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The Corporation of the Town of Deep River

REQUEST FOR PROPOSAL for Financial Audit Services 2021-RFP-002

Proposals shall be submitted in ***via email by 16h00 EST on November 26, 2021***. Proposals received after that date and time will not be considered further. Proposals must be in accordance with the requirements stated in this RFP.

All proposals shall be directed to the Contact Persons for this RFP:

CONTACT: Christian Kaiser Jessy Pace
ADDRESSED TO: ckaiser@deepriver.ca jpace@deepriver.ca
SUBJECT: 2021-RFP-002: Financial Audit Services

Any questions or clarification regarding this Request for Proposal (RFP) must be communicated via email to the Contact Persons listed above by November 5, 2021.

PROPOSALS WILL BE OPENED IN PUBLIC AND PROPONENT NAMES WILL BE ANNOUNCED. PROPOSAL DETAILS INCLUDING COSTS WILL NOT BE ANNOUNCED IN PUBLIC.

NOTE: Should any potential bidders download this Request for Proposal, it is the Proponent's responsibility to check for Addenda which will be posted on the Town website: <http://www.deepriver.ca/>

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1 Request for Proposal – Financial Audit Services

1.1 Purpose

This is not a call for tender but a request for proposals to identify a preferred Proponent and to initiate negotiations which, if mutually satisfactory, would lead to a five (5) year contract for the supply of Financial Audit Services.

1.2 Background Information

The Town of Deep River is located along the Ottawa River and the Trans-Canada Highway, approximately mid-way between North Bay and Ottawa in the County of Renfrew. Deep River has a large geographic area (approximately 51 square kilometers) however the majority of the land to the south of the Town is owned by Atomic Energy of Canada Limited (AECL) and is home to the Chalk River Laboratories. The Town was established in the 1950's as a planned community for the employees at the Chalk River Laboratories and has seen both growth and decline since. According to the 2016 Census, the Town of Deep River has a population of approximately 4,100.

The Town of Deep River is a lower-tier municipality within The County of Renfrew. The Municipality maintains a primary General Bank Account with multiple other bank and investments accounts including accounts for reserves and trust funds. The annual operations budget is approximately \$12 million with an annual capital spend of approximately \$1-\$5 million.

The Town's Consolidated Audited Financial statements for the last eight years can be found on the Town's website ([link here](#)). In addition, a Financial Master Plan was completed early in 2021 ([link here](#)).

Currently, the Town uses USTI Asyst Version 14 as its financial management and accounting software system. However, the Town will be transitioning to Vadim iCity in 2022. The Town is also updating and expanding its Asset Management Plan to meet Provincial Regulations.

1.3 Closing Date and Time

Proposals must be submitted prior to or by November 26, 2021 at 16h00 EST. All proposals received after the specified closing time will not be considered. A virtual Public Opening will be held in which only Proponents' names will be announced. All Proponents will be invited to attend the Public Opening and a recording will be posted on the Town's website.

1.4 Municipal Contact

Prior to submitting a Proposal, read the entire solicitation, including the Terms and Conditions, all addenda, any other documentation supplied by the Municipality for information purposes.

Any questions or concerns arising out of this RFP should be addressed to:

CONTACT: Christian Kaiser Jessy Pace
ADDRESSED TO: ckaiser@deeperiver.ca jpace@deeperiver.ca
SUBJECT: 2021-RFP-002: Financial Audit Services

2 Terms and Conditions

2.1 Acceptance

The submission of a Proposal(s) indicates acceptance by the Proponent of the instructions, terms, conditions, and requirements or other information as set out in this RFP. Any variations from this information must be submitted in writing with the completed Proposal.

2.2 Proponent’s Minimum Qualifications

Proponents shall demonstrate that they have the resources and capability to provide the materials and services as described herein:

- Lead staff assigned to the audit must hold a valid accounting designation and have previous experience in performing a municipal audit engagement.
- Completed a municipal audit of similar size and scope within the last three years.
- Demonstrate an understanding of legislation relevant to the local government environment.
- Have sufficient staffing, facilities, financial resources and expertise to address the scope of the audit services.
- Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel.

2.3 Municipal Information Waiver

All information contained in this document and any potential subsequent addenda, with respect to operations, qualities, values, description of properties, losses etc., are reasonably and realistically accurate to the best of the Municipality’s knowledge however, accuracy is not guaranteed by the Municipality.

2.4 Expenses Incurred

Submissions are made at the sole expense of the Proponent and the Municipality takes no responsibility for any expense incurred by a Proponent in preparing or submitting its proposal.

2.5 Conflict of Interest

Proponents must ensure that they are not in a position that may be perceived as a conflict of interest. Any possible conflict of interest of staff must be disclosed along with any means of mitigation.

2.6 Legal Proceedings with the Municipality

No Proposal will be accepted from any Proponent which has a claim or has instituted a legal proceeding against the Municipality or against whom the Municipality has a claim or instituted a legal proceeding with respect to any previous contract, bid submission or business transactions.

2.7 Rights Reserved

The following are rights reserved by the Municipality:

- This request does not commit the Municipality to award a contract for Financial Audit Services.
- The Municipality shall not be liable for any expense, loss or damage incurred or suffered by any proponent as a result of a non-award of this Proposal call.
- The Municipality reserves the right to ultimately select, in its own best judgment, and at its sole discretion the firm it deems best qualified to carry out this agreement. The Municipality's determination will be final and not open to review or challenge, whether it is alleged that the selection is arbitrary or otherwise not in accordance with standard trade practice.
- The Municipality reserves the right to cancel, terminate or withdraw this Proposal call at any time or to accept or reject all or any part of any Proposal.
- The Municipality reserves the right to retain all Proposals submitted and to employ any concepts contained in a Proposal regardless of whether or not that Proposal is selected.
- The proposal with the lowest cost will not necessarily be accepted.
- The Municipality reserves the right to enter into further discussions in order to obtain information that will allow the Municipality to reach a decision with a Proponent, and to waive irregularities and omissions if, in doing so, the best interest of the Municipality will be served.

3 Service Requirements

3.1 Audit

The Audit shall include the examination of the records and financial statements of the Municipality to the degree necessary to express an audit opinion on such statements.

3.2 Financial Statements and Financial Information Return

As part of the year-end audit, the Auditor will be expected to present their opinion of the final Audited Consolidated Financial Statements to Council. Currently the Consolidated Financial Statements and the Financial Information Return are prepared by the Town's current auditing firm. This may be insourced in the near future.

Proponents should provide separate costing for list prices for:

- Performing the audit only, as described in this document.
- Performing the audit, preparing annual Consolidated Financial Statements, and preparing the provincially required Financial Information Return.

3.3 Consolidated Entities

The entities to be audited include:

- The Corporation of the Town of Deep River
- The Town of Deep River Public Library
- The Town of Deep River Police Service

The Library and Police Service are primarily funded through the municipality, all financial transactions related to these entities are all managed through the same financial software system, and policies, processes and procedures are largely aligned. The annual operating budgets are approximately \$1.5 million for the Police Service, and \$500,000 for the Library.

Further, the Town has part-ownership of:

- The North Renfrew Landfill Operating Board
- The Pembroke Airport

These entities are managed separately from the Town of Deep River, and their audited financial statements are produced by a third-party auditing firm.

Proponents should separately list prices for work performed for the Town of Deep River Public Library and the Town of Deep River Police Service.

3.4 Annual Schedule

In each year, and prior to the commencement of any audit work, the Auditor shall meet with the Treasurer to discuss and agree upon:

- The schedule for the completion of the audit; and
- A list of the necessary schedules, working papers, analysis and other information provided by the Municipality.

In order to allocate costs to the categories required for the provincial Financial Information Returns, the Auditor shall keep account of actual time spent on each major audit task and submit to the designated staff a schedule listing total time spent. In addition, the Auditor will provide upon completion of the audit reasons for all significant variances between actual audit time spent and time budgeted.

The cost of the accounting of audit time shall be considered to be included in the fees quoted under this RFP.

3.5 Qualified Statements

The Auditor shall immediately upon the discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to any of the Municipality's audited financial statements, inform and fully discuss such matters with the Treasurer. Furthermore, the Auditor shall, as far as possible, allow a reasonable period of time for the Treasurer to investigate, analyze, report and take corrective action so as to avoid the inclusion of such qualification.

3.6 Audit Management Letter

The Auditor shall prepare a draft Audit Management Letter conveying any concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the operations of the Municipality. The Auditor shall also provide recommendations as to such corrective measures as may be required, and be prepared to provide assistance with regard to implementation if required to do so. The Auditor will meet with the Treasurer to discuss the concerns before a final Audit Management Letter is prepared for Council.

3.7 Meetings and Subsequent Assistance

The Auditor shall attend meetings of the Town's Audit Committee and Town Council (approximately three meetings per year in total) to discuss their work, present the opinion on the draft audited financial statements, and present the Audit Management Letter.

In addition, the Auditor may be requested to attend meetings of the Library and Police Service boards.

Any costs related to preparing for and attending these meetings should be included in the fees quoted under this RFP.

3.8 Alternative Requirements

The above describes the current requirements of the Municipality, however, it should be noted that alternative Proposals, are welcomed and encouraged.

4 Submission Instructions

4.1 Closing Time and Date

The deadline for submitting a proposal is **16h00 EST on November 26, 2021**. Proposals received after this date and time will not be considered. Proposals must be in PDF format, including all attachments.

All proposals shall be directed to the Contact Persons for this RFP:

CONTACT:	Christian Kaiser	Jessy Pace
ADDRESSED TO:	ckaiser@deepriver.ca	jpace@deepriver.ca
SUBJECT:	2021-RFP-002: Financial Audit Services	

Questions pertaining to this Request for Proposal (RFP) must be communicated via email to the Contact Persons listed above by November 5, 2021.

4.2 Key Dates

The Municipality will conduct the RFP process according to the following dates. These dates are tentative and subject to change.

Task	Target Date
Issue RFP	October 21, 2021
Final date of receipt of proponents' questions	November 5, 2021
Response to proponents' questions	November 12, 2021
RFP closed	November 26, 2021
Evaluation of responses	November 29 – December 10, 2021
Selection of preferred proponent	Approximately 4 weeks after RFP closing

4.3 Confidentiality and the Freedom of Information and Protection of Privacy Act

All submissions shall remain confidential during the procurement process until a recommendation is made to the Town Council and an award of contract is made. A virtual Public Opening will be held in which only Proponents' names will be announced. All Proponents will be invited to attend the Public Opening and a recording will be posted on the Town's website.

Once an award of contract is made, proposals may be reported to Council and the reports released for public information.

The Municipality is required by law to adhere to the requirements of the freedom of Information and Protection of Privacy Act, as amended. Proponents must explicitly identify any materials they wish to remain confidential in the submission by stamping or boldly marking the information as "CONFIDENTIAL." Proponents must also cite the relevant specific subsection of Section 239 of the Municipal Act, as amended, as the basis for preventing the material from being released to the public. The Town retains sole discretion as to any materials that may or may not be released to the public. It is further understood that the Ontario Information and Privacy commissioner retains final determination as to any materials that may be released to the public.

4.4 Request to withdraw a proposal submitted

Requests for withdrawal of a Proposal shall be allowed if the request is made prior to the closing date and time. Requests shall be directed to the Municipal Contact by letter or email, by an Authorized Agent of the company, with a signed withdrawal request confirming the details. Telephone requests will not be considered. The withdrawal of a Proposal does not disqualify a Proponent from submitting another Proposal on the same RFP.

4.5 Adjustment to a proposal

Adjustments by telephone, fax, email or letter to a submitted Proposal will not be considered. A Proponent desiring to make adjustments to a Proposal shall withdraw the Proposal and/or supersede it with a later Proposal submission prior to the specified Proposal closing date and time.

4.6 Proposal Returned Unopened

A Proposal received after the closing time shall be noted and returned unopened to the Proponent, as soon as possible. If a late Proposal is received without a return address on the envelope, it shall be opened to obtain the address, and then returned. The covering letter will advise why the submission was not returned unopened.

4.7 Submission of more than one proposal package

If two (2) or more Proposals are received for the same RFP in different envelopes, the envelope with the latest time and date received shall be considered the intended Proposal.

4.8 Receiving

Once received, all Proposals will become the property of the Municipality.

5 Content Requirements

5.1 General Requirements

Your Proposal must:

- Contain signed copies of any and all addenda that have been issued
- Include a signed Statement of Acceptance, attached as Schedule A
- Include responses to all requirements noted
- Be no larger than 50 pages in size, per proposal
- Be signed

5.2 Proposal Clarity / Presentation

In order for the Evaluation Committee to conduct a careful evaluation of all Proposals received, Proposals must be clear, well ordered, detailed and concise. The Proponent is therefore requested to provide detailed specifications and functional information.

The Proponent is requested to respond to each and every aspect of the RFP's objectives, expectations, specifications, schedules and requirements to allow for fair evaluation of the Proposal submissions.

5.3 Program Costs

The Proponent shall provide a firm quotation for the fees to be charged for the audit years of 2021, 2022, 2023, 2024, and 2025. All fees should be quoted including Harmonized Sales Tax (HST). Include a proposed schedule of billing dates.

Fee schedules should show the estimate of hours broken down by category of staff assigned to the audit. One-time fees should be identified separately. Out of pocket expenses should be clearly stated to be part of the estimated fee or should be estimated separately.

Additionally, an indication of how fees for special services would be determined should be provided.

5.4 Corporate Profile

Please include a brief profile of your firm indicating the scope of its practice, the range of activities performed by the firm such as auditing, tax service, accounting, or management services. Clearly identify the Proponent's contact person for this RFP, with phone number and email address. State the home office address as well as the address and phone number of any local office that will manage or assist in managing audit services.

5.5 Qualification & Experience

Please list current and past public sector audit clients and indicate the number of years your firm has been the auditor for each client. Describe your familiarity and experience with PSAB accounting auditing standards.

5.6 Audit Staffing

Provide the names and brief resumes of the partner(s), manager(s) and other key staff who would be assigned to this audit.

5.7 References

The Proponent is to provide a minimum of three (3) municipal references that can be contacted, where programs of a similar scope/magnitude are in progress or have been completed within the last three years.

5.8 Audit Implementation

Proposals must clearly show the firm's understanding of the work to be performed, audit approach and commitment to perform the work within the time period specified in the annual schedule. This would include the approach to be used to gain an understanding of the Municipality's structure and systems as well as a proposed schedule and any specific techniques or processes to be used for the interim audit and yearend audit

5.9 Other Services

Provide a description of the methodology to be used for keeping the Municipality abreast of any changes in accounting principles or legislation that would impact the annual financial statements. Also, describe any non-auditing professional services provided to other local government clients and innovative products offered by your firm as well as any specific pricing structure for such services.

6 Evaluation Process

6.1 Evaluation Committee

An Evaluation Committee will evaluate each of the compliant Proposals received in accordance with the evaluation criteria as set out below and score the Proposals using a “consensus” approach, in relation to the criteria and points which are identified herein.

The evaluation process and results will be kept confidential. Only the decision of the preferred Proponent will be released.

6.2 Presentation

An award may be made solely on the basis of the offer received, without the Municipality seeking any clarification, meeting or presentation by the Proponent. Therefore, each Proposal should contain the Proponent’s best terms/information, including all required documentation and information as listed in the RFP.

The Town reserves the right, however, to seek Proposal clarification from any Proponent to assist in making evaluations.

6.3 Evaluation Criteria

The following criteria outlines the primary considerations to be used in the evaluation and consequent awarding of this contract (not in any particular order). Evaluation of Proposals will include but not be limited to the following:

- Understanding of engagement
- Municipal audit experience
- Audit firm personnel qualifications and experience
- Audit implementation
- Additional services
- References
- Audit fee

The weighting of criterion will be as follows:

Criterion	Weight
Proposal Clarity / Presentation	10
Comprehensive Approach to Municipal Requirements	15
Municipal Audit Experience	15
Qualifications and Experience	15
Municipal References and Ease of Transition	10
Fee Proposal	35
Total	100

7 Contract with Successful Proponent

7.1 Contact Terms and Conditions

The Contract with the Successful Proponent will contain the following Contract Terms and Conditions. Proponents taking exception to these terms and conditions or intending to propose additional or alternative language must:

- Identify the specific terms and conditions to which they take exception or seek to amend or replace; and
- Include any additional or different language with their Proposal.

Failure to both identify with specificity those terms and conditions the Proponent takes exception to or seeks to amend or replace as well as to provide Proponent's additional or alternate Contract terms may result in rejection of the Proposal. While the Municipality may accept additional or alternate language if provided with the Proposal, the Terms and Conditions marked with an asterisk (*) are mandatory and non-negotiable.

7.2 Contract Term

It is expected that the term of the Contract shall be for a period of five (5) years commencing with services in January 2022 and will cover the fiscal years 2021 to 2025. Should the Municipality exercise the right to extend this Contract, the Successful Proponent and the Municipality shall enter into negotiations to determine the new rates for services listed in this RFP. Only upon satisfactory negotiations of both parties shall the Contract be extended for an additional maximum of five (5) years. All rates negotiated for each Contract extension shall remain firm for the entire extension.

7.3 Procedures

The Successful Proponent shall not comply with requests and/or orders issued by any individual other than the Treasurer or his/her authorized representative(s) acting within

their authority for the Municipality. Any change to the Contract must be approved in writing by the Treasurer and the Successful Proponent.

7.4 WSIB Clearance *

The Proponent certifies that it is in full compliance with the Workplace Safety and Insurance Act.

7.5 Indemnification

The Successful Proponent must agree to keep the Municipality indemnified against any and all claims, actions or demands that may be brought, made or arise in respect of anything done or omitted to be done by the Successful Proponent or its employees who shall be and remain at all times and for all purposes, the servants or employees of the Successful Proponent, save and except to the extent that such claims, actions or demands arise from or relate to the negligence, wrongful act or omission of the Municipality, or any of its officers or employees.

7.6 Accessibility for Ontarians with Disability Act (AODA) *

The Proponent will provide the Municipality with documentation indicating that training in accordance with the requirements of Regulation 429/07 has been provided to all of their staff who will be providing goods and services on behalf of the Municipality.

7.7 Assignment of Contract *

This Contract may not be assigned in whole or in part without the written consent of the Treasurer.

7.8 Termination *

The Municipality reserves the right, without prejudice, to cancel the remaining years of the Contract, by providing 30 days' notice in writing if dissatisfied in any way with performance, or any other elements of the service provided.

7.9 Contractual Disputes *

In the event of a dispute between the Municipality and the Successful Proponent, both parties agree to appoint representatives, who in good faith, will use their best efforts to resolve the dispute. Should the representatives be unable to promptly resolve the dispute, both parties shall agree to continue the work as required being understood that neither party will jeopardize any claim that they may have.

7.10 Severability *

In the event that any provision shall be judged or decreed to be invalid, such ruling shall not invalidate the entire Agreement but shall pertain only to the provision in question and the remaining provisions shall continue to be valid, binding and in full force and effect

7.11 Non-exclusive

Any Contract awarded as a result of the RFP will be non-exclusive. The Municipality may, at its sole discretion, purchase the same or similar services from other sources during the term of the Contract.

7.12 Cancellation

Any contract termination by the Auditor will require sixty (60) days' notice to the Municipality unless otherwise noted and agreed to by the Municipality.

7.13 Governing Law

Any Contract resulting from this RFP shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

8 Schedule A: Statement of Acceptance

All responses should be signed.

I/We certify that the information provided in this RFP Response Document is true and complete

I/We declare that no employee of the Town of Deep River is or will become interested, directly or indirectly as a contracting party or otherwise in the supplies, work or business to which it relates or in any portion of the profits thereof, or in any such supplies to be therein or in any of the monies derived there from.

I/We further declare that the undersigned is empowered by the Proponent to negotiate all matters with the partnering municipality's representatives, relative to this Proposal.

I/We further declare that the agent listed below is hereby authorized by the Proponent to submit this Proposal and is authorized to negotiate on behalf of the Proponent.

Legal Company Name:	
Companies Address:	
Respondent's Signature:	
Respondent's Printed Name:	
Respondent's Title:	
Email:	
Business Phone:	
Business Fax:	