarded to the proponent whose proposal, in the Town's opinion, provides the best potential value to the Town and is capable in all respects to perform fully the project.
- The Town reserves the exclusive right to determine the qualitative aspects of all proposals relative to the evaluation criteria.
- Proposals will be evaluated as soon as practicable after the closing time. No detail of any proposal will be made public except the names of all parties submitting proposals.
- The proposal, accompanying documentation, and any project reports, drawings, etc. submitted by the proponents are the property of the Town and will not be returned.
- The proposal shall remain open for acceptance for a period of not less than sixty (60) days from the closing date of this Request for Proposal.

4.0 PROPOSAL REQUIREMENTS AND EVALUATION

The Proposal shall include information required to rate the proposal as follows:

- A brief narrative describing the proponent's firm (or team) and the overall approach to the project. This is the proponent's opportunity to present their project methodology as well as to show an understanding of the project. It is also an opportunity to present innovative ideas or approaches to the project.
- Background and qualifications of specific staff that will work on this project, including a proposed project manager. The proponent should demonstrate the experience and

qualifications of the project team members to provide the services to fulfill the requirements of the project as set out.

- Descriptions of relevant experience and examples of similar work performed. As part of the evaluation of the submission, the Town shall review the proponents past performance on similar projects and their references from other clients for similar projects.
- A detailed schedule that identifies when services shall be conducted, and demonstrate the project can be completed within the allotted time frame and within budget.
- A costing to complete all facets of the required work through year ending 2015, 2016 and 2017. Out of pocket expenses such as travel and accommodations, etc. shall be included as part of the audit fee and are not to be billed separately.

Ratings will be confidential and no details will be released to any of the proponents. The evaluation of the proposals shall be based on the factors presented as follows in Table 1.

Table 1 EVALUATION RATING TABLE	
Rating Factors	Weight Factor
1. Understanding of the Project	10
2. Work Plan	20
3. Project Team	20
4. Past Performance and References	15
6. Project Schedule	15
7. Cost of Services	20
MAXIMUM TOTAL POINTS	100

4.1 Proposal Submission Format

Submissions shall meet the following formatting or they may not be evaluated.

- Paper size – 8 1/2 “ x 11”;
- Minimum font size – 11 point Times or equal;
- Minimum margins – 12 mm top, bottom, left and right.

5.0 TERMS OF REFERENCE

5.1 Background

The Town of Kensington has a population of just over 1500 and provides municipal services including administration, finance, public works, recreation, fire and police protection services. The Town also operates the Kensington Water and Pollution Control Corporation which oversees the delivery of central water and sewer services. The approved budget for all town operations (including the water and pollution control corporation) for Fiscal Year Ending December 31, 2015 is approximately \$2,500,000.

The Town operates under a council-manager system of government. The Council is comprised of six elected members and an elected Mayor. The Chief Administrative Officer is responsible for all Town administration functions.

The Town utilizes the Great Plains financial software package supplied by Cogsdale Corporation.

5.2 Objective

The following is the objective of the project:

- To complete the 2015, 2016 and 2017 Municipal audit for the Town of Kensington according to all applicable legislation and regulation.

5.3 Scope of Services

The scope of work to be completed by the consultant as part of this project is summarized below. This scope of services is not to be considered all-inclusive. Tasks required to meet the project objective will be considered to be required under this Terms of Reference unless they are deemed unforeseeable or are required to meet expanded project objectives.

1. Consolidated audited financial statements, including schedules as required, must be provided for the Town of Kensington (Departments include Town Hall, Fire, General Government, Police, Public Works, Parks and Recreation, Community Gardens Complex and Sales of Service), Water and Pollution Control Corporation and the Towns direct allocation under the Gas Tax Agreement.
2. The following reports/schedules shall be required to be completed for each year of the contract. The annual Municipal Financial Information Return to the Province of PEI, the annual report to the Island Regulatory and Appeals Commission for the Water and

Pollution Control Corporation and the Canada-Prince Edward Island Gas Tax Annual Expenditure Report including the CIP and CBF and any others as required.

3. Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud and conformity with GAAP.
4. Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions.
5. Review the internal accounting controls of the Town to an extent necessary to evaluate the system as required by applicable standards.
6. Issue a Management Report making recommendations for improvement.
7. The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts to the CAO and Deputy Administrator.
8. Inform the CAO and Deputy Administrator of any matters involving internal control and its operation that the Auditor considers being reportable conditions under standards established by the CICA Handbook.
9. Provide the Town with adjusting entries and final trial balance upon completion of the field work.
10. Before September 30th of each year, (2015 excepted) the Town's auditors shall meet with appropriate administrative staff members of the Town to discuss and agree upon a schedule for the completion of the audit, working paper requirements and reporting deadlines. The audit shall be completed on or before the last day of February in the year following so that all financial reports of the municipality may be filed as required by legislation.
11. As part of the overall audit contract, the Town expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting or internal control questions and advisory services. Indicate fees for these services if any and/or if they are included in your total annual base fee.
12. Proposals should contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.
13. Term of Contract. The proposal is for auditing services for a three-year term with separate audits for each Fiscal Year Ending December 31, 2015, 2016, 2017. It is the

intent of the Town to negotiate a three-year contract. If the contract is satisfactorily carried out for the three-year term, the successful proponent's contract may be extended for two (2) one (1) year extensions for 2018 and 2019 at the sole discretion of the Town. The Town will undertake an annual performance review and Council may, at its discretion revoke the auditor appointment upon thirty (30) days notice should there be any unsatisfactory aspect of performance. An engagement letter is required each year by the auditing firm.

5.4 Project Submission Formats

Draft and final reports (financial statements, etc.) shall be presented on standard size paper (8 ½" x 11"), minimum font size – 11 point Times or equal and may be double sided, unless otherwise directed.

All electronic files submitted, shall be prepared in MS Word format. Any spreadsheets or graphs shall be prepared in MS Excel format.

5.5 Proposed Schedule

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| 1) Request for Proposal Issued | September 17, 2015 |
| 2) Submission of Proposal Due by 4:00 PM | October 6, 2015 |
| 3) Award of Contract | October 16, 2015 |