

**TOWN OF STONINGTON,
CONNECTICUT
REQUEST FOR PROPOSALS FOR
AUDITING SERVICES**

RFQ: #2017-004

REQUEST FOR PROPOSALS - AUDIT SERVICES TOWN OF STONINGTON, CONNECTICUT

The Town of Stonington, Connecticut is requesting proposals and qualifications from qualified independent Certified Public Accounting Firms in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the Annual Financial Statements of the Town.

Proposals will be received by the Finance Office, Stonington Town Hall, 3rd Floor, 152 Elm Street, Stonington, CT 06378 until 2:00 p.m., **Tuesday, April 25, 2017** at which time no further proposals will be considered.

Four (4) copies of the proposal must be submitted in a SEALED ENVELOPE clearly marked on the front **“RFQ#2017-004 Audit Services.”**

Request for Proposal document may be obtained in the Finance Office from 8:30am - 4:00pm, Monday – Friday, by calling 860-535-5070 or on the Town of Stonington bid/rfp website, <http://www.stonington-ct.gov/bids-rfps> or on the CT DAS contracting portal.

AFTER REVIEW OF ALL FACTORS, INCLUDING TERMS, CONDITIONS, PRICE, THE TOWN OF STONINGTON RESERVES THE RIGHT TO REJECT ANY AND ALL PROPOSALS, OR ANY PART THEREOF, OR WAIVE DEFECTS IN SAME, OR ACCEPT ANY PROPOSAL DEEMED TO BE IN THE BEST INTEREST OF THE TOWN OF STONINGTON.

No proposal shall be accepted from or a contract awarded to, any vendor who is in arrears to the Owner upon debt or contract or otherwise obligated to the Owner.

TOWN OF STONINGTON

**James Sullivan, CPA
Director of Finance**

AN AFFIRMATIVE ACTION/EQUAL OPPORTUNITY EMPLOYER

MBE/WBE AND SBE's are encouraged to submit proposals

I. INTRODUCTION

A. General Information

The Town of Stonington is requesting proposals from qualified independent Certified Public Accounting Firms to audit its financial statements for the fiscal years ending June 30, 2017, June 30, 2018 with the option of an additional two (2) year extension through fiscal year ending June 30, 2020.

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

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

The Town of Stonington 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 Stonington and the firm selected.

It is anticipated the selection of a firm will be completed by appointment by the Board of Finance no later than May 3, 2017. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days of approval.

B. Terms of Engagement

A two (2) year contract with a two-year option is contemplated, subject to the satisfactory negotiation of terms (including a price acceptable to both the Town of Stonington and the selected firm) and the concurrence of the Board of Finance, and the annual availability of an appropriation.

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 GOVERNMENT

A. General

The auditor's principal contact with the Town of Stonington will be the Finance Director, or a designated representative, who will coordinate the assistance to be provided by the Town of Stonington 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 Stonington has a population of approximately 18,000 and an area of 42.7 square miles. It is located in New London County in the southeastern corner of Connecticut. The Town operates under a Selectman-Town Meeting form of government as prescribed by the Connecticut General Statutes and its Charter, which was adopted November 7, 1989 and revised November 3, 2015. The Town's approved General Fund operating budget for the fiscal year 2016-17 is \$64,013,013.

By Town Charter the financial accounting functions are under the direction of the Director of Finance. The Finance Department maintains the official accounting record for the Town; however, administering departments keep additional supporting documentation of the operations of their programs. The Finance Department consists of three (3) divisions under the management of the Director of Finance: Finance Office, Tax Collector's Office, and Treasurer's Office. In fiscal year 2016-17 the department has approximately 8 full-time employees and 1 part-time.

The Town of Stonington utilizes MUNIS financial software for financial reporting and Quality Data for Tax Assessment and Tax Collection. The Board of Education utilizes ADS financial software. Both the Town and the Board of Education use ADP for payroll.

The Town's Auditor for the 2015-16 fiscal year was CohnReznick, 350 Church Street, Hartford, CT 06103. Prior year Annual Financial reports are available for review on the Finance Department's page on the Town's website, www.stonington-ct.gov. The work papers of the previous audits are the property of CohnReznick and may be reviewed by contacting Ed Kindelan at (959) 200-7004.

The following additional information on the government and its finances can be found on the Town's website, Finance Department:

1. October 2016 Official Statement
2. Previous year's annual Financial Reports
3. 2016-17 Adopted Budget
4. Previous year's Federal and State Compliance Report

C. Fund Structure

The Town maintains four major funds and thirty-one non-major funds as follows:

Major Funds:

General Fund, Bonded Capital Projects Fund, Sewer Usage Fund, PK-5 Construction Fund

Non-major Funds:

Special Revenue – Sewer Assessment Fund, Shellfish Fund, Town Aid Road Fund, Dog License Fund, SNEF Reserve Fund, Youth Service Activity Fund, Community Development Block Grant, Recreation Commission Fund, Sewer Infiltration Fund, Sewer Development and Maintenance Fund, State Asset Forfeiture Program, Federal Asset Forfeiture Program, Prepaid Education Grants Fund, DARE program, Hot Lunch Program, Planning and Development Grants Fund, Human Services Grants, Police Grant Fund, Miscellaneous Fund.

Capital Projects: - Capital nonrecurring Fund

Permanent Fund: Scholarship Trust Fund

Internal Service: Medical Self-Insurance Fund

Internal Service: Town Dock Self-Insurance Fund

Pension Trust Fund

OPEB Trust Fund

Police HSA OPEB Trust Fund

Agency: Student Activity, Tax Sale Escrow, Stonington Harbor Management Fund, Mystic Harbor Management Fund, BOE Flex Fund

D. Budgetary Basis of Accounting

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

E. Pension Plans

The Town of Stonington participates in the following pension plans:

1. Town of Stonington retirement plan, a single employer Public Employee Retirement System (PERS)
2. CT State Teachers, a contributory retirement plan administered by the State Teachers' Retirement Board.
3. Municipal Employees' Retirement System (MERS), multiple employer Public Employee Retirement System (PERS) established by the State of Connecticut and administered by the State Retirement Commission.

Hooker & Holcombe, Inc., of West Hartford, CT provides the actuarial services for the Town sponsored plan.

F. OPEB Plan

The Town of Stonington participates in the following OPEB plan:

1. Town of Stonington OPEB plan.

Hooker & Holcombe, Inc., of West Hartford, CT provides the actuarial services for the Town OPEB plan.

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

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

1. Adjusted Trial Balance for all funds
2. Detailed schedules of revenues and expenditures, expenses, accounts payable, accounts receivable, and encumbrances
3. Detail of balance sheet and subsidiary account activity.
4. Check registers for all funds
5. Bank reconciliation 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
16. Standard representation letters
17. Preparation of Audit Confirmation letters
18. Schedule of Debt Limitation
19. List of State and Federal grants received during the year

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. 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 Stonington is soliciting the services of qualified firms of independent certified public accountants to audit its financial statements for the fiscal years ending June 30, 2017 through June 30, 2018 with the option to audit the Town of Stonington's 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

Qualified Firm:

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2016, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality with a population of at least 18,000.

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 of Stonington 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.

Reports:

Each proposer shall submit one copy of at least two Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. The proposer shall include a list of all State of CT municipalities audited within the last 3 years and indicate the dollar value of the General Fund budget of these municipalities.

Other:

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut. The Selection Committee intends to strongly consider municipal audit experience and certification in evaluating the proposing accounting firms audit team.

C. Scope of Work to be Performed

Audit of the financial statements in conformity with generally accepted accounting principles. Audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act.

The auditor will prepare the combined financial statements of the Town of Stonington and its combining and individual fund financial statements, including but not limited to the General Fund, Special Revenue Funds, Capital Projects Funds, notes to financial statements and supporting schedules and schedule of federal and state assistance as of June 30, of the audit year.

Preparation of a Management Letter which will include findings, statements, observations, opinions, comments, or recommendations with regards to:

- a. Systems of internal control.
- b. Accounting systems, functions, procedures, and processes aimed at automation.
- c. Compliance with laws, rules, and regulations.

Attendance at a minimum of one Board of Finance meeting each year, for the purpose of discussing the audit and the management letter and its conclusions.

D. 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:

Financial

- 1) Report of Independent Accounts on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

Federal Single Audit

- 2) Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- 3) Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*.

State Single Audit

- 4) Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- 5) Independent Auditor's Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act.
- 6) The auditor shall communicate in a letter to the 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.

E. Special Considerations

- 1) The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance are to be issued separately from the annual financial report.
- 2) Provide assistance in implementation of Governmental Accounting Standards Board statements as applicable.

F. Working Paper Retention and Access to Working Papers

- 1) 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 Stonington of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Stonington.

- 2) 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 of Stonington 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 of Stonington 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 27, 2017
Written questions submitted by proposers	No later than 4:00pm April 05, 2017
Written responses to proposers' questions emailed	No later than 4:00pm April 10, 2017
Due date for proposals	2:00pm April 25, 2017
Expected Appointment by Board of Finance	May 03, 2017
Contract Executed	Within 30 days of appointment

The Town will accept questions or requests for clarification on this RFQ **only by email to jsullivan@stonington-ct.gov, by 4:00pm April 05, 2017.** Written responses to the questions/requests for clarifications will be emailed as well as posted on the Town's bid/rfp website, <http://www.stonington-ct.gov/bids-rfps> or on the CT DAS contracting portal. **NO PHONE CALLS PLEASE.**

B. Report Submissions

Copies of all reports shall be addressed to the Board of Finance. 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.

The submission dates for the various reports to the municipality and the appropriate cognizant agencies are as follows:

Annual Financial Report	No later than December 15
Single Audit Report	No later than December 15
ED001 Certification	No Later than December 15
SF-SAC Filing	No Later than January 15

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town of Stonington, in writing. It is the Town of Stonington's responsibility to secure all necessary approvals in a timely manner. The Auditor shall promptly notify the Town of Stonington'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:

- 1) An electronic file of the AFR and Compliance Reports in PDF format.
- 2) Twenty-five (25) bound copies of the Federal and State Financial and Compliance reports.
- 3) Twenty-five (25) copies of the Auditor's Management Letter.
- 4) Twenty-five (25) bound copies of the Annual Financial Report.

The above should be delivered to James Sullivan, CPA, Director of Finance, 152 Elm Street, Stonington, CT 06378

VI. PROPOSAL REQUIREMENTS

A. General Requirements:

The Proposal and four (4) copies should include:

1. Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).
2. The completed proposal consisting of the two (2) separate envelopes; Technical Proposal and Sealed Dollar Cost Bid
3. The proposal and copies is to be sent to

James Sullivan, CPA,
Director of Finance
Town of Stonington
152 Elm Street
Stonington CT 06378
ATTENTION: Finance Auditing Services

B. Technical Proposal

Independence

The firm should provide an affirmative statement that it is independent of the Town of Stonington 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 Stonington 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 Stonington written notice of any professional relationships entered into during the period of this agreement.

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.

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 is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.

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.

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. Provide information on the government auditing experience of each person, including information on relevant continuing education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. 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 Stonington. However, in either case, the Town of Stonington 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 Stonington, which retains the right to approve or reject replacements.

On site audit personnel may be changed at the discretion of the proposing accounting firm provided that replacements have substantially the same or better qualifications or experience.

Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last three 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.

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 of Stonington'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 the engagement.
- c) Sample size and the extent to which statistical sampling is to be used in the

engagement.

- d) Type and extent of analytical procedures to be used in the engagement.
- e) Approach to be taken to gain and document an understanding of the Town of Stonington's internal control structure.
- f) Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g) Approach to be taken in drawing audit samples for purposes of tests of compliance.

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 Stonington.

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 Stonington 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), which supports the total all-inclusive price.

3) Rates for Additional Professional Services

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

VII. EVALUATION PROCEDURES

A. Selection Committee

Proposals submitted will be evaluated by a Selection Committee, which will include the Audit Committee chair and the Director of Finance.

B. Evaluation Criteria

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

Mandatory Elements

The audit firm is independent and licensed to practice in Connecticut.

The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.

The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Stonington.

The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

The firm shall submit one copy of at least two Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained.

Technical Qualifications - Experience

The firm's past experience and performance on comparable government engagements.

The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

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

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 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.

Price

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

C. Oral Presentations

During the evaluation process, the Selection Committee may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Selection Committee may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Final Selection

The Selection Committee will recommend a firm for approval by the Board of Finance.

It is anticipated that a firm will be selected May 03, 2017. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

E. Right to Reject Proposals

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

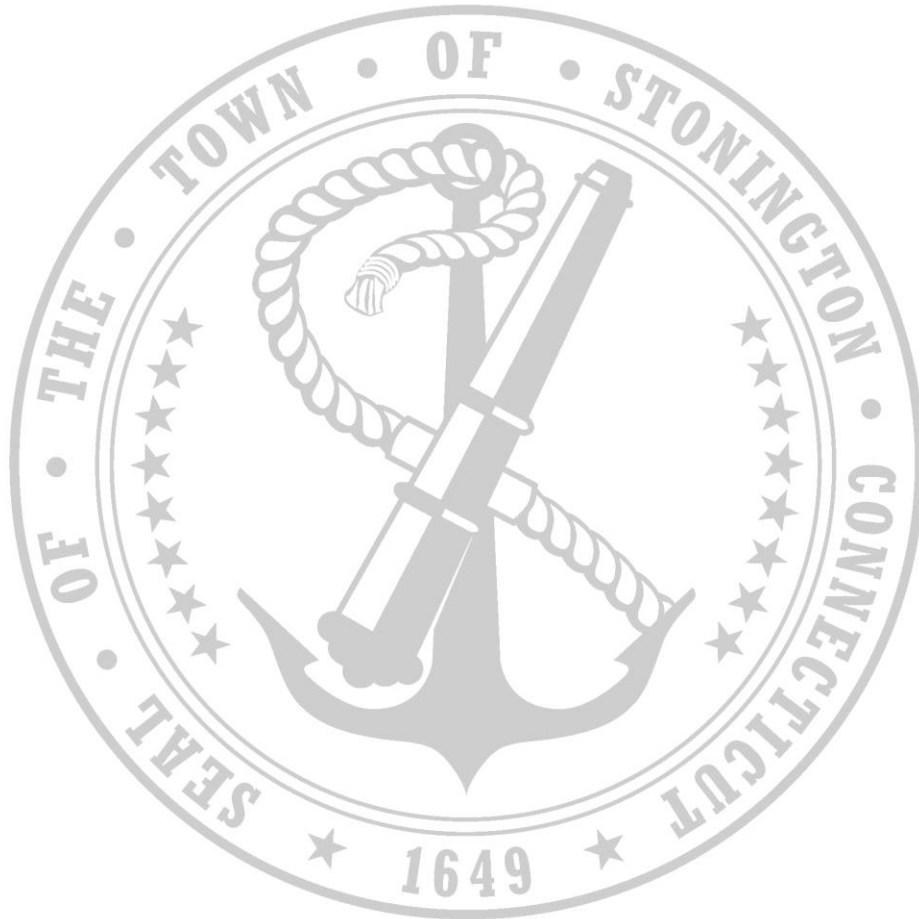
The Town of Stonington reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the request for proposal.

F. Right to Terminate Contract

Either party may terminate this Agreement due to the material breach of this Agreement by the other party by giving the other party seven (7) days' prior written notice of termination which notice shall describe the material breach upon which the termination is based. The Owner may terminate the contract for convenience, and without cause, by giving the Firm sixty (60) days' written notice of termination prior to the start of the next fiscal year. 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 Stonington and the firm selected.

APPENDIX A

Name and Title	Location of Office	Telephone
Rob Simmons, First Selectman	Town Hall	860-535-5040
James Sullivan, CPA Director of Finance	Town Hall	860-535-5070
Barbara Dexter, Senior Accountant	Town Hall	860-535-5014
Gary Shettle, BOE Finance Manager	Admin Bldg., BOE	860-572-0506
Dr. Van Riley, Superintendent	Admin Bldg., BOE	860-572-0506
Bryan Bentz, Chairman Board of Finance		



APPENDIX B

PROPOSER GUARANTEES AND PROPOSER 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 Stonington.
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

INSURANCE EXHIBIT - PROFESSIONAL SERVICES

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work thereunder 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

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

\$500,000 each accident

\$500,000 disease/policy limit

\$500,000 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

\$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.

B. 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.

C. Deductibles and Self-Insured Retention's

Any deductibles or self-insured retention's 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 retention's as regards the Town or the Auditors shall procure a bond that 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 retention's.

D. 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.

E. 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 of Stonington and its respective officers, agents, officials, employees, volunteers, boards and commissions”** are to be **named as additional insureds** with regard 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 coverage 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 the 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 Employer's Liability coverage has been obtained by the Auditor as required by this Exhibit.

F. 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 of Stonington's Finance Director.

G. 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 Director of Administrative Services before work commences. Renewal of expiring certificates shall be filed thirty days (30) 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 Finance Director.

Signed:

Auditor _____ Date

Town of Stonington _____ Date

APPENDIX D

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 at this location _____

Number of Municipal audit staff to be assigned to the Town of Stonington _____

Connecticut Municipal audit clients (FYE 06/30/16 engagements for municipalities with populations of 18,000 or more): _____

FIXED FEES

Town of Stonington

	FY2017	FY2018
A. General Fund	\$ _____	\$ _____
B. Preparation of Financial Statements and Federal and State Compliance Reports	_____	_____
C. Board of Education	_____	_____
D. Educational Grants	_____	_____
E. ED001	_____	_____
F. GASB 73 Adoption	_____	_____
	_____	_____
TOTAL	\$ _____	\$ _____

Total hours included in Total Fees:

Partner
Manager
Incharge
Staff

Rate/hour in excess of those above or for
services outside the specified scope

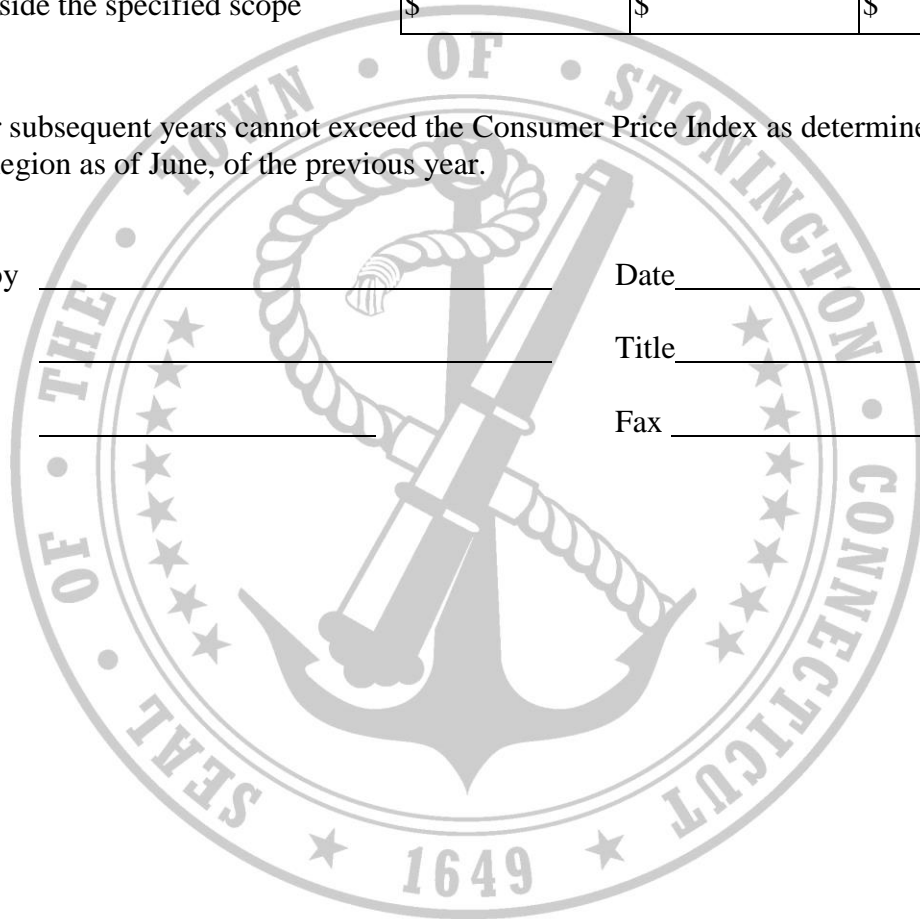
\$	\$	\$
----	----	----

The fees for subsequent years cannot exceed the Consumer Price Index as determined for the Northeast Region as of June, of the previous year.

Submitted by _____ Date _____

Signature _____ Title _____

Telephone _____ Fax _____



APPENDIX E

SAMPLE AUDIT SERVICES PROPOSAL LETTER

(To be submitted on your firm's letterhead)

James Sullivan, CPA, Director of Finance
Town of Stonington
152 Elm Street
P.O. Box 352
Stonington CT 06378

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 solely by the Selection Committee.

We have attached the following:

1. Audited AFR reports for two (2) clients as outlined in Section IV, B.
2. Proposal as outlined in Section VI
3. Appendix B: Proposer Guarantees and Warranties
4. Appendix C: Certificate of Insurance
5. 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 of Stonington.

Submitted by _____ Date _____

Signature _____ Title _____

Telephone _____ Fax _____