TOWN OF LEDYARD
CONNECTICUT

741 Colonel Ledyard Highway
Ledyard, CT 06339-1541
860.464.8740 (Phone)
860.464.1126 (Fax)

BID PACKAGE

for

Audit Services

BID #2014-09

March 18, 2014

Town of Ledyard
REQUEST FOR PROPOSAL #2014-09
AUDITING SERVICES
March 18, 2014

LEGAL NOTICE
TOWN OF LEDYARD, CONNECTICUT
INVITATION TO BID – BID #2014-09

Audit Services
March 18, 2014

The Town of Ledyard seeks sealed bids from qualified independent public accounting firms or accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the annual financial statement of the Town. Bidding documents and specifications are available on the Town's website http://ledyardct.org .

Sealed proposals will be received at Ledyard Town Hall, 741 Colonel Ledyard Highway, Ledyard, CT 06339 until 2:00 p.m. on April 10, 2014 at the above address at which time they will be opened and read aloud in the Office of the Mayor. **Proposals received after that time will not be accepted and will be returned to the bidder unopened.** Two sealed proposals should be clearly marked as follows:

Envelope #1: Technical Proposal
Envelope #2: Sealed Dollar Cost Bid

The Town of Ledyard reserves the right to waive technical defects in the bids; to reject any bids which do not conform to terms and conditions described in the specifications; to reject any or all bids and again invite bids; and to waive informalities or irregularities in the bidding process.

The award of a contract, if awarded, will be to the lowest responsible bidder, provided that the bid is reasonable, and provided that it is in the best interest of the Town of Ledyard to accept such bid, and subject to any choice by the Town of Ledyard as to any alternate specifications as may be agreed upon.

Marcia Hancock
Director of Finance

Town of Ledyard
REQUEST FOR PROPOSAL #2014-09
AUDITING SERVICES
March 18, 2014

TABLE OF CONTENTS

I. INTRODUCTION

A. General Information
B. Term of Engagement

II. DESCRIPTION OF THE TOWN

A. General
B. Background Information
C. Fund Structure
D. Budgetary Basis of Accounting
E. Pension Plans

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

A. Statements and Schedules to be Prepared by the Town
B. General

IV. NATURE OF SERVICES REQUIRED

A. General
B. Qualifying Requirements
C. Scope of Work to be Performed
D. Auditing Standards to be Followed
E. Reports to be Issued
F. Working Paper Retention and Access to Working Papers
G. Other Audit Services
H. Implied Requirements

V. TIME REQUIREMENTS

A. Proposal Calendar
B. Schedule for the Annual Audit
C. Report Submissions

VI. PROPOSAL REQUIREMENTS

A. General Requirements
    1. Inquiries
    2. Submission of Proposals

B. Technical Proposal
    1. General Requirements
    2. Independence
    3. License to Practice in Connecticut
    4. Firm Qualifications and Experience
    5. Partner, Supervisory and Staff Qualifications and Experience
    6. Similar Engagements with Other Town Entities
    7. Audit Approach
    8. Identification of Anticipated Potential Audit Problems

C. Dollar Cost Bid
    1. Total All-Inclusive Maximum Price
    2. Fixed Fees by Category
    3. Rates for Additional Professional Services
    4. Manner of Payment

VII. EVALUATION PROCEDURES

A. Finance Committee
B. Evaluation Criteria
    1. Mandatory Elements
    2. Technical Qualifications
    3. Price
C. Oral Presentations
D. Final Selection
E. Right to Reject Proposals

APPENDICES

A. List of Key Personnel and Telephone Numbers
B. Proposer Guarantees and Warranties
C. Insurance
D. Fixed Fees
E. Sample Audit Services Proposal Letter

Town of Ledyard
REQUEST FOR PROPOSAL #2014-09
AUDITING SERVICES
March 18, 2014

I. INTRODUCTION

A. General Information

The Town of Ledyard is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2014 and June 30, 2015, with the option of additional one-year extensions for fiscal years ending June 30, 2017 and June 30, 2018. 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) Town Auditing Standards, the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act, and the U.S. Office of Management and Budget (OMB) Circular A-133, as necessary, and an examination of any additional activities necessary to establish compliance with the term "financial statement audit" as defined and used in Government Auditing Standards (2003 Revision) and any amendments thereto.

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 Ledyard to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, we must receive copies of a proposal by 2:00 p.m. on April 10, 2014. The Town of Ledyard reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a Selection Committee which may include the Chairperson of the Town Council Finance Committee, Mayor, Director of Finance, Treasurer, and Board of Education Business Manager.

During the evaluation process the Town of Ledyard 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 of Ledyard, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Ledyard 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 of Ledyard and the firm selected.

It is anticipated the selection of a firm will be completed by May 16, 2014. 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

1. A two (2) year contract with a two one-year option years is contemplated, subject to the satisfactory negotiation of terms (including a price acceptable to both the Town of Ledyard and the selected firm), and the annual availability of an appropriation.
2. Following implementation, should the Town find that the firm has failed in any material respect to perform its agreed upon obligation under the agreement, the agreement shall be canceled by the Town as being in the best interest of the Town. In the event of termination of this agreement as a result of a breach by the firm thereunder, the Town shall not be liable for any fees and may, at its sole option, award an agreement for the same services to another qualified firm with the best proposal, or call for new proposals and award the agreement thereunder. The firm shall be responsible for direct and consequential damages as a result of its breach, including, but not limited to, extra costs required under the new agreement for similar services.

II. DESCRIPTION OF THE TOWN

A. General

The auditor's principal contact with the Town of Ledyard will be the Director of Finance who will coordinate the assistance to be provided by the Town of Ledyard to the auditor.

B. Background Information

Detailed information on the Town and its finances can be found in the following documents provided with this Request for Proposal:

1. General Purpose Financial Statements for most recent year audited, and
2. Town Auditing Standards and Single Audit Reports for most recent year audited, and
3. Current year’s general fund budget.

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

A. Statements and Schedules to be prepared by the Town

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

1. Adjusted, balanced trial balance for all funds including:
   - Interfund accounts balanced
   - Transfers in/out balanced
2. Bank reconciliations for all accounts
3. Check registers for all accounts
4. Investment activity schedules
5. Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, accrued payroll and encumbrances balanced to the trial balance
6. Detail of other balance sheet and subsidiary account activity balanced to the trial balance
7. Analysis of other accounts as requested
8. Payroll records
9. Tax Collection Schedules including:
   - the Grand Rate Book Balance Report (GRBBR)
   - details supporting entries in the GRBBR
   - GASB 34 Reports supporting interest and lien fees outstanding at the beginning and end of the year
10. Allowance for doubtful accounts calculations
11. Reconciliation of each original budget to final budget
12. Final budget vs. actual reports for all funds that have legally approved budgets.
13. Debt schedules including:
    - Debt amortization schedules
    - Premium amortization schedules
    - Debt cost amortization schedules
14. Schedules of Compensated Absences, and Special Termination Benefits
15. Depreciation Schedules including accumulated depreciation for the year
16. Completed ED-001 and Supporting Documents
17. Standard representation letters
18. Other records or documents as requested

B. General

Office space will be provided in close proximity to the financial records. Telephones will be made available as well as the use of a copy machine during the engagement. The audit firm will be required to provide its own equipment and other office materials.

IV. NATURE OF SERVICES REQUIRED

A. General

The Town of Ledyard is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2014 and June 30, 2015, with the option to audit the Town of Ledyard financial statements 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

1. 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 last fiscal year as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality.

2. 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.

3. 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 anti-discrimination laws, rules, regulations and requirements thereof. The auditor must comply with all regulations including Executive Orders number 3 and 17.

4. 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 Finance 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 of Ledyard desires the auditor to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The auditor is to provide certain limited procedures on the required supplemental information. The auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements based on the auditing procedures applied during the audit of the financial statements and the combining and individual fund financial statements and schedules.

The auditor is required to perform the procedures on the Form ED001 as enumerated by the State Board of Education.

The auditor is required to complete a municipal questionnaire.

The auditor is required to conduct a State Single Audit and a Federal Single audit as necessary.

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 Town Auditing Standards, in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act) and OMB Circular A-133 (the Federal Single Audit Act) when applicable.

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, the Connecticut General Statutes and OMB Circular A-133 including but not limited to the following:

Town Auditing Standards:

- A report on the internal control structure based on the auditor’s understanding of the control structure and assessment of control risk.
- A report on compliance with applicable laws and regulations.

State Single Audit:

- Reports on the supplementary schedules of state financial assistance.
- Reports on the internal control structure used in administering state financial assistance programs.
- Reports on compliance with laws and regulations related to major state financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major state financial assistance programs.

Federal Single Audit:

- Reports on the supplementary schedules of Federal financial assistance.
- Reports on the internal control structure used in administering federal financial assistance programs.
- Reports on compliance with laws and regulations related to major federal financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal financial assistance programs.

The auditor shall communicate in a letter to the Town Council 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.

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 three (3) years, unless the firm is notified in writing by the Town of Ledyard of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Ledyard.

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 other accounting work performed. The Auditor will be expected to perform these engagements and any other audit services requested by the Town outside of the standard audit at the hourly rate stated in Appendix D.

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:

Request for proposal issued	March 18, 2014
Proposers' written questions submitted by e-mail	No later than April 3, 2014
Written responses to proposers' questions e-mailed	No later than April 7, 2014
Due date for proposals	April 10, 2014, 2:00 P.M.
Oral presentation, if necessary, by selected proposers	TBD
Appointment on or before	TBD
Contract date	Within 30 days of selection

As evidenced by the above schedule, the Town will accept questions or requests for clarification on the RFP **only in writing via email**. Proposers must e-mail their questions to the Director of Finance no later than 5:00 p.m., April 3, 2014. Written responses to the questions/requests for clarification will be sent to all potential proposers via email no later than 5:00 p.m., April 7. **NO PHONE CALLS PLEASE**.

Marcia Hancock, Director of Finance
finance.director@ledyardct.org

B. Schedule for the Annual Audit

The following is a list of key dates for the performance and completion of the audit:

Entrance conference with management	by July 31
Preliminary fieldwork begins	by July 31
Final audit work begins	by September 15
Exit conference to review draft and significant findings	by November 15

C. Report Submissions

Copies of all reports shall be addressed to the Town Council. The successful proposer will also submit copies of reports to the State of Connecticut Office of Policy and Management, the Internal Audit Manager of the Connecticut Department of Education, and others as required by state and federal audit requirements.

Annual Audit	By last business day in December
Single Audit Report	By last business day in December
ED001 Certification	By last business day in December

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 of Ledyard's Director of Finance 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.

Auditor shall provide:

- Electronic files of the combined financial statements for the Town and its combining and individual fund financial statements
- Ten (10) bound copies of the Federal and State Single Audit reports
- Ten (10) copies of the Auditor's Management Letter
- Ten (10) copies of the Annual Audit Report
- One (1) unbound reproducible master of each of the reports listed above

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

   Inquiries concerning the request for proposals and the subject of the request for proposals can be made to Marcia Hancock, Director of Finance, via email at finance.director@ledyardct.org .

2. Submission of Proposals

   The following material is required by April 10, 2014 for a proposing firm to be considered:

   a. The Proposal and five (5) copies are to include the following:

      - Title Page - Title page showing the request for proposal's subject and number; the proposing firm's name; the name, address and telephone number of a contact person; and the date of the proposal.
      - Table of Contents
      - 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. A sample of this letter is included in the appendix.
      - Detailed Proposal - The detailed proposal should follow the order set forth in Section VI B of this request for proposals.
      - Guarantees and Warranties - Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).

- The Proposer shall submit an original and four copies of a dollar cost bid attached to this request for proposals (Appendix D).

b. Proposers should send the completed proposal consisting of the two (2) separate envelopes, clearly identified on the outside, to the following address:

Marcia Hancock
Director of Finance
Town of Ledyard
741 Colonel Ledyard Highway
Ledyard, CT 06339

Identify as:

Envelope #1: Technical Proposal
Envelope #2: Sealed Dollar Cost Bid

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 Ledyard 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 proposal 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 proposer's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, Item 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 Ledyard as defined by generally accepted accounting standards and the U.S. Comptroller General's Town Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the Town of Ledyard 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.

3. License to Practice in Connecticut

   An affirmative statement should be included indicating that the firm and its municipal partner are qualified to practice in 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 a copy of the firm's last peer review. Only firms with unqualified peer reviews will be considered. 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 would 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 Town of Ledyard. However, in either case, the Town of Ledyard 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 of Ledyard, 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 Town Entities

   For the firm's office that will be assigned responsibility for the audit, list the significant engagements performed in the last five years for towns that are similar to the engagement described in this request for proposals, particularly similarities in area size and in

population. The listing should provide the name and telephone number of the principal client contact. In addition, provide copies of audited statements for two different towns.

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. Proposed segmentation of the engagement.
   b. Level of staff and number of hours to be assigned to each proposed segment of this engagement.

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 to any special assistance that will be requested from the Town of Ledyard.

C. Dollar Cost Bid

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 Ledyard 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 the attachment (Appendix D) that supports the total all-inclusive price.

3. Rates for Additional Professional Services

   If it should become necessary for the Town of Ledyard 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 Ledyard and the firm. Any such additional work agreed to between the Town of Ledyard 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 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.

5. Invoice Format

   Invoices will be prepared separately for General Government, Board of Education, and Water Pollution Control Authority and clearly identified as to the entity being invoiced.

   If invoice includes any additional work previously agreed to between the Town of Ledyard and the firm as set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D, the invoice will state the reason for the additional work performed, and will itemize the number of hours and dates worked, and the cost for item.

VII. EVALUATION PROCEDURES

A. Audit Review Committee

The Audit Review Committee will evaluate the proposals and make a recommendation to the Finance Committee of the Town Council. The Town Council will make the final choice of auditors at or before its meeting of May 14, 2014.

B. Evaluation Criteria

The following represent the principal selection criteria, which will be considered during the evaluation process of proposals.

Mandatory Elements

1. The audit firm is independent and licensed to practice in Connecticut.
2. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
3. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Ledyard.

4. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
5. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

Technical Requirements

1. Expertise and Experience
2. The firm's past experience and performance on comparable town engagements
3. 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.
4. Experience with the preparation of federal and state financial assistance and related reports.
5. Audit Approach/Service Delivery Plan: Describe how the firm intends to conduct the audit. Describe the service delivery system including who will do what, 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.
6. Price - Cost will not be the primary factor in the selection of an audit firm.

C. Oral Presentations

During the evaluation process, the Finance 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 Finance Committee may have on a firm's proposal.

D. Final Selection

It is anticipated that a firm will be selected by April 30. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty 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 Ledyard and the firm selected.

The Town of Ledyard 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 LEDYARD PERSONNEL

Name	Position	E-mail
John Rodolico	Mayor	mayor@ledyardct.org
Marcia Hancock	Director of Finance	finance.director@ledyardct.org
Nancy Gosselin	Treasurer	treasurer@ledyardct.org
William Merrill	Business Manager, Schools	bmerrill@ledyard.net
Ed Lynch	Chair, WPCA	
Mike France	Chair, Finance Committee	

APPENDIX B

PROPOSER GUARANTEES AND WARRANTIES

Proposer Guarantees

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

Proposer Warranties

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

2. 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.

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

4. 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 C

INSURANCE

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, Finance Committees and commissions.

Minimum Scope and Limits of Insurance

1) Broad Form Comprehensive General Liability - $1,000,000 combined single limit per occurrence for bodily injury, personal injury, property damage, and products / completed operations.
2) Automobile Liability - $1,000,000 combined single limit per occurrence for bodily injury and property damage.
3) Umbrella Liability - 1,000,000 per occurrence, following form.
4) Workers' Compensation - Limits as required by State of Connecticut Labor Code.
5) Employers' Liability - $100,000 each accident with $500,000 disease/policy limit and $100,000 disease/each employee.
6) Professional Liability (if used on a claims-made basis, insurance coverage shall be maintained for the duration of the contract and for two (2) years following contract completion.) - $1,000,000 per occurrence and $1,000,000 aggregate.
7) Personal Property Coverage - Adequate insurance to cover the value of personal property (including but not limited to, personal computers) belonging to the Auditor while located on Town property, while in use or in storage, for the duration of the contract.
8) Aggregate Limits - -Any aggregate limits must be declared to and be approved by the Town. At the option of the Town, the insurer shall increase or eliminate the aggregate limit and notify the Town of any erosion of aggregate limits.

A. Deductibles and Self-Insured Retentions - Any deductibles or self-insured retentions must be declared to and be approved by the Town. At the option of the Town, the insurer shall reduce or eliminate such deductibles or self-insured retentions as regards the Town or the Auditors shall procure a bond, which guarantees payment of the losses and related investigations, claims administration and defense expenses. At no time will the Town be responsible for the payment of deductibles or self-insured retentions.

B. Notice of Cancellation or Non-renewal - Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in

coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

C. Other Insurance Provisions - The policies are to contain, or be endorsed to contain, the following provisions;

1) Liability, (General, Automobile, Professional) Coverage;
   a. **"The Town and its respective officers, agents, officials, employees, volunteers, boards and commissions"** are to be **named as additional insureds** with regards to liability arising out of activities performed by or on behalf of the Auditor; products and completed operations of the Auditor; premises owned, leased or used by the Auditor. The coverage shall contain no special limitations on the scope of protection afforded to the Town.
   b. The Auditor's insurance coverage shall be the primary insurance as regards the Town. Any insurance or self-insurance maintained by the Town shall be in excess of the Auditor's insurance and shall not contribute with it.
   c. Any failure to comply with the reporting provisions of the policies shall not affect coverages provided to the Town.
   d. Coverage shall state that the Auditor's insurance shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of the insurer's liability.

2) Workers' Compensation and Employer's Liability Coverage
   a. The insurer shall agree to waive all rights of subrogation against the Town for losses arising from the work performed by the Auditor for the Town.
   b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish the Town with adequate proof of self-employment status/ The Auditor agrees to waive all rights of claims against the Town for losses arising from the work performed by the Auditor. In the event that during the contract this self-employment status should change, the Auditor shall immediately furnish proper notice to the Town and a certificate of insurance indicating that Workers' Compensation insurance and the Auditor as has obtained Employer's Liability coverage required by this Exhibit.

D. Acceptability of Insurers

1) Insurance is to be placed with insurers which have a Best's rating of at least A.
2) Insurance companies must either be licensed to do business in the State of Connecticut or be deemed to be acceptable by the Town's Attorney.

E. 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-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 Director of Finance once the proposer is accepted.

Signature of Official: _____

Name (typed):_____

Title:_____

Firm: _____

Date: _____

APPENDIX D

FIXED FEES

To be submitted on your firm's letterhead in a **separate envelope**.

Firm's Name:
Location of office staffing the audit:
Number of Municipal professional audit staff:
Number of Municipal audit staff to be assigned:

FIXED FEES

	Year 1	Year 2
General Town:		
- Financial Audit		
Board of Education:		
- Financial Audit		
- Cafeteria		
- Grants		
- ED001 and Related		
Water Pollution Control Authority		
State Single Audit		
Federal Single Audit, if needed		

TOTAL:

Total hours included in total fees and hourly rate used for each level for services outside the specified scope:

	No. of Hours	Hourly Rate
Partner		
Manager		
Senior		
Staff		
Support		

Signature of Official: _____
Name (typed):_____
Title:_____
Firm: _____
Date: _____

APPENDIX E

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

[Finance Committee]
[Address]

Dear:

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 by the Town's Audit Review Committee.

We have attached the following:

1. Proposal as outlined in Section VI
2. Appendix B: Proposer Guarantees and Warranties
3. Appendix C: Insurance
4. Appendix D: Fixed Fees (separate envelope).
5. Copy of most recent audited reports for two clients similar in size and population to Ledyard

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.

Signature of Official: _____
Name (typed):_____
Title:_____
Firm: _____
Date: _____