

**TOWN OF NORTH PROVIDENCE
REQUEST FOR PROPOSALS**

I. INTRODUCTION

A. General Information

The Town of North Providence is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2009, with the option of auditing its financial statements for each of the 2 subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, established by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations* as well as the following additional requirements:

The minimum standards as required by the Office of the Auditor General of the State of Rhode Island and the Department of Education of the State of Rhode Island.

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

To be considered, three copies of a proposal must be received by the Office of Town Clerks at 2000 Smith Street, North Providence, RI 02911 by 4:00 PM on April 21, 2009. The Town of North Providence reserves the right to reject any or all proposals submitted.

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

The Town of North Providence 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 North Providence and the firm selected.

It is anticipated that the selection of a firm will be completed by May 5, 2009. Following the notification of the selected firm it is expected a contract will be executed between both parties by May 29, 2009.

B. Term of Engagement

A three-year contract is contemplated, subject to the annual review and recommendation of the Finance Director with the concurrence of the North Providence Town Council.

II. NATURE OF SERVICES REQUIRED

A. General

The Town of North Providence is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2009 with the option to audit the Town of North Providence's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be performed

The Town of North Providence desires the auditor to express an opinion on the fair presentation of its basic financial statements, which will include government-wide financial statements, fund financial statements, and notes to the financial statements in conformity with generally accepted accounting principles.

It should be noted that as of June 30, 2008 the Town of North Providence has implemented all requirements of GASB 34.

The Town of North Providence also desires the auditor to express an opinion on the fair presentation of its combining and individual fund statements in conformity with generally accepted accounting principles. The auditor is not required to audit the required supplementary information and 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 basic financial statements.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information, including but not limited to the Management's Discussion and Analysis section, budget versus actual comparisons – budgetary basis, and schedule of funding progress of pension plans, as required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the supplementary schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

C. 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
4. Completion of Form SF-SAC, "Data Collection Form for Reporting on Audits of State, Local Governments and Non-Profit Organizations" to be submitted in accordance with the new 2008-2010 method of submission for Form SF-SAC and Single Audit reporting packages (per OMB public Notice), to the Federal Audit Clearinghouse Internet Data Entry System.
5. Other reports that may be requested by the Director of Revenue and/or Auditor General or as required by the applicable section of the general laws.
6. Required SAS 114 correspondence to the Town Council and School Committee.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

Significant deficiencies that are also material weaknesses shall be identified as such in the report.

Other matters, for example, control deficiencies that are not significant deficiencies or material weaknesses discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

The management letter should include comments, and/or recommendations beyond those included in the reports described above, on such matters as:

1. Policies, procedures and practices employed by the municipality and by the School Department.
2. Immaterial weaknesses in the internal controls that are not “significant deficiencies.”
3. Use of resources to provide a governmental service in a reasonable, judicious, economical, and efficient manner.
4. Compliance with state laws pertaining to the municipality and with rules and regulations established by the municipality.

Upon completion of the audit the management letter will be submitted by the auditor to the Finance Director of the Town of North Providence. The Town’s Finance Director will submit copies to the Auditor General, the Director of Revenue, and members of the Town Council and School Committee members.

Fraud and illegal acts. Auditors shall be required to make an immediate, written report of all fraud and illegal acts of which they become aware to the following parties:

- 1) Town Council
- 2) Mayor’s Chief of Staff
- 3) Director of Administration
- 4) Superintendent of Schools (if applicable to School Department)
- 5) School Committee (if applicable to School Department)

E. Special Considerations

Outlined below are certain additional requirements, which the Town requires. The cost of providing these services should be included in the all-inclusive maximum price.

1. Draft copies of all audit reports and management letters shall be submitted to the Finance Director of the Town and the School Finance Director prior to the exit conference so that there will be adequate time for review.
2. The supplementary schedule of expenditures of federal awards and related auditor's report, as well as the reports on internal control and compliance, are to be issued as part of the comprehensive annual financial report.
3. Difficulties may be encountered in implementing and complying with specific reporting requirements mandated by the GASB. The auditor will be responsible to work with the Finance Director to ensure proper implementation and compliance with any new pronouncements effective during the contract.

F. Potential Additional Work - School Department Uniform Chart of Account

The North Providence School Department is one of the school districts which have elected to be part of the pilot program for implementing the new Uniform Chart of Accounts for the fiscal year ending June 30, 2009. The Uniform Chart of accounts is promulgated by the Auditor General

and Commissioner of Education in accordance with Rhode Island General Law 16-2-9.4. Implementation and use of the Uniform Chart of Accounts will require additional testing and reporting commencing with the fiscal year ending June 30, 2009. To help ensure compliance with the requirements of the Uniform Chart of Accounts (UCOA) and Rhode Island School Accounting Manual (RISAM), the Auditor General requires Districts and Charter Schools have their audit firms perform special procedures and issue a special report regarding compliance for each audit period. Refer to section XIII, Audit Requirements, of the RISAM for further guidance on the scope of work and objectives.

1. Any amendments to the contract for additional work will be negotiated in good faith. Provided, however, in the event that the parties cannot mutually agree on additional work to be performed and the cost for said work, then the Town, at its option may rescind the option period. All potential additional work outside of the scope of the contract will be discussed in advance of work being completed. Any such amendments must have a written estimate to include the number of hours and dollar amounts required to complete the task to be submitted to the School Finance Director and the Town's Finance Director.
2. Any such additional work agreed to between the Town of North Providence and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid (See Page 15, Section 4. Rates for Additional Professional Services).

G. Audit Documentation Retention and Access to Audit Documentation

All audit documentation and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Town of North Providence of the need to extend the retention period. The auditors will be required to make copies of all audit documentation requested by the Finance Director and the School Finance Director.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review audit documentation relating to matters of continuing accounting significance.

It is understood that the contract between the Town of North Providence, Rhode Island and the audit firm shall require the auditor or the audit firm to release any and all information obtained in the course of the engagement to the Rhode Island State Auditor General (or his designee). This information includes but is not limited to financial data, analysis, audit documentation, and memorandums. Audit documentation of the independent auditors shall be made available to the Auditor General (or his designee) upon request. The request for such information by the Auditor General shall be responded to promptly. Failure to provide this information shall constitute a breach of contract, and the contract shall give the Auditor General standing in a court of competent jurisdiction to enforce this provision.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact People

Maria G. Vallee	Acting Finance Director	232-0900	Finance Department
Rocco Gesualdi	Director of Administration	232-0900	Mayor's Office
G. Richard Fossa	Chief of Staff	232-0900	Mayor's Office
Donna M. Ottaviano	Superintendent of Schools	233-1100	School Department
Linda J. Celona	School Finance Director	233-1100	School Department

B. Background Information

The Town of North Providence is one of 39 municipalities in the State of Rhode Island. Established in 1636 and incorporated as a Town in 1765, North Providence has approximately 33,000-34,000 residents making it the 8th most populated community in Rhode Island. Centrally located in the northwestern corner of the Providence metropolitan area, North Providence offers its residents and surrounding communities, many attractions of living close to a large city, yet maintains a small town atmosphere with suburban flair. North Providence offers numerous services, outstanding parks, recreational facilities and commodities to suit everyone's needs.

The general ledger accounting and financial reporting functions of the Town of North Providence, with the exception of the School department, are centralized within the Finance department. However, as part of the audit the auditors will be required to complete testing of the procedures and records maintained by the building officials department and the grants maintained by police personnel. These records will be maintained outside of the Town Hall at the applicable department.

C. Fund Structure

The Town of North Providence used the following fund types and account groups in its financial reporting for the fiscal year ending June 30, 2008:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General (Major Fund)	1	1
Special Revenue (1 Major Fund)	49	1
Debt Service	0	0
Capital Project (1 Major Fund)	3	0
Permanent	0	0
Enterprise	1	0
Internal service	0	0
Pension Trust	1	0
Investment Trust	0	0
Private-purpose Trust	0	0
Agency	38	0

D. Budgetary Basis of Accounting.

The Town of North Providence prepares its budgets on a basis consistent with generally accepted accounting principles with two exceptions. Major encumbrances at year-end are considered to be

expenditures for budgetary purposes but not for GAAP purposes. In addition, use of fund balance designated for operations is recognized as revenue on a budgetary basis.

E. Computer Systems

Effective July 1, 2008 the Town, including the School Department, implemented the MUNIS general ledger accounting system for reporting all financial activity. Prior to this date the Town utilized the Govern system for reporting the financial activity of the Town's General Fund.

F. Availability of Prior Year Audit Reports and Documentation

Interested proposers who wish to review prior years' audit reports and management letters should contact Maria G. Vallee at 2000 Smith Street, North Providence, RI 02911, or by calling (401) 232-0900. The Town of North Providence will use its best efforts to make prior year audit reports and supporting audit documentation available to proposers to aid their response to this request for proposals.

IV. 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 proposals issued	April 1, 2009
Due date for proposals	April 21, 2009 by 4:00PM
B. Notification and Contract Dates	
Sealed proposals will be opened	April 22, 2009 at 5:00PM
Selected firm notified	May 5, 2009
Contract date	May 29, 2009

C. Date Audit May Commence

The Town of North Providence will have all records ready for audit and available by October 5, 2009.

D. Schedule for the 2009 Fiscal Year Audit (A similar schedule will be developed for audits of future fiscal years if the Town of North Providence exercises its option for additional audits.)

Each of the following shall be completed by the auditor no later than the dates indicated.

1. Interim Work

The auditor shall complete all interim work by July 24, 2009.

2. Detailed Audit Plan

The auditor shall provide the Town of North Providence (including the School Department) by June 12, 2009, both a detailed audit plan and a list of all schedules to be prepared by the Town of North Providence and School Department.

3. Fieldwork

The auditor shall complete all fieldwork by November 25, 2009.

4. Draft Reports

The auditor shall have drafts of the audit report(s) and recommendations to management available for review by the Town's Finance Director and School's Finance Director by December 11, 2009.

E. Date Final Report is due

The Town's Finance Director in conjunction with the School's Finance Director shall prepare final trial balances, and all required supplementary schedules by September 21, 2009 which will enable the auditors to commence the audit on October 5, 2009. A draft auditor's report shall be delivered to the Finance Director by December 11, 2009.

The Finance Director will complete her review of the draft report as expeditiously as possible. It is not expected that this process should not exceed one week. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports with Town and/or School personnel. Once all issues for discussion are resolved, the final signed report shall be delivered to the Finance Director by the December 31, 2009 filing deadline required by the General Laws of the State of Rhode Island.

The final report, 30 signed copies, and an electronic version of the full report in pdf format suitable for posting on the Town's website and for the Town of North Providence's submission to the Auditor General and the state Director of Revenue should be delivered to Maria G. Vallee, Acting Finance Director at 2000 Smith Street, North Providence, RI 02911.

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

A. Finance Department and Clerical Assistance

The Finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The

preparation of confirmations will be the responsibility of the Town of North Providence if requested by the auditor.

B. Electronic Data Processing (EDP) Assistance

The data processing personnel will be available to provide systems documentation and explanations.

C. Schedules to be Prepared by the Staff of the Town of North Providence including School Department personnel:

The staff of the Town of North Providence Finance Department will prepare the statements and schedules for the auditor.

D. Work Area, Telephones and Photocopying

The Town of North Providence will provide the auditor with reasonable workspace, desks and chairs. The auditor will also be provided with access to telephone lines and photocopying facilities. All long distance telephone calls not associated with the North Providence audit are to be reimbursed by the audit firm to the Town. A telephone log sheet shall be maintained by the auditor and be given to the Finance Director at the end of each month.

E. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. The Management Discussion and Analysis (MD&A) section of the report may require that some pages are printed in color. The auditor must include the cost of processing these pages and the entire statement in their all inclusive cost proposal.

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:

Maria G. Vallee
Acting Finance Director
2000 Smith Street
North Providence, RI 02911
(401) 232-0900

2. Submission of Proposals

The following material is required to be received by 4:00 PM April 21, 2009 for a proposing firm to be considered:

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

i. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and 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 a three year period.

iv. Detailed Proposal

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

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

b. The proposer shall submit an original and 2 copies of a dollar cost bid (Appendix C) in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL
FOR
TOWN OF NORTH PROVIDENCE
FOR
PROFESSIONAL AUDITING SERVICES
MARCH 27, 2009

c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

TOWN CLERKS OFFICE
TOWN OF NORTH PROVIDENCE
2000 SMITH STREET
NORTH PROVIDENCE, RI 02911

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town of North Providence 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 proposals requirement.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid.) 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 data 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 under the requirements of the American Institute of Certified Public Accountants including those in Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics and *Government Auditing Standards*.

The firm should also list and describe the firm's professional relationships involving the Town of North Providence or any of its agencies or component units for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

3. License to Practice in Rhode Island

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Rhode Island.

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 professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Representation that the private auditor has an appropriate internal quality control system in place and has participated in an external quality control review program as required by *Government Auditing Standards is required*. The firm is also required to submit a copy of the report on its most recent external quality control review report, including the letter of comments and recommendations, as required by *Government Auditing Standards*, with a statement whether that quality control review included a review of specific government engagements. If no letter of

comment was issued, the firm is required to include a letter certifying that there was no letter of comments and recommendations issued as part of the most recent external review. The firm will provide the Auditor General with a copy of its most recent external quality control review report including letter of comment.

Representation that the private auditor is familiar with generally accepted accounting principles for state and local government units and with the generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants; *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act of 1984 as amended in July 1996 and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and will conduct the audit and will report in accordance with those standards.

The firm shall also provide information on the results of any 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 or its partners with state regulatory bodies or professional organizations.

The firm must provide information regarding any lawsuits or claims against the firm, pending or resolved.

An affirmative statement should be included indicating that the firm meets the continuing educational requirements of *Government Auditing Standards*.

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 Rhode Island. The senior accountant in charge of the fieldwork shall be a certified public accountant. The firm also should provide information on the government auditing experience of each person, including information on meeting continuing professional education requirements of *Government Auditing Standards* 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 will 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 the Town of North Providence. However, in either case, the Town of North Providence 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 North Providence, 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. However, the Town of North Providence retains the right to approve or reject replacements.

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 proposal. 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. Specific 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 II of this request for proposals.

Proposes 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 and expected completion date of the audit.
- c. Sample sizes and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the Town of North Providence's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of test compliance

7. Schedule of services to be provided by the auditor which are included in the all inclusive fee quoted in the sealed cost proposal. This listing must include all services to be provided including (but not limited to) the following:
 - The auditor is responsible for drafting the comprehensive annual financial report and providing the drafts for approval and review to qualified personnel as designated by the Town.
 - The auditor will complete the applicable GASB 34 conversion entries and all applicable allocations required to comply with presentation of the Government-Wide financial statements. These entries and allocations will be provided to the Town's Finance Director for approval.
 - The auditor will provide assistance to the Town's Finance Director in compiling the information required to properly present the Town's Police Pension Trust Fund.

9. 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 North Providence.

10. Report Format

The proposal must include a sample CAFR for a Rhode Island municipal audit conducted by the Auditor within the last two fiscal years. This report must be printed and bound so that it can be reviewed by the Town's Finance Director and members of the Town Council.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The sealed 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 North Providence will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm,

empowered to submit the bid and authorized to sign a contract with the Town of North Providence.

c. A Total All-inclusive Maximum Price for the 2009 engagement.

2. Rates by Partner, Manager, Senior and Staff Level Times Hours Anticipated for Each

The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix C) that supports the total all-inclusive maximum price.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for the Town of North Providence to request the auditor to render any additional services to either supplement the 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 North Providence and the firm. Any such additional work agreed to between the Town of North Providence and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid. Firms may quote different prices for certain times of the year. In accordance with Government Auditing Standards, the firm providing non-audit services must evaluate whether providing the services creates an independence impairment either in fact or appearance with respect to the audit of the Town. The firm should refer to Government Auditing Standards Chapter 3, paragraph 3.20-3.30, for additional guidance.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred 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. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Rhode Island.
- 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 Town of North Providence.
- 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 instruction in this request for proposals on preparing and submitting the proposal. This includes submitting a copy of a CAFR for a Rhode Island City or Town which the auditor has completed within the past two fiscal years.
- f. The firm's capacity to meet required deadlines (e.g. staffing levels and other government engagements with similar due dates).
- g. The firm's track record for meeting contractual deadlines for completion of audits.

2. Technical Qualifications:

- a. General Qualifications and Experience
- b. Governmental Expertise and Experience
 1. The firm's past experience and performance on comparable government engagements including the issuance of a comprehensive annual financial report.
 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.
- c. Audit Approach
 1. Adequacy of proposed staffing plan for various segments of the engagement.
 2. Adequacy of sampling techniques.
 3. Adequacy of analytical procedures.

3. Price

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM.

A. Oral Presentations

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

B. Final Selection

The Town Council will select a firm based upon the recommendation of the Town's Finance Director.

It is anticipated that a firm will be selected by May 5, 2009. Following notification of the firm selected, it is expected a contract will be executed between both parties by May 29, 2009.

C. 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 North Providence and the firm selected.

The Town of North Providence reserves the right without prejudice to reject any or all proposals.

**APPENDIX A
TOWN OF NORTH PROVIDENCE, RHODE ISLAND**

PROPOSER GUARANTEES

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

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

APPENDIX B
TOWN OF NORTH PROVIDENCE, RHODE ISLAND

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to comply with State of Rhode Island laws with respect to foreign (non-state of Rhode Island) corporations.
- B. Proposer warrants that it will maintain in full force at all times professional liability to include errors and omissions in the minimum amount of \$1 million per occurrence and supply evidence of the same to the Town, listing the Town as additional insured. In addition, the proposer shall also supply evidence of Workers Compensation insurance at the State of RI minimum required levels.
- C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express written permission of the Town of North Providence.
- D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate. Proposer further understands that any representations made with the submission will be relied upon and if proven to be false will be grounds for termination of the contract, if awarded. False representations will also be grounds for forfeiture of all payments under the contract. This will not limit the municipality from seeking any other legal or equitable remedies.
- E. Proposer warrants that there are no client conflicts that would inhibit the ability to perform the audit in accordance with professional standards.
- F. Proposer warrants that it is independent under the requirements of the American Institute of Certified Public Accountants including those in Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics and Government Auditing Standards.

Signature of Official:_____

Name (typed):_____

Title:_____

Firm:_____

Date:_____

APPENDIX C

TOWN OF NORTH PROVIDENCE, RHODE ISLAND

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
FOR THE AUDIT OF THE 2009 FINANCIAL STATEMENTS**

	Town Hours	School Hours	A-133 Hours	Total Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners							
Managers							
Senior							
Staff							
Other (specify):							
Subtotal							
Out of Pocket Expenses							

Total all-inclusive maximum price for 2009 audit \$ _____

Town \$ _____

School \$ _____

Total all-inclusive maximum price for 2010 audit \$ _____

Town \$ _____

School \$ _____

Total all-inclusive maximum price for 2011 audit \$ _____

Town \$ _____

School \$ _____

Note: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price.

Changes made to this document on April 14, 2009

Page One – fourth paragraph down --- April 21, 2009 by 4:00pm instead of April 20th

Page seven – middle of page....proposal calendar

Due date for proposals---- April 21, 2009 by 4:00pm instead of April 20th

Sealed proposals will be opened -- April 22, 2009 at 5:00pm

Page Nine -- bottom of page—right hand corner 4:00 PM on April 21, 2009