TOWN OF NEW FAIRFIELD

REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES
7/1/2008 – 6/30/2011
LEGAL NOTICE

Town of New Fairfield

REQUEST FOR PROPOSALS

FOR AUDITING SERVICES

The Town of New Fairfield, Connecticut is requesting proposals from qualified independent public accounting firms or accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the annual financial statements of the Town. Proposals will be received at the Finance Office until 4:00 p.m. on Wednesday, February 27, 2008 at which time no further proposals will be considered. Request for Proposal forms may be obtained at the Finance Office from 8:30 a.m. until 5:00 p.m. on Mondays through Thursdays and 8:30 a.m. until 12:00 on Fridays. Information concerning this Request For Proposal may be obtained by contacting the Purchasing Agent at telephone (203) 312-5653. The Town of New Fairfield is an Equal Opportunity Employer.
TABLE OF CONTENTS

I. INTRODUCTION
   A. General Information
   B. Term of Engagement

II. DESCRIPTION OF THE GOVERNMENT
   A. General
   B. Background Information
   C. Fund Structure
   D. Budgetary Basis of Accounting
   E. Pension Plans

III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION
   A. Statements and Schedules to be Prepared by the Town
   B. General

IV. NATURE OF SERVICES REQUIRED
   A. General
   B. Qualifying Requirements
   C. Scope of Work to be Performed
   D. Auditing Standards to be Followed
   E. Reports to be Issued
   G. Other Audit Services
   H. Implied Requirements

V. TIME REQUIREMENTS
   A. Proposal Calendar
   B. Schedule for the Annual Audit
   C. Report Submissions
VI. PROPOSAL REQUIREMENTS

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

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

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

VII. EVALUATION PROCEDURES

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

APPENDICES

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

A. General Information
The Town of New Fairfield is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2008, with the option of auditing its financial statements for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the latest 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, the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the State Single Audit Act, and all applicable Government Accounting Standards Board pronouncements.

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

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

To be considered, 5 copies of a proposal must be received by Patty Mota, Purchasing Agent, by 4:00 p.m. on Wednesday, February 27, 2008. The Town of New Fairfield reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by a five (5) member Selection Committee composed of the Director of Finance, the Board of Finance Audit Committee and possibly one additional selection committee member to be determined at a later date.

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

The Town of New Fairfield 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 New Fairfield and the firm selected.

It is anticipated the selection of a firm will be completed by March 19, 2008. Following the notification of the selected firm it is expected an engagement letter will be executed between both parties within 30 days.

B. Term of Engagement
A three (3) year contract is contemplated, subject to the annual review and recommendation of the Selection Committee, the satisfactory negotiation of terms (including a price acceptable to both the Town of New Fairfield and the selected firm), the concurrence of the Board of Finance and the annual availability of an appropriation.

II. DESCRIPTION OF THE GOVERNMENT

A. General
The auditor’s principal contact with the Town of New Fairfield will be Jay Waterman, Director of Finance, or a designated representative, who will coordinate the assistance to be provided by the Town of New Fairfield to the auditor.

A list of key personnel with the location of their principal offices (Appendix A) is attached.
B. Background Information
The Town of New Fairfield serves an area of 25.8 miles with an estimated population of 14,261. The Town of New Fairfield's fiscal year begins on July 1 and ends on June 30.

The Town of New Fairfield provides the following services to its citizens:

- Police
- Fire Protection
- Animal Control
- Ambulance
- Street Lights
- Civil Preparedness
- Road Repair
- Snow Removal
- Human Services
- Recreation
- Education
- General Government Service

The Town of New Fairfield (including education) has a total payroll of $24.3M covering 567 regular employees.

The Town of New Fairfield is organized into several departments and agencies. All funds and account groups are under the daily administrative control of the Director of Finance and/or the Board of Education School Business Manager.

If more detailed information on the government and its finances is needed you can request the following documents provided with this Request for Proposal:

2. Approved Budget for the 2007/08 fiscal year

C. Fund Structure
The Town of New Fairfield uses the following fund types, all under general ledger control, and account groups in its financial reporting:

<table>
<thead>
<tr>
<th>Fund Type/Account Group</th>
<th>Number of Individual Funds</th>
<th>Number With Legally Adopted Annual Budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Capital Projects Funds</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Expendable Trust Funds</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Nonexpendable Trust Funds</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Pension Trust Funds</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Agency Funds</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>General fixed assets account group</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>General long-term debt account group</td>
<td>1</td>
<td>N/A</td>
</tr>
</tbody>
</table>

D. Budgetary Basis of Accounting
Except for encumbrance and continued appropriation accounting, the Town of New Fairfield prepares its budgets on the modified accrual basis of accounting.

E. Pension Plans
The Town of New Fairfield participates in the following pension plans:

1. Town of New Fairfield Retirement Income Plan
Town employees, excluding police officers, elected officials and employees of the Board of Education, meeting eligibility, are enrolled in this single employer non-contributory defined benefit plan. Actuarial services are provided by CIGNA.
2. **Board of Education Plan**  
Board of Education employees, excluding certified personnel, meeting eligibility, participate in this single employer non-contributory defined benefit plan. Actuarial services are provided by Principal Financial Group.

3. **Connecticut Municipal Employee’s Retirement System**  
Police Officers participate in this cost sharing MERF B plan. Employee contributions are 2 ¼% of earnings upon which Social Security tax is paid, plus 5% of earnings on which no Social Security tax is paid. This plan is administered by the State of Connecticut.

4. **Teachers’ Retirement System**  
Teachers and other certified personnel participate in the contributory plan administered by the State of Connecticut, to which the Town of New Fairfield has no legal obligation to contribute.

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

**A. Statements and Schedules and other pertinent information to be Prepared by the Town of New Fairfield**  
The staff of the Town of New Fairfield will prepare or provide the following statements and schedules for the auditor as follows:

1. Trial balance for all funds
2. Detailed schedules of revenues and expenditures, expenses, 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. Detail of capital projects expenditures on a project to life basis
7. Analysis of accounts as requested
8. Debt schedules
9. Fixed assets schedules
10. Tax collection schedules
11. Schedule of Compensated Absences
12. Latest Actuarial Reports
13. Completed ED-001 and Supporting Documents
14. Standard representation letters

**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 Town of New Fairfield is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2008, with the option to audit the Town of New Fairfield's financial statements for each of the two (2) subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.
B. Qualifying Requirements

Qualified Firm:
Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2007, as independent Auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality with a population of at least 10,000.

Location:
The auditors must have an office located within the State of Connecticut, and resident staff must be able to offer the full range of auditing services required by this Request for Proposal.

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, marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town and may result in ineligibility for further Town contracts. The proposer shall at all times in the proposal and contract process comply with all applicable Town, state, and federal anti-discrimination laws, rules, regulations and requirements thereof.

Reports:
Each proposer shall submit at least one copy of at least two Comprehensive or General Purpose Financial Reports issued by Connecticut municipalities in which their opinion is contained.

Other:
Supervisory members of the audit team, including the “in charge” field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of Connecticut. The Selection Committee intends to strongly consider municipal audit experience and certification in evaluating the proposer’s audit team.

C. Scope of Work to be Performed
The Town of New Fairfield desires the auditor to express an opinion on the fair presentation of its general purpose financial statements in conformity with generally accepted accounting principles.

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, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, and in conjunction and conformity with sections 4-230 through 4-236 of the Connecticut General Statutes (the State Single Audit Act and all applicable GASB pronouncements.

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:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

A report on compliance with applicable laws and regulations.
Reports on the supplementary schedules of federal and state financial assistance.

Reports on the internal control structure used in administering federal and state financial assistance programs.

Reports on compliance with laws and regulations related to major and non-major federal and state financial assistance programs. This report should include an opinion on compliance with specific requirements applicable to major federal and state financial assistance programs, a report on compliance with general requirements applicable to major and non-major federal and state financial assistance programs, and a report on compliance with laws and regulations applicable to non-major federal and state financial assistance program transactions tested.

The auditor shall communicate in a letter to the Board of Finance any reportable conditions found during the audit and any other reports as might be required. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Town of New Fairfield of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of New Fairfield.
In addition, the firm shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

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

H. Implied Requirements
All services not specifically mentioned in this request for proposals that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

V. TIME REQUIREMENTS

A. Proposal Calendar
The following is a list of key dates up to and including the date proposals are due to be submitted:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Request for proposal issued</td>
<td>February 6, 2008</td>
</tr>
<tr>
<td>Due date for proposals</td>
<td>February 27, 2008</td>
</tr>
<tr>
<td>Selection Committee meeting</td>
<td>To be determined</td>
</tr>
<tr>
<td>Oral presentation by selected proposers</td>
<td>February 28th, March 12th, 2008</td>
</tr>
<tr>
<td>Appointment by the Board of Finance</td>
<td>No later than March 19, 2008</td>
</tr>
<tr>
<td>Contract date</td>
<td>Within 30 days of appointment</td>
</tr>
</tbody>
</table>
B. Schedule for the Annual Audit

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrance conference with Finance Officer to commence year-end audit work</td>
<td>June 2008</td>
</tr>
<tr>
<td>Preliminary field work begins</td>
<td>June 2008</td>
</tr>
<tr>
<td>Final audit work begins</td>
<td>August 2008</td>
</tr>
<tr>
<td>Exit conference to review draft and significant findings</td>
<td>October 2008</td>
</tr>
<tr>
<td>Draft comments returned to Auditors by</td>
<td>October 2008</td>
</tr>
</tbody>
</table>

C. Report Submissions

Copies of all reports shall be addressed to the Town of New Fairfield Board of Finance. The successful proposer will also submit copies of reports as required by state and federal audit requirements.

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

<table>
<thead>
<tr>
<th>Report</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Audit Report</td>
<td>November 2008</td>
</tr>
<tr>
<td>ED001 Certification</td>
<td>November 2008</td>
</tr>
</tbody>
</table>

Where an extension of time may be required, it will be the responsibility of the Auditor to promptly notify the Town, in writing. It is the Town’s responsibility to secure all necessary approvals in a timely manner. The Auditor shall promptly notify the Town’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 50 signed copies shall be delivered to the Director of Finance.

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:

   Jay Waterman, Director of Finance
   Town Hall Annex
   3 Brush Hill Road
   New Fairfield, CT 06812
   (203) 312-5657
   Fax: (203) 312-5658
   Email: jwaterman@newfairfield.org

2. Submission of Proposals

   The following material is required by February 27, 2008 for a proposing firm to be considered:

   a. The Proposal and 4 copies are 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

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

b. The proposer shall submit an original and 4 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:

Jay Waterman, Director of Finance
Town Hall Annex
3 Brush Hill Road
New Fairfield, CT 06812

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

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Town of New Fairfield 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 requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in Appendix D). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional items may be presented, the following subjects, 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 Town of New Fairfield as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.
The firm should also list and describe the firm's professional relationships involving the Town of New Fairfield or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the Town of New Fairfield 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 its municipal partner are qualified to practice in Connecticut.

4. **Firm Qualifications and Experience**
   The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on this engagement.

   The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. **Partner, Supervisory and Staff Qualifications and Experience**
   The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. The firm also should indicate how the quality of staff over the term of the agreement would be assured.

   The proposer should identify the extent to which its staff reflects the Town of New Fairfield'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 Town of New Fairfield. However, in either case, the Town of New Fairfield 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 New Fairfield, 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 proposal. In developing the work plan,
reference should be made to such sources of information as the Town’s budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

a. Proposed segmentation of the engagement

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

**NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL.**

c. Sample size 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’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 tests of compliance.

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 Town of New Fairfield.

C. Dollar Cost Bid

1. Total All-Inclusive Maximum Price

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposals. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The Town of New Fairfield will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal.

2. Fixed Fees by Category

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

3. Rates for Additional Professional Services

If it should become necessary for the Town of New Fairfield to request the auditor to render any additional services requested in this request for proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Town of New Fairfield and the firm. Any such additional work agreed to between the Town of New Fairfield and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid in Appendix D.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost bid proposal as contained in Appendix D. Interim billings shall cover a Period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.
VII. EVALUATION PROCEDURES

A. Selection Committee

Proposals submitted will be evaluated by a four (4) or five (5) member Selection Committee consisting of the Director of Finance, the Board of Finance Audit Committee, and possibly one additional selection committee member to be determined at a later date.

B. Evaluation Criteria

The following represent the principal selection criteria, which 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 three years.
   c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of New Fairfield.
   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. The firm shall submit one copy of at least two General Purpose (or Comprehensive) Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained.

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.
   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 ensured through entrance conferences, progress reporting, and exit conferences.

3. Price

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

C. Oral Presentations

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

D. Final Selection

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

It is anticipated that a firm will be selected by March 20, 2008. Following notification of the firm selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.
E. Right to Reject Proposals

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

The Town of New Fairfield 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

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Location of Office</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jay Waterman, Director of Finance</td>
<td>Town Hall Annex, 2nd floor</td>
<td>(203) 312-5657</td>
</tr>
<tr>
<td>Edward Sbordone, Accounting Manager</td>
<td>Town Hall Annex, 2nd floor</td>
<td>(203) 312-5654</td>
</tr>
<tr>
<td>Michael Santogatta, School Business Manager</td>
<td>Town Hall Annex, 1st floor</td>
<td>(203) 312-5664</td>
</tr>
<tr>
<td>Phil Cammarano, Treasurer</td>
<td>Town Hall Annex, 2nd floor</td>
<td>(203) 312-5661</td>
</tr>
<tr>
<td>John Hodge, First Selectman</td>
<td>Town Hall</td>
<td>(203) 312-5600</td>
</tr>
<tr>
<td>Joseph Castagnola, Superintendent of Schools</td>
<td>Town Hall Annex, 1st floor</td>
<td>(203) 312-5770</td>
</tr>
</tbody>
</table>
APPENDIX B

PROPOSER GUARANTEES
AND
PROPOSER WARRANTIES

Proposer Guarantees

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

Proposer Warranties

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

2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.

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

4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: ______________________________________

Name (typed): ____________________________________________

Title: ____________________________________________________

Firm: ____________________________________________________

Date: ____________________________________________________
APPENDIX C
INSURANCE

INSURANCE EXHIBIT - PROFESSIONAL SERVICES

The professional individual or firm shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from, or be in connection with the performance of the work hereunder by the individual or the firm, his agents, representatives, or employees. The cost of such insurance shall be included in the proposal.

For the purpose of this clause, the term “professional individual or firm” shall also include the individual’s or firm’s respective officers, agents, officials, employees, volunteers, 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 Town property, while in use or in storage, for the duration of the contract.

B. Aggregate Limits
   Any aggregate limits must be declared to and be approved by the Town. At the option of the Town, the insurer shall increase or eliminate the aggregate limit and notify the Town of any erosion of aggregate limits.

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

Each insurance policy required by this Exhibit shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, either in coverage or in limits, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Town.

E. Other Insurance Provisions

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

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

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

F. Acceptability of Insurers

1. Insurance is to be placed with insurers which have a Best’s rating of at least A.

2. Insurance companies must either be licensed to do business in the State of Connecticut or be deemed to be acceptable by the Town’s Finance Director.
G. Verification of Coverage

The Auditor shall furnish the Town with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the Finance Director before work commences. Renewal of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies, at any time.

All insurance documents required by this Exhibit shall be mailed to the Finance Director.

Signed:

Auditor ___________________________ Date _________

Town of New Fairfield ___________________________ Date _________
APPENDIX D

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

Firm’s Name: ____________________________

Location of office staffing the audit: ____________________________

Number of Municipal professional audit staff at this location: ____________________________

Number of Municipal audit staff to be assigned to New Fairfield: ____________________________

Connecticut Municipal audit clients (FY2006 or 2007 engagements for municipalities with populations of 10,000 or more):

<table>
<thead>
<tr>
<th>FIXED FEES</th>
<th>PROPOSED # of HOURS</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Financial</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>- Pension</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>- Federal Single Audit</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>- State Single Audit</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>- ED001, etc.</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
<tr>
<td>- Preparation of Financial Statements</td>
<td>_______</td>
<td>$______</td>
<td>$______</td>
<td>$______</td>
</tr>
</tbody>
</table>

TOTAL: _______ $______ $______ $______

Total hours included in Total Fees:

Partner _______
Manager _______
Staff _______

Rate for hours outside the specified scope, $ per hour.

Partner _______
Manager _______
Staff _______

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 Selection Committee.

We have attached the following:

1. Audited Comprehensive and/or General Purpose financial reports for two (2) clients as outlined in Section IV, B.
2. Proposal as outlined in Section VI
3. Appendix B: Proposer Guarantees and Warranties
4. Appendix C: Insurance
5. Appendix D: Fixed Fees (separate envelope).

It if further understood and agreed that all information included in, attached to, or required by the Request for Proposal shall be public record upon delivery to the Town of New Fairfield.

Submitted by ___________________________ Date ______________
Signature ___________________________ Title __________________
Telephone ___________________________ Fax __________________