



THE CITY OF GROTON
CONNECTICUT
295 MERIDIAN ST
06340-4000
860-446-4110

**CITY OF GROTON
REQUEST FOR PROPOSALS
AUDITING SERVICES
295 MERIDIAN STREET
GROTON, CT
April 24, 2020
BID PROPOSAL 04-05-20**

The City of Groton will receive sealed proposals at the Office of the Purchasing Agent, 295 Meridian Street, Groton, Connecticut 06340, until 11:00 A.M. on April 24, 2020. Due to the current pandemic the bids will not be publicly opened.

The sealed proposals are for Auditing Services for the City of Groton and Bozrah Light and Power Company.

April 8, 2020 at Groton, Connecticut.

CITY OF GROTON

Ronald Yuhas
Director of Finance
446-4114

**CITY OF GROTON
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1. Introduction

The City of Groton, Connecticut (the City) is soliciting proposals for purpose of obtaining the services of a qualified auditing firm to provide professional financial auditing services to the City of Groton. The services will include an examination of the financial statements of the City of Groton and all of it's departments and companies for the year ended June 30, 2020 for the purpose of expressing an opinion on such financial statements. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*, the provisions of the Federal Single Audit Act and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments* and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act.

The City of Groton, Connecticut lies entirely within the Town of Groton and covers an area of 3.06 square miles. The City operates under a Mayor-Council form of government as prescribed by its charter. The City provides the following services as authorized by its charter: utilities, public safety, public works, sanitation services and recreation.

The City maintains, one General Fund, four Special Revenue Funds, one Capital Project Fund, three Enterprise Funds, two Internal Service Funds, two Trust Funds and one permanent fund. The City also has a component unit, Bozrah Light and Power (a non-taxable entity). For more information on the City please visit www.cityofgroton.com.

The City's last ten audits were conducted by RSM US, LLP, Certified Public Accountants. The work papers of the previous audits are the property of the previous auditor and may be reviewed by the successful proposer.

2. SCOPE OF SERVICES:

The auditing firm shall provide the following tasks for :

1. Examine the financial statements and records of all City departments and its company, Bozrah Light & Power (a non-taxable entity)
2. Assistance in preparation of a CAFR for the City.
3. Assistance in the preparation of Bozrah Light and Power stand alone financial statements.
4. Assistance in implementation of each of the Governmental Accounting Standards Board statements as applicable.
5. Preparation of the State and Federal Single Audit Reports.
6. Preparation of a Management Letter which will include findings, statements, observations, opinions, comments, or recommendations with regards to:
 1. Systems of internal control.
 2. Accounting systems, functions, procedures, and processes aimed at automation.
 3. Compliance with laws, rules, and regulations.
7. Provide professional financial counseling, analysis and review recommendations for improvements, personnel and general financial advisory services.
8. Audit to start with the fiscal year July 1, 2019 to June 30, 2020.
9. Audit must be completed, including all reports, by December 31st provided all City data is available by November 1st. The audit of the electric and water funds and Bozrah Light and Power stand alone financial statements, must be completed by September 15th.
10. Audits will include the printing and binding of reports on paper approved by the City.
11. The auditing firm should also be available to perform related other services as requested by the City.

3. PROPOSAL CONTENT:

The proposal itself shall be organized in the following format and information sequence:

- A. Business Organization: State full name and address of your organization, including names of lead professional personnel, titles and departments to be assigned to the City of Groton account.
 - 1. Provide a brief description of your firm, including qualifications, experience.
 - 2. Include a resume and list of engagements of those individuals who will act in a senior capacity for the City. Provide an organization chart.
 - 3. Each proposer shall submit one copy of at least two Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. Preferably one of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.
 - 4. Provide a list of municipalities with which your firm has served as auditors within the last two years. Provide a list of references including names, addresses, phone numbers, contact persons and their relationship to the projects.
 - 5. Include any topics not covered in the Request for Proposal which you wish to disclose to the City which further describe your firm's level of qualifications as auditors.

4. SELECTION CRITERIA:

The proposer must state the prices for which he proposes to do each item of the work contemplated. In case of a discrepancy where both the words and the numerals are requested, the words shall govern. Ditto marks are not considered writing or printing and shall not be used. The Proposer shall sign his Proposal correctly. If the Proposal is made by an individual, his name, full address and telephone number must be shown. If made by a firm, partnership, or corporation, the Proposal must be signed by an official of the firm, partnership, or corporation authorized to sign contracts, and must show the full address and telephone number of the firm, partnership, or corporation. Failure to do so may disqualify the bid.

Each proposal must be submitted in a sealed envelope bearing on the outside the name of the firm, full address, name of the project for which the proposal is submitted and date and time proposal due. If forward by mail, the sealed envelope containing the proposal must be

enclosed in another envelope addressed to: **City of Groton, Purchasing Agent, 295 Meridian Street, Groton, Conn. 06340, Attn.: Proposal for Auditing Services enclosed, April 24, 2020.**

No responsibility will be attached to any City Representative or employee for the premature opening of a proposal not properly addressed and identified.

All information shall be entered in ink or typewritten. Mistakes may be crossed out and corrections inserted before submission of your proposal. Corrections must be initialed in ink by the person signing the proposal or they will not be accepted.

Correction and/or modifications received after the closing time specified will not be accepted.

All proposals and literature shall be submitted **IN DUPLICATE** on the proposal form which is a part of these specifications.

A response must be provided for each item. Failure to address any of the requirements will subject the response to rejection and/or misrepresentation.

Inability to meet any specified requirement must be so stated. All standard descriptive information pages and brochures are to be submitted as attachments to this RFP.

5. EQUAL OPPORTUNITY - AFFIRMATIVE ACTION:

The successful contractor shall comply in all aspects with the Equal Employment Opportunity Act. Each contractor with more than fifteen (15) or more employees shall be required to have an Affirmative Action Plan which declares that the contractor does not discriminate on the basis of race, color, religion, sex, national origin or age, and which specifies goals and target dates to assure the implementation of equal employment. Each contractor with fewer than fifteen (15) employees shall be required to have a written equal opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin or age. Findings of non-compliance with applicable State and Federal equal opportunity laws and regulations could be sufficient reason for revocation or cancellation of this contract.

6. Award:

The City of Groton reserves the right to accept or reject any proposal to best serve its interests, and to hold the proposals for ninety (90) days before rendering a decision.

Acceptance of any firm's response does not place the City of Groton under any obligation to accept the lowest priced response.

7. CONTRACT PERIOD:

The agreement for auditing services shall become effective immediately upon execution of an agreement by all parties and shall remain in effect to December 31, 2023 with the option at the City's discretion for two one year extensions.

8. COMPENSATION:

The Auditing firm shall agree to provide an itemized billing based on the agreed upon fee schedule. (Attachment A)

9. Termination:

Following implementation, should the Director of Finance find that the firm has failed in any material respect to perform its agreed upon obligation under the agreement, the agreement shall be canceled by the City as being in the best interest of the City of Groton. In the event of termination of this agreement as a result of breach by contractor hereunder, the City shall not be liable for any fees and may at its sole option, award an agreement for the same services to another qualified firm with the best proposal or call for new proposals and award the agreement thereunder. The contractor shall be responsible for direct and consequential damages as a result of its breach, including but not limit to, extra costs required under the new agreement of similar services.

10. INDEMNIFICATION:

To the fullest extent permitted by law, the Provider, its subcontractor, agents, servants, officers or employees shall indemnify and hold harmless the City of Groton including but not limited to, their respective elected and appointed officials, officers, employees and agents, from any and all claims brought by any person or entity whatsoever, arising from any act, error, or omission of the provider during the Provider's performance of the Agreement or any other agreements of the Provider entered into by reason thereof. The Provider shall indemnify and defend the City of Groton, including but not limited to their respective elected and appointed officials, officers, employees and agents, with respect to any claim arising, or alleged to have arisen from negligence, and/or willful, wanton or reckless acts or omissions of the Provider, its subcontractor, agents, servants, officers or employees and any and all losses or liabilities resulting from any such claims, including but not limited to, damage awards, costs and reasonable attorney's fees. This indemnification shall expressly apply to any failure to comply with state, federal and/or municipal laws, statutes, ordinances, rules and regulations. This indemnification shall not be affected by any other portions of the Agreement relating to insurance requirements. The Provider agrees that it will procure and keep in force at all time at its own expense insurance in accordance with these specifications.

11. INSURANCE:

The bidder shall, at its own expense and cost, obtain and keep in force during the entire duration of the Project or Work the following insurance coverage covering the bidder and all of its agents, employees and sub-contractors and other providers of services and shall name the City of Groton, its employees and agents as an Additional Insured on a primary and non-contributory basis to the bidders Commercial General Liability and Automobile Liability policies. These requirements shall be clearly stated in the remarks section on the bidders Certificate of Insurance. Insurers must have an A.M. best rating of A-VII or better and admitted to conduct business in the State of Connecticut

- A. Workers Compensation - limits as required per State of Connecticut statute
- B. Commercial General Liability
 - \$1,000,000 per occurrence
 - \$2,000,000 general aggregate
 - \$1,000,000 personal/advertising injury
 - \$2,000,000 products/completed operations aggregate
- C. Commercial Automobile
 - \$1,000,000 combined single accident for owned, non-owned, and hired autos
- D. Excess/Umbrella Liability (over commercial general liability and automobile liability coverage)
 - \$1,000,000 per occurrence
 - \$2,000,000 general aggregate
- E. Professional Liability - \$10,000,000 per claim/annual aggregate. Coverage shall be maintained for the duration of the contract and for two (2) years following completion.

12. OTHER INSURANCE PROVISION:

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

- A. Workers' Compensation and Employers' Liability Coverage:
 - 1. The insurer shall agree to waive all rights of subrogation against the City of Groton for losses arising from the work performed by the contractor for the City.
 - 2. If State statute does not require the contractor to obtain Worker's Compensation insurance, than the contractor shall furnish the City with adequate proof of the self-employment status. The contractor shall agree to waive all rights of claims against the City for losses arising from the work performed by the contractor for the City. In the event that during the contract period this self-employment status

should change, the contractor shall immediately furnish proper notice to the City and a certificate of insurance indicating that Worker's Compensation insurance and Employer's Liability coverage has been obtained by the contractor.

13. VERIFICATION OF COVERAGE:

The contractor shall furnish with its proposal 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 that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the City before work commences. Renewal of expiring certificates shall be filed thirty days (30) prior to expiration. The City of Groton reserves the right to require completion of all required policies, at any time.

14. General Proposal Guidelines

The City will not be liable for any cost incurred in the preparation of the response to the RFP or in connection with any oral presentation. Proposals submitted must be assembled, indexed and numbered consecutively.

Respondents shall submit as part of their proposal the following:

- a. Proposal Letter (Attachment A): It is requested that information outlined in sample letter be included in their entirety on the proposer's letterhead. One original and four copies of the proposal must be submitted. The proposal must be signed in the name of the firm and must bear the signature of a person authorized to sign the proposal. Include the name, office address, and office telephone number of the firm representative qualified to answer questions which may arise during the review process.
- b. Fee proposal (Attachment B): Compensation for services shall be fixed for each audit for the contract period, as specified in Attachment B. The firm will, upon request, provide the City with a statement of chargeable hours to substantiate billings.
- c. Experience: Discuss your firm's background and capability, ability, experience and knowledge to perform this contract in accordance with the Scope of Services. Describe the firm's experience in auditing municipalities and Utilities operation in the State of Connecticut. Provide copies of audited financial reports of two clients.

Provide the resume of audit team and key personnel.

- d. 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 ensured through progress reporting.

- e. Reports/GFOA: Submit one copy of at least two Comprehensive Annual Financial Report issued by Connecticut municipalities in which your firm's opinion is contained.

Attachment A

**CITY OF GROTON
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City of Groton
Attn. Purchasing Agent
295 Meridian Street
Groton, Conn. 06340

Bid Opening: April 24, 2020, 11:00AM

We have read the request for proposals and fully understand its intent, contents and scope. We certify that we have adequate personnel, 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 Auditing Committee.

We have attached the following:

1. Audited financial reports of two clients.
2. List of current municipal clients in Connecticut.
3. Service delivery plan.
4. Resumes of audit team and key personnel.
5. Statement of Acceptance of Terms and Conditions
6. Attachment B: Qualifications and Fee Schedule Form

The undersigned is aware that the City reserves the right to reject any and all proposals, is submitting this proposal without collusion with any other person, individual or corporate.

| | |
|---------|----------------------|
| _____ | _____ |
| Firm | Authorized Signature |
| _____ | _____ |
| Title | Print or Type Name |
| _____ | _____ |
| Address | Telephone |
| | _____ |
| | Date |

Attachment B

Auditing Services Request for RFP 04-05-20
Qualifications and Fee Schedule Form

1. Name of Firm _____

2. Location of office staffing the audit _____

3. Connecticut municipal audit clients:
List comparable FY19 engagements
for municipalities. 1. _____
2. _____
3. _____

4. Audit Fixed Fees:

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------|----------|----------|----------|----------|----------|
| A. City of Groton CAFR | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |
| B. Bozrah Light and Power AFR | \$ _____ | \$ _____ | \$ _____ | \$ _____ | \$ _____ |

5. Hourly rate for hours in excess of fixed
fee allowance or for audit services
outside of scope of the annual audit \$ _____

6. Hours provided for in above stated fees:

A. Partner in charge _____

B. Audit Staff _____

10. Submitted By:

(Firm)

(Authorized Signature)

(Title)

(Print or Type Name)

(Address)

(Telephone)

(Date)