



City of New London

Department of Finance-Purchasing Agent

13 Masonic Street • New London, CT 06320 • Phone (860) 447-5215 • Fax (860) 447-5297

Request for Proposals

Specifications and Proposal Documents Attached

Proposal No.: 2017-11

Opening Date and Time: March 16, 2017 at 2:00 P.M.

Title: Auditing Services

Special Instructions:

The following information must appear in the lower left hand corner of the envelope:

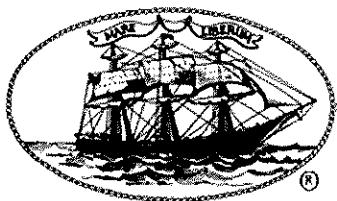
Sealed Proposal No.: 2017-11

Not to be opened until March 16, 2017 at 2:00 P.M.

Return Proposal to:

Alicia Smith, Purchasing Agent
City of New London
13 Masonic Street
New London, CT 06320

Proposal cannot be accepted after the Proposal Opening Date and Time indicated above.



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PLEASE RETURN THIS FORM IMMEDIATELY

Acknowledgement: Receipt of Request for Proposals

Proposal No.: **2017-11**
Auditing Services

Please take a moment to acknowledge receipt of the attached documents. Your compliance with this request will help us to maintain proper follow-up procedures and will ensure that you receive any addendum that may be issued.

Date Issued: 02/14/2017

Date documents received: _____/_____/_____

Do you plan to submit a response? Yes _____ No _____

Print or type the following information:

Company Name: _____

Address: _____

Telephone: _____ Fax: _____

E-mail: _____

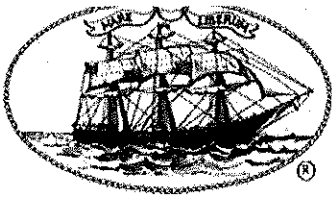
Received by: _____

Note: Faxed or e-mailed acknowledgements are requested.

Fax No.: (860)447-5297

E-mail: asmith@ci.new-london.ct.us

Fax this sheet only. A cover sheet is not required.



City of New London

Department of Finance-Purchasing Agent

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Standard Request for Proposals (RFP) and Contract Terms and Conditions

All Requests for Proposals issued by the City of New London (City) will bind Proposers to the terms and conditions listed below, unless specified otherwise in any individual Request for Proposals.

Incorporated by reference into this contract are the provisions of Article IV., Section 2-66 through 2-71 and Section 2-73 of the Code of Ordinances of the City of New London.

The contractor agrees to comply with the Code of Ordinances as they exist on the date of the contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

Submission of Proposals

1. Proposals must be submitted on forms supplied by the City of New London or in the format requested in the specifications. Telephone, facsimile or e-mail proposals will not be accepted in response to a Request for Proposals. An original and one (1) copy, unless otherwise indicated in the specifications, of the Proposal Form shall be returned to the Purchasing Agent.
2. The date and time proposals are to be opened are given in each Request for Proposals issued. Proposals received after the specified date and time of the proposal opening given in each Request for Proposals will not be considered. Proposal envelopes must clearly indicate the proposal number as well as the date and time of the proposal opening. The name and address of the proposer should appear in the upper left-hand corner of the envelope.
3. Incomplete proposal forms may result in the rejection of the proposal. Amendments to proposals received by the Purchasing Agent after the date and time specified for the proposal opening shall not be considered. Proposals shall be computer prepared, typewritten or handwritten in ink. Proposals submitted in pencil shall be rejected. A person duly authorized to sign proposals for the proposer shall sign all proposals. Unsigned proposals shall be rejected. The person signing the Proposal Form or their authorized designee must initial errors, alterations or corrections on both the original and copy of the Proposal Form to be returned. In the event an authorized designee initials a correction, there must be written authorization from the person signing the Proposal Form to the person initialing the erasure, alterations or corrections. Failure to do so shall result in rejection of the proposal for those items erased, altered or corrected and not initialed.
4. Conditional proposals are subject to rejection in whole or in part. A conditional proposal is defined as one that limits, modifies, expands or supplements any of the terms and conditions and/or specifications of the Request for Proposals.
5. Alternate proposals will not be considered. An alternate Proposal is defined as one that is submitted in addition to the proposer's primary response to the Request for Proposals.
6. Prices should be extended in decimal, not fraction, to be net and shall include delivery and transportation charges fully prepaid by the Contractor to the destination specified in the Request for Proposals and subject only to cash discount.
7. Pursuant to Sections 12-412 and 12-412(1) of the Connecticut General Statutes, the City of New London is exempt from the payment of excise, transportation and sales taxes imposed by the Federal Government and/or the State. Such taxes must not be included in the proposal prices.
8. In the event of a discrepancy between the unit price and the extension, the unit price shall govern.

Standard Request for Proposals (RFP) and Contract Terms and Conditions (con't)

9. By its submission the Proposer represents that the proposal is not made in connection with any other Proposer submitting a proposal for the same commodity or commodities and is in all respects fair and without collusion or fraud.
10. All proposals will be opened and read publicly and upon award are subject to public inspection.

Guaranty or Surety

11. Bid bonds, performance bonds, and labor and material bonds will be required as specified below. Guaranty or surety may be in the form of certified check. Bonds must meet the following requirements: Corporation – must be signed by an official of the corporation above their official title and the corporate seal must be affixed over the signature; Firm or Partnership - must be signed by all of the partners and indicate they are "doing business as"; Individual – must be signed by the owner and indicated as "Owner". The surety company executing the bond or countersigning must be licensed in Connecticut and an official of the surety company must sign the bond with the corporate seal affixed over the signature. Signatures of two (2) witnesses for both the principal and the surety must appear on the bond. Power of attorney for the official signing the bond for the surety company must be submitted with the bond.

Bid Bond – Ten percent (10%) due at time of bid for all contract services and public works/construction projects that exceed twenty thousand dollars (\$20,000.00)

Performance Bond – One hundred percent (100%) of contract price for projects that exceed fifty thousand dollars (\$50,000.00).

Labor and Material Payment Bonds – One hundred percent (100%) of contract price for projects that exceed fifty thousand dollars (\$50,000.00).

Award

12. Award of this contract will be made to the lowest responsible, qualified proposer and will be based on net cost and City specifications. The City of New London reserves the right to reject any and all bids or parts thereof, to waive any informality and to award this contract to other than the low proposer and to make multiple awards if deemed in the best interest of the City.
13. The City of New London allows a fifteen percent (15%) local vendor preference. A New London based business will be considered the lowest responsible proposer if it's proposal is within fifteen percent (15%) of the low proposer and it is willing to accept the award at the low proposal price. Any proposer claiming to be a New London based business must provide documentation that all of its motor vehicles are registered in New London and that payment of all of its property and motor vehicle taxes are current.
14. The City of New London may reject any bidder in default of any prior contract or guilty of misrepresentation or any bidder with a member of its firm in default or guilty of misrepresentation.
15. The Purchasing Agent may correct inaccurate awards resulting from clerical or administrative errors.

Other Requirements

16. The City has an employment preference goal that jobs be offered to local residents on public prevailing wage projects with thresholds great than \$100,000 for renovation and \$400,000 for new construction. For such projects, it is understood that contractors shall make a good faith effort to employ a participating workforce comprised of twenty-five (25%) local residents of New London County, CT, with residents of the City of New London, CT getting a priority representing fifty percent (50%) of said participation, which will include twenty-five percent (25%) female and minority.

Standard Request for Proposals (RFP) and Contract Terms and Conditions (con't)

17. The City has an employee training preference goal that apprenticeship opportunities be made available for state licensed trades on public prevailing wage projects with thresholds greater than \$100,000 for renovation and \$400,000 for new construction. For such projects, it is understood that contractors shall make a good faith effort to employ a minimum of ten percent (10%) of the workforce per state licensed trade as apprentices and, of this number, a minimum of fifty percent (50) shall be in the first year of apprenticeship training.

Contract

18. The existence of a contract shall be determined in accordance with the requirements set forth above.
19. The Contractor shall not assign or otherwise dispose its contract or its right, title or interest, or its power to execute such contract to any other person, firm or corporation without the prior written consent of the City of New London.
20. Failure of a Contractor to deliver commodities or perform services as specified will constitute authority for the City of New London to purchase these commodities or services on the open market. The contractor agrees to promptly reimburse the City of New London for excess cost of these purchases. The purchases will be deducted from the contracted quantities.
21. The Contractor agrees to hold the City of New London harmless from liability of any kind for the use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention furnished or used in the performance of the Contract; Guarantee its products against defective material or workmanship; repair damages of any kind, for which it is responsible to the premises or equipment, to its own work or to the work of other contractors; obtain and pay for all licenses, permits, fees etc., and to give all notices and comply with all requirements of the City of New London, the State of Connecticut and the U.S. Government.
22. Insurance requirements generally apply to contract services, professional services and public works improvement/construction projects. The Contractor will carry commercial general liability insurance to protect the City of New London from loss. The following minimum limits shall be met:

Bodily Injury and Property Damage – One million dollars (\$1,000,000.00) each occurrence; two million dollars (\$2,000,000.00) aggregate

Products or Completed Operations - One million dollars (\$1,000,000.00) each occurrence; two million dollars (\$2,000,000.00) aggregate

Professional Liability (Errors and Omissions) Coverage appropriate to the contractor's operations – Two million dollars (\$2,000,000.00) each occurrence

Commercial Automobile Coverage including owned, non-owned, leased and hired vehicles (if used on City of New London property) – One million dollars (\$1,000,000.00) combined single limit for each accident.

Workers' Compensation Coverage - Will be in accordance with State of Connecticut requirements at the time of Proposal.

Any deductible or self-insured retention must be disclosed and any claim payments falling within the deductible shall be the responsibility of the contractor.

The CITY requires that these aggregate limits be maintained by the CONSULTANT as required. It is the responsibility of the CONSULTANT or his representative to notify the CITY if ever or whenever claims reduce the General Aggregate below \$1,000,000.

The Contractor shall require all subcontractors to carry the same forms and minimum coverages that it is required to provide. Evidence of these coverages must be provided to the City of New London Purchasing Agent prior to the contractor or subcontractor coming onto the work site.

Standard Request for Proposals (RFP) and Contract Terms and Conditions (con't)

All insurance policies shall be endorsed to the City of New London, its officers and employees as additional insured, and shall not be reduced or cancelled without thirty (30) days prior written notice to the Purchasing Agent. In addition, the contractor's insurance shall be primary as respects the City of New London, and any other insurance maintained by the City of New London shall be excess and not contributing insurance with the contractor's insurance.

23. Notwithstanding any provision or language in this contract to the contrary, the Mayor may, without cause, terminate this contract for the City's convenience upon approval by the City Council, whenever he/she determines that such termination is in the best interest of the City of New London. Any such termination shall be effected by delivery to the Contractor of a written notice of termination. The notice of termination shall be sent by registered mail to the Contractor address furnished to the City of New London for purposes of correspondence or by hand delivery. Upon receipt of such notice, the Contractor shall both immediately discontinue all services affected (unless the notice directs otherwise) and deliver to the City of New London all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by the Contractor in performing its duties under this contract, whether completed or in progress. All such documents, information and materials shall become the property of the City of New London. In the event of such termination, the contractor shall be entitled to reasonable compensation as determined by the Mayor, however, no compensation for lost profits shall be allowed.

Delivery

24. All products and equipment delivered must be new unless otherwise stated in the proposal specifications.
25. All deliveries will be to the locations specified by the City of New London. The City of New London does not have a loading dock therefore all Contractors will be responsible for inside delivery without assistance from City of New London personnel.
26. Payment terms are net 45 days after receipt of goods or invoice, whichever is later, unless otherwise specified.
27. Charges against a Contractor shall be deducted from current obligations. Money paid to the City of New London shall be payable to the Treasurer, City of New London.

Saving Clause

28. The Contractor shall not be liable for losses or delays in the fulfillment of the terms of the contract due to wars, acts of public enemies, strikes, fires, floods, acts of God or any other acts not within the control of or reasonably prevented by the Contractor. The contractor will give written notice of the cause and probable duration of any such delay.

Advertising

29. Contractors may not reference sales to the City of New London for advertising and promotional purposes without prior approval of the City of New London.

Rights

30. The City of New London has sole and exclusive right and title to all printed material produced for the City of New London and the Contractor shall not copyright the printed matter produced under this contract.
31. The Contractor assigns to the City of New London all rights, title and interests in and to all causes of action it may have under Section 4 of the Clayton Act, 15 USC 15, or under Chapter 624 of the Connecticut General Statutes. This assignment occurs when the contractor is awarded the contract.
32. The Contractor agrees that it is in compliance with all applicable federal, state and local regulations, including but not limited to Connecticut General Statutes Section 7-148i. The Contractor also agrees that it will hold the City of New London harmless and indemnify the City of New London from any action which may arise out of any act by the Contractor concerning lack of compliance with these laws and regulations. All purchases will be in compliance with Sections 22a-194 to 22a-194g of the Connecticut General Statutes related to product packaging.

Standard Request for Proposals (RFP) and Contract Terms and Conditions (con't)

33. This contract is subject to the provisions of Executive Order Number Three of Governor Thomas J. Meskill promulgated June 16, 1971, the provision of Executive Order Number Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973 and Section 16 of Public Act 91-58, nondiscrimination regarding sexual orientation, and the provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999 regarding Violence in the Workplace Prevention Policy.

CITY OF NEW LONDON
DEPARTMENT OF FINANCE
REQUEST FOR PROPOSALS
FOR
AUDITING SERVICES

LEGAL NOTICE

REQUEST FOR PROPOSALS

CITY OF NEW LONDON

DEPARTMENT OF FINANCE

REQUEST FOR PROPOSALS

FOR AUDITING SERVICES

The City of New London, Connecticut is requesting proposals from qualified independent certified 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 comprehensive annual financial statements of the City. Proposals will be received at the office of the Director of Finance until Thursday, March 16, 2017, 2:00 p.m., at which time no further proposals will be considered. Request for Proposal forms may be obtained at the office of the Director of Finance, Division of Purchasing from 8:30 a.m. until 4:00 p.m. on Mondays through Fridays. Information concerning this Request for Proposal may be obtained by contacting the Director of Finance, Donald E. Gray, Jr. at telephone 860-447-5218. The City of New London is and Equal Opportunity Employer.

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I. INTRODUCTION

A. General Information

The City of New London is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2017, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the provisions of the federal Single Audit Act Amendments of 1996, Office of Management and Budget (OMB) Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes regarding the state Single Audit Act.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

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

To be considered, the City of New London must receive three (3) copies of a proposal by 2:00 p.m., Thursday, March 16, 2017. The City of New London reserves the right to reject any or all proposals submitted. The Director of Finance will evaluate proposals submitted.

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

The City of New London 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 City of New London and the firm selected.

It is anticipated the selection of a firm will be completed by March 20, 2017. Following the notification of the selected firm it is expected a contract will be executed between both parties within 30 days of approval.

B. Terms of Engagement

A five (5) year contract is contemplated, subject to the annual review and recommendation of the Director of Finance, the satisfactory negotiation of terms (including a price acceptable to both the City of New London and the selected firm), the concurrence of the New London City Council, and the annual availability of an appropriation.

II. DESCRIPTION OF THE GOVERNMENT

A. General

The auditor's principal contact with the City of New London will be the Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the City of New London to the auditor.

A list of key personnel with the location of their principal offices (Appendix A) is attached.

B. Background Information

The City of New London serves an area of 5.4 square miles with a population of 27,536. The City of New London's fiscal year begins on July 1 and ends on June 30.

The City of New London provides the following services to its citizens:

Police	Fire Protection	Animal Control	Parking Control
Ambulance	Street Lights	Civil Preparedness	
Road Repair	Snow Removal	Refuse Removal	
Recycling	Human Services	Recreation	
Education	Waste Treatment	General Government Service	
Water	Water Pollution Control	Senior Services	

The City of New London (including education) has a total payroll of approximately \$51.3 million covering 863 employees.

The City of New London is organized into several departments and agencies. The accounting and financial reporting is centralized.

More detailed information on the government and its finances can be found in the following documents provided with this Request for Proposal:

1. Comprehensive Annual Financial Report, June 30, 2016
2. Budget Summary
3. Federal and State Financial Assistance Reports, June 30, 2016

C. Fund Structure

The City of New London uses the following fund types and account groups in its financial reporting:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number with Legally Adopted Annual Budgets</u>	<u>June 30, 2016 Expenditure Amounts (thousands)*</u>
General Fund	1	1	\$88,386
Special Revenue Funds	24	7	3,519
Capital Projects Funds	17	--	10,283
Enterprise Funds	6	3	14,029 **
Expendable Trust Funds	4	--	--
Nonexpendable Trust Funds	9	--	--
Pension Trust Funds	1	--	4,110
Agency Funds	9	--	--
General fixed assets account group	1	N/A	--
General long-term debt account group	1	N/A	--
Internal Service Funds	2	--	15,062
Debt Service Fund	1	--	9,992

- * GAAP Basis.
- ** Includes Interest Expense.

D. Budgetary Basis of Accounting

The City of New London prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Pension Plans

The City of New London participates in the following pension plans:

Plan	Single-Employer	
	Defined Benefit	Defined Contribution
Contributory	1	1
Non-contributory	1	
St. of Ct. Municipal Retirement Fd.	1	
ICMA 401 Plan		1

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

A. Statements and Schedules to be prepared by the City of New London

The staff of the City of New London will prepare or assist with the following statements and schedules for the auditor as follows:

1. Adjusted trial balance for all funds.
2. Detailed schedules of revenues and expenditures, accounts payable and receivable, and encumbrances.
3. Detail of balance sheet and subsidiary account activity.
4. Check registers for all funds.
5. Bank reconciliations for all accounts.
6. Analysis of accounts as requested.
7. Investment activity and debt schedules.
8. Fixed assets schedules.
9. Payroll records.
10. Tax collection schedules.
11. Schedule of Compensated Absences.
12. Latest Actuarial Reports.
13. Completed ED-001 and Supporting Documents.
14. Standard representation letters.
15. Combined, combining, and individual fund statements for all funds and account groups.
16. Notes to the combined financial statements.
17. CAFR statistical tables.
18. Schedule of federal and state financial assistance.

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 auditor will be required to provide its own equipment and other office materials.

IV. NATURE OF SERVICES REQUIRED

A. General

The City of New London is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2017, with the option to audit the City of New London's financial statements for each of the four (4) 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 at least three Connecticut municipalities with a population of at least 20,000.

Location:

The auditor's offices must be located within the State of Connecticut, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

Non-Discrimination:

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the City and may result in ineligibility for further City contracts. The proposer shall at all times in the proposal and contract process comply with all applicable City, state, and federal anti-discrimination laws, rules, regulations and requirements thereof.

Reports:

Each proposer shall submit one copy of at least two different Comprehensive Annual Financial Reports issued by Connecticut municipalities within the last year in which their opinion is contained. At least one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

Other:

Supervisory members of the audit team, including the "in charge" field auditor, must be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut.

C. Scope of Work to be Performed

The City of New London desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

The City of New London also desires the auditor to express an opinion on the fair presentation of its combining and individual fund and account group financial statements and schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supporting schedules contained in the comprehensive annual financial report. However, the auditor is to provide an “in-relation-to” report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the statistical section of the report.

D. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Comptroller General’s Government Auditing Standards, the provisions of the Single Audit Act Amendments of 1996, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act).

E. Reports to be Issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue, as required by generally accepted auditing standards, and Government Auditing standards, OMB Circular A-133, and the Connecticut General Statutes, including but not limited to the following:

Financial

Report of Independent Accountants

State Single Audit

Report on Schedule of State Financial Assistance

Report on Compliance and on Internal control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Report on Compliance with the Specific Requirements Applicable to Major State Financial Assistance Programs

Report on Compliance with the Specific Requirements Applicable to Non-Major State Financial Assistance Program Transactions

Report on Compliance with the General Requirements

Report on Internal Control over Compliance

Federal Single Audit

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The auditor shall communicate in a letter to management 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 organizations' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Auditors shall assure themselves that the City of New London's City Council is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

F. Special Considerations

1. The City of New London will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the City of New London to meet the requirements of that program.
2. 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 comprehensive annual financial report.

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expenses, for a minimum of three (3) years, unless the firm is notified in writing by the City of New London of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the City of New London.

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.

H. Other Audit Services

Periodically the City is required to have separate audits performed. The Auditor will be expected to perform these audits and any other audit services requested by the City outside of the standard audit at the hourly rate stated in Appendix D.

I. 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	February 16, 2017
Due date for proposals	March 16, 2017
Appointment by New London City Council	March 20, 2017
Contract date	within 30 days of appointment

B. Date Audit May Commence

The City of New London will have records ready for audit and all management personnel available to meet with the firm's personnel no later than September 22, 2017.

C. Schedule for the Annual Audit

Entrance conference with Finance Officer to commence year-end audit work	May 16, 2017
Preliminary field work begins	June 5, 2017
Final audit work begins	September 22, 2017
Exit conference to review draft and significant findings	October 27, 2017
Draft comments returned by Auditors by	November 10, 2017

D. Report Submissions

Copies of all reports shall be addressed to the Director 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 to others as the City may require.

The submission dates for the various reports are:

Annual Audit of all City Funds	November 30, 2017
Single Audit Report to Federal/State Cognizant Agencies	December 15, 2017
ED001 Certification	December 15, 2017

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the City and to secure all necessary approvals in a timely manner. The auditor shall promptly notify the City'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.

The final report and 25 signed copies along with an electronic copy should be delivered to Donald E. Gray, Jr., Director of Finance, City of New London, 13 Masonic Street, New London, CT 06320.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Donald E. Gray, Jr., CGFM
Director of Finance
13 Masonic Street
New London, CT 06320
860-447-5218

2. Submission of Proposals

The following material is required by March 16, 2017 for a proposing firm to be considered:

a. A master copy of a Technical Proposal and two (2) copies to include the following:

i. Title Page

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

- ii. Table of Contents
- iii. Transmittal Letter

A signed letter of transmittal briefly stating the 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.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

v. Guarantees and Warranties

vi. Insurance

The proposer shall include a copy of its current certificate of insurance indicating coverage as required by Appendix C.

Executed copies of Proposer Guarantees and Proposer Warranties attached to this request for proposals (Appendix B).

- b. The proposer shall submit an original and two (2) copies of a dollar cost bid attached to this request for proposals (Appendix D).
- c. Proposers should send the completed proposal consisting of the two (2) separate envelopes to the following address:

Alicia Smith
Purchasing Agent
13 Masonic Street
New London, CT 06320

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 City of New London 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 that 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, items Nos. 2 through 9, must be included. They represent the criteria against which the proposal will be evaluated.

2. *Independence*

The firm should provide an affirmative statement that it is independent of the City of New London as defined by generally accepted accounting standards and the U.S. Comptroller's General Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the City of New London 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 City of New London written notice of any professional relationships entered into during the period of this agreement.

3. *License to Practice in Connecticut*

An affirmative statement should be included indicating that the firm and all assigned key professional staff 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 information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. 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 provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

The proposer should identify the extent to which staff to be assigned to the audit reflect the City of New London's commitment of Affirmative Action.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the City of New London. However, in either case, the City of New London 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 City of New London, 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 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 five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. *Audit Approach*

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this request for proposals. In developing the work plan, reference should be made to such sources of information as the City of New London's budget and related materials, manuals and programs, and financial and other management information systems.

8. *Identification of Anticipated Potential Audit Problems*

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

9. *Report Format*

The proposal should include sample formats for required reports.

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 City of New London 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 City of New London 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 City of New London and the firm. Any such additional work agreed to between the City of New London 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.

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. Director of Finance

The Director of Finance will evaluate proposals submitted.

B. Evaluation Criteria

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

1. *Mandatory Elements*

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the City of New London.
- d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.
- e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.
- f. Evidence of required insurance coverage as described in Appendix C.

2. *Technical Qualifications*

a. Expertise and Experience

1. The firm's past experience and performance on comparable government engagements.
2. 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.
3. Experience with the preparation of federal and state financial assistance and related reports.
4. Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.

b. Audit Approach

1. Service Delivery Plan: Describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be insured through entrance conferences, progress reporting, and exit conferences.

3. *Price*

Cost will be a factor in the selection of an audit firm; however it will not be the only factor.

C. Oral Presentations

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

D. Final Selection

The City Council of the City of New London will approve a firm based upon the recommendations of the Director of Finance.

It is anticipated that a firm will be selected by March 20, 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 City of New London and the firm selected.

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

APPENDIX A

LIST OF KEY PERSONNEL, OFFICE LOCATIONS AND TELEPHONE NUMBERS

Name and Title	Location of Office	Telephone
Michael Passero, City Mayor	181 State Street, New London	860-447-5201
Steven Fields, Chief Administrative Officer	181 State Street, New London	860-447-5210
Donald Gray, Jr., Director of Finance	13 Masonic Street, New London	860-447-5218
Donna Rinehart, Treasurer Chief Accountant	13 Masonic Street, New London	860-447-5209
Dedra Aker, Senior Accountant	13 Masonic Street, New London	860-447-5214
Alicia Smith, Purchasing Agent	13 Masonic Street, New London	860-447-5215
Maureen Farrell, Tax Collector	15 Masonic Street, New London	860-447-5208
Paige Walton, Assessor	15 Masonic Street, New London	860-437-6317
Hope Mathis, Payroll Administrator	13 Masonic Street, New London	860-437-6316
Tammy Daugherty, Director of Development & Planning	181 State Street, New London	860-447-5203
Jonathan Ayala, City Clerk	181 State Street, New London	860-447-5205
Jeanne Milstein, Director of Human Svs	15 Masonic Street, New London	860-447-5284
Brian Sear, Director of Public Works	111 Union Street, New London	860-447-5250
Joseph Lanzafame, Public Utilities Administrator	120 Broad Street, New London	860-447-5222
Tommie Major, Director of Recreation	112 Broad Street, New London	860-447-5230
Jeff Londregan, Director of Law	38 Huntington Street, New London	860-447-3171
Paul Gills, Risk Manager	13 Masonic Street, New London	860-437-6363
Rob Funk, Exec Director of Finance Board of Education	134 Williams Street, New London	860-447-6000
David Sugrue, Ocean Beach Mananger	Ocean Beach, New London	860-447-3031
Henry Kydd, Fire Chief	289 Bank Street, New London	860-447-5291
Margaret Ackley, Police Chief	5 Gov Winthrop Blvd, New London	860-447-5261

APPENDIX B

PROPOSER GUARANTEES AND PROPOSER WARRANTIES

Proposer Guarantees

1. 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 City of New London.
4. Proposer warrants 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 hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposals.

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

\$100,000 each accident
\$500,000 disease/policy limit
\$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
\$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 City 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 City. At the option of the City, the insurer shall increase or eliminate the aggregate limit and notify the City of any erosion of aggregate limits.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and be approved by the City. At the option of the City, wither the insurer shall reduce or eliminate such deductibles or self-insured retentions as regards the City 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 City be responsible for the payment of deductibles or self-insured retentions.

D. Notice of Cancellation or Non-renewal

Each insurance policy required by the 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 City.

E. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions;

1. Liability, (General, Automobile, Professional) Coverages;

- a. **“The City 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 City.
- b. The Auditor’s insurance coverage shall be the primary insurance as regards the City. Any insurance or self-insurance maintained by the City 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 City.
- 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 City for losses arising from the work performed by the Auditor for the City.
- b. If State statute does not require the Auditor to obtain Workers' Compensation insurance, then the Auditor shall furnish the City with adequate proof of the self-employment status/The Auditor agrees to waive all rights of claims against the City 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 City 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 licenses to do business in the State of Connecticut or be deemed to be acceptable by the City's Director of Finance.

G. Verification of Coverage

The Auditor shall furnish the City 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 Finance Director before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The City reserves the rights 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.

Signed: _____

Auditor: _____

Date _____

City _____

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 at this location: _____

Number of Municipal audit staff to be assigned to City: _____

Connecticut Municipal audit clients (FY 98 engagements for municipalities with populations of 20,000 or more):

FIXED FEES

City:

Year 1

-Financial	\$ _____
-Single Audit (Federal)	_____
-Single Audit (State)	_____

CITY OF NEW LONDON SUBTOTAL	\$ _____
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Board of Education:

-Financial	\$ _____
-Single Audit (Federal)	_____
-Single Audit (State)	_____
-ED 001, etc.	_____
-Cafeteria	_____

BOARD OF EDUCATION SUBTOTAL	\$ _____
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COMBINED TOTAL:	\$ _____
------------------------	-----------------

Total hours included in Combined Total Fees:

	<u>Estimated Hours</u>	<u>Rate</u>	<u>Fee</u>
Partner	_____	_____	_____
Manager	_____	_____	_____
Staff	_____	_____	_____

Rate for hours in excess of those above or for services outside the specified scope, \$_____ per hour.

Submitted By _____ Date _____

Signature _____ Title _____

Telephone _____ Fax _____

APPENDIX E

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

[Chief Financial Officer]
[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 solely by the Audit Committee.

We have attached the following:

1. Audited CAFR reports for two (2) clients as outlined in Section VI, B.
2. Statements per Section VI, B.
3. Appendix B: Proposer Guarantees and Warranties
4. Appendix C: 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 City.

Submitted by: _____

Date _____

Signature: _____

Title _____

Telephone _____

Fax _____