



London
C A N A D A

**THE CORPORATION OF
THE CITY OF LONDON**

**REQUEST FOR PROPOSAL 10-18
EXTERNAL AUDIT SERVICES**

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The Corporation of the City of London
Request for Proposal 10-18
EXTERNAL AUDIT SERVICES

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The Corporation of the City of London
Request for Proposal 10-18
EXTERNAL AUDIT SERVICES

1.0 PURPOSE

The Corporation of the City of London (hereinafter referred to as the City) is seeking Request for Proposals (hereinafter referred to as the RFP) from qualified, experienced firms to provide External Audit Services to the City, including its Boards and Commissions. The City also is a member of the Joint Board of Management for each of the Lake Huron and Elgin Area Primary Water Supply Systems. The City has assumed the role of Administering Municipality responsible for the administration of the systems on behalf of the participating municipalities.

2.0 BACKGROUND

London, a City with a population of 363,000 (2009) is characterized by a diversified economic base - industrial, commercial and institutional. This has fostered an ideal climate for business investment and steady growth. The City provides the benefits of a large city with the convenience, responsiveness, economics and manageability of a smaller urban centre.

Effective with the election in October, London will have a fifteen member City Council which includes the Mayor and fourteen Councilors as the legislative and decision-making body of the Corporation.

London is a single-tier municipality. The City, including its Boards and Commissions, provides the following types of services: fire, police, transit, public works including roads, water and sewer, hydro, public health services, a home for the aged, social services, social housing, parks and recreation, libraries, museums, planning and development, a convention centre and a public market.

The above responsibilities are handled by five operating departments: Chief Administrative Officers Office, Engineering & Environmental Services, Finance, Community Services, and Planning & Development. In addition, there are several Boards and Commissions including, London Transit, London Convention Centre, Covent Garden Market, London Downtown and Old East Village Business Improvement Areas, London Public Libraries, London Middlesex Housing Corporation, Museum London, Middlesex London Health Unit, Public Utilities Commission and London Hydro Inc. In addition the City acts as administrator for the Lake Huron and Elgin Area Joint Water Boards.

The City uses the JD Edwards ERP system for all of its major corporate financial systems. The suite of systems includes human resources, payroll, general ledger and budget, accounts payable, fixed assets, fleet and facility management, purchasing and inventory. The City is in the planning stage for an upgrade to a release in version ERP9 of the JD Edwards software. This process will begin in 2011, with expected completion in 2012. There are also other significant systems: Class (POS system used for Clerks, Parking, Parks and Recreation), Vailtech for property taxes, Amanda for building permits, Goldcare/Campana for Dearthness Home for the Aged, SDMT for Social Services, IKON for Provincial Offences. Many of the Boards and Commissions have their own systems for both accounting and operational needs, for example London Hydro uses SAP and Middlesex London Health Unit uses Great Plains.

The City is the sole shareholder of London Hydro Inc. and has a \$70 million note receivable from its subsidiary, which bears interest at 6%.

The City is a member of the Joint Board of Management for each of the Lake Huron and Elgin Area Primary Water Supply Systems. The City of London has assumed the role of Administering Municipality responsible for the administration of the systems on behalf of the participating municipalities. As administering municipality, the City is responsible for keeping books, records and accounts, preparing capital and operating budgets, raising capital financing, holding reserve funds, and operating bank accounts. The City is also responsible with the Joint Board for having the records audited on an annual basis.

Consideration will have to be given to these and other issues, which may affect structures and technology within the organization, during the period of engagement.

2.0 BACKGROUND...cont'd

2.1 Reporting Structures

The External Auditors are appointed in accordance with the *Municipal Act, 2001*. They provide specific reports to the Audit Committee of Council through the Administration. The Administration has the authority to address audit-related issues. The External Auditors are required to report to the governing bodies of local Boards and Commissions where separate audited financial statements are issued.

2.2 Audit Committee

The Audit Committee is a committee of City Council. It is composed of four or five members of the Municipal Council, and will be supplemented by external appointments. The Committee meets at least four times annually and at such other times as shall be required and determined by the Chair. It reports directly to the Municipal Council, except for matters that have to be concurred in by the Finance or other committees. The responsibilities of the Committee include satisfying itself as to the existence and terms of an Engagement Letter from the external auditors; reviewing the arrangements for the annual audit's scope, accounting principles, materiality limits, and fees; reviewing the auditor's report and audited financial statement and satisfying itself that the external auditors have no reservations about the statements; satisfying itself that there are no unresolved issues between Administration and the external auditors; reviewing the external auditor's management letter and recommending the appointment of new auditors on the advice of the Administration.

2.3 Internal Audit Services

- a) New for 2010, it is planned that a firm will be reporting to Audit Committee and will be responsible for the internal audit services, which includes conducting of financial, compliance, value for money, operational, performance and other audits and reviews. The provision of the firm providing internal audit services includes providing business advisory services such as efficiency and effectiveness reviews, benchmarking, continuous improvement, and best practices reviews. Firms will have an opportunity to bid on the Request for Proposal issued for providing the Internal Audit Services, which will be issued in conjunction with this RFP, however no firm will be allowed to provide both services.
- b) It is expected that the firm providing external audit services and the firm providing internal audit services will co-ordinate their efforts to maximize the audit coverage provided to the Corporation.

2.4 Entities Requiring External Audit Service

- a) This RFP is a call for external audit services for:
 - The Corporation of the City of London
 - London Police Services Board (consolidated in City records)
 - London Transit Commission
 - London Public Library Board
 - Old East Village Business Improvement Area
 - London Downtown Business Association
 - London Convention Centre Corporation
 - Covent Garden Market Corporation
 - London Hydro Inc.
 - The Middlesex-London District Health Unit (Joint local board)
 - Museum London
 - Lake Huron Water System Joint Board of Management
 - Elgin Area Water System Joint Board of Management
 - London & Middlesex Housing Corporation
 - The Public Utility Commission of the City of London

3.0 SCOPE

3.1 General

- a) The *Municipal Act, 2001* Section 296 allows for the appointment of external auditors for a term of five years or less. The intent of the City of London is to appoint external auditors for the five (5) year term, subject to satisfactory performance, beginning with the audit of the 2010 Financial Statements.
- b) The audits shall include the examination of the records and financial statements of the City and each local Board and Commission to the degree necessary to express an audit opinion on such statements. All proposals shall provide a plan and separate pricing for audit reports of each entity audited in 2009 from section 2.4, along with individual pricing for the annual reports required in 3.1.c) and d) below.
- c) Also included will be all related examinations required in order to produce the Accountant's Report for the Ministry of Municipal Affairs; audit requirements for City of London Trust Funds, Dearness Services including the Long Term Care Overall Reconciliation; and the Dearness Day Program Annual Reconciliation Report. Audit requirements for the Homelessness Partnering Strategy financial statements and a review for the Province for the revenues and expenses of the Child Care funding envelopes (currently 18) and the Homelessness Program (currently 3 envelopes)
- d) Report on compliance with Agreement for the Transfer of Federal Gas Tax Revenue and Annual Expenditure Report.
- e) The work will generally not include accounting, the preparation of draft financial statements except in those limited circumstances as may be presented by some of the smallest municipal entities.
- f) There are also audit or review requirements on a variety of federal and provincial funding envelopes. These are generally quoted and scheduled when they arise, as they are not consistent from year to year and are requirements through the funding program. There may also be requests for additional work at the request of council resolution. There is also the potential for a requirement for audited water financial statements, however this legislation has not currently been passed.

3.2 Annual Schedule

Before a date mutually agreed upon in November/December of each year, the auditors shall meet with the Chief Administrative Officer (or delegate) and City Treasurer (or delegate) for the City and its Boards and Commissions to discuss and agree upon;

- i) a schedule, which includes all aspects of the completion and audit of the various financial statements of the Municipality for the current year;
- ii) a list of the necessary schedules, working papers, analyses and other information to be prepared by the staff of the City and its Boards and Commissions.

3.3 Qualified Statements

The auditors shall immediately upon discovery of information or conditions which would otherwise lead to the inclusion of a qualified opinion with respect to any of the City's financial statements, inform and fully discuss such matters with the Chief Administrative Officer (or delegate) and the City Treasurer (or delegate) of the City. Also, the auditors shall, as far as possible, allow a reasonable time for the City to investigate, analyze, report and take corrective action so as to avoid the inclusion of such qualifications.

3.4 Meetings and Subsequent Assistance

The auditors shall attend such meetings as required to discuss their work and reports and shall provide such information as requested which will enhance the understanding of members of the Audit Committee of Council concerning matters pertaining to the annual financial statements. There is a minimum of four (4) Audit Committees annually and generally the auditors would attend one (1) annual meeting at each of the Boards and Commissions.

3.0 SCOPE...cont'd

3.5 Audit Management Letter

No later than sixty (60) days following completion of the report on the audit of the annual statements, the auditor shall prepare and deliver to the Chief Administrative Officer (or delegate) and City Treasurer (or delegate) draft letters conveying any concerns relative to the internal accounting, operating controls and/or other matters of material importance with respect to the operations of the Corporation, local boards and other entities. The auditors shall also provide recommendations as to such corrective measures as may be required, and be prepared to provide assistance with regard to implementation, if required to do so. The auditor shall meet with the Chief Administrative Officer (or delegate) and City Treasurer (or delegate) and any relevant City, board or commission head, to discuss the comments, following which an official management letter will be submitted to the Chief Administrative Officer (or delegate) and City Treasurer (or delegate), and to the City, board or commission head. The Chief Administrative Officer (or delegate) and City Treasurer (or delegate) shall, upon receipt of the final version of the Audit Management Letter, co-ordinate the management response to the Auditor's comments and shall work with the Audit Committee Chair to schedule an Audit Committee meeting to receive the Report.

3.6 Term of Engagement

To provide for degree of continuity and familiarity in the provision of audit services, and given the scope and complexity of the audit, City Council will appoint the external auditor during the term of the engagement for a period of five (5) years, subject to the performance of the audit firm.

3.7 Evaluating the Auditor's Performance

During the term of the engagement, the auditor's performance will be evaluated based on the following criteria:

- i) **Persons assigned to the audit:**
For the initial year of the engagement, the persons assigned to the audit should be those originally proposed; and any subsequent changes to audit personnel must be acceptable to the Chief Administrative Officer (or delegate) or City Treasurer (or delegate).
- ii) **On-site participation of the audit senior:**
It is expected that the audit senior will be present throughout the audit.
- iii) **Performance in the manner proposed:**
It is expected that the audit will be carried out in the manner proposed. Any changes in the audit program which impact staff and other resources of the City shall be discussed with and agreed to by the City Treasurer (or delegate).
- iv) **Adherence to Audit Deadlines:**
It is expected that the audit will be completed within the time frames agreed to in the annual schedule. Significant dates for the Corporation and its Boards currently include: completion of all financial statements by about early April; Audit Committee review by May; submission of the Financial Information Return to the Province by May 31 or such other date as stipulated by the Province. The dates are approximate and may require adjustment from year-to-year depending on issues facing the Municipality.

4.0 RFP Schedule

The following is a tentative schedule to assist proponents:

RFP Closing Date	Friday, September 10, 2010
Interviews With Short listed Firms	Week of October 4 – 15, 2010
Recommendation to Audit Committee	Monday, October 29, 2010
Council Appointment	Monday, November 15, 2010

5.0 SUBMISSION INSTRUCTIONS

5.1 Pre-Submission Meeting

- a) A Pre-Submission Meeting will be held **MONDAY, AUGUST 16, 2010 at 10:00 a.m.** at City Hall, 300 Dufferin Ave., London, Ontario, 2nd Floor, Committee Room #1.
- b) The Purpose of this meeting is to provide an opportunity to obtain clarification regarding the requirements of the RFP. Any resultant clarifications will be documented and forwarded as an addendum to all potential respondents.

5.2 Closing Date and Time

Proponents are required to submit one (1) signed original and Eleven (11) copies of the RFP in a sealed envelope clearly identified as **Request for Proposal 10-18, External Audit Services to Purchasing and Supply**. Completed submission can be **mailed** to Purchasing and Supply, P.O. Box 5035, London, Ontario N6A 4L9 or **hand delivered** (in person or by courier) to Purchasing & Supply, 267 Dundas Street, 4th Floor, London, Ontario N6A 1H2 and must be received before **12:00 noon, local time, Friday, September 10, 2010**. **Failure to submit the Form of Proposal (pg.14) and Appendix "A" will result in your proposal being rejected.**

Respondents are solely responsible for ensuring bids are received by Purchasing & Supply prior to the closing date and time.

5.3 Late Submissions

Proposals received by Purchasing and Supply later than the specified closing time will be returned, unopened, to the Proponent.

5.4 Period of Acceptance

The proposal submission is to remain firm for acceptance for a period of one hundred and twenty (120) days from the date of closing.

5.5 Questions/Inquiries

- a) Inquiries regarding this RFP are to be directed to City of London, Purchasing and Supply, Terri Sue Wyatt, Procurement Officer, by facsimile at 519 661-5030 or e-mail to purch@london.ca. Inquiries **must not** be directed to other City employees or Elected Officials. **Directing inquiries to other than Purchasing and Supply will result in your submission being rejected.**
- b) All clarification requests are to be sent in writing to the individual mentioned above. No clarification requests will be accepted by telephone. **Responses to clarification requests will be in the form of Addenda which will only be posted on the City's website. No addendum will be issued forty-eight hours prior to closing.**

5.0 SUBMISSION INSTRUCTIONS...cont'd

5.5 Questions/Inquiries...cont'd

- c) The City assumes no responsibility for any verbal (spoken) information from any City staff or from any Consultant firms retained by the City, or from any other person or persons who may have an interest in this Proposal. Amendments or changes to this Proposal prior to the closing date and time stated herein will only be in the form of written addenda and said addenda will be issued by the Purchasing & Supply Team of the City of London. Any Addendum will be posted on the City's Purchasing & Supply Web Site: http://www.london.ca/d.aspx?s=/Tenders_and_RFPs/default.htm It is the Proponent's sole responsibility to check this Web Site regularly to inform itself of any posted Addendum. The City makes no promise or guarantee that addenda will be delivered by any means to any bidder. By submitting a proposal in response to this Proposal, the Proponent acknowledges and agrees that addenda shall only be posted on the City's Web Site and it is the sole responsibility of the bidder to check this Web Site for said addenda. **FAILURE TO ACKNOWLEDGE RECEIPT OF ALL ADDENDA ON THE FORM OF PROPOSAL WILL RESULT IN YOUR BID BEING REJECTED**
- d) Each Proponent must review all proposal documents and promptly report and request clarification of any discrepancy, deficiency, ambiguity, error, inconsistency, or omission contained therein. Any such request must be submitted to the City in writing, prior to **Friday, September 3, 2010 at 4:00 p.m.**
- e) Where a request results in a change or a clarification to the proposal, the City will prepare and issue an Addendum to this proposal as stated in 5.5c.

5.6 Rights Reserved by the City

- a) The City is not liable for any costs incurred by the Proponent in the preparation of their response to the RFP or selection interviews, if required. Furthermore, the City shall not be responsible for any liabilities, costs, expenses, loss or damage incurred, sustained or suffered by any Proponent, prior or subsequent to, or by reason of the acceptance, or non-acceptance by the City of any proposal, or by reason of any delay in the award of the proposal.
- b) The lowest proposal will not necessarily be accepted. The City reserves the right to accept/reject any or all proposals and/or reissue the RFP in its original or revised form.
- c) The City reserves the right to request specific requirements not adequately covered in their initial submission and clarify information contained in the RFP.
- d) The City reserves the right to modify any and all requirements stated in the RFP at anytime prior to the possible awarding of a contract.
- e) The City reserves the right to cancel this RFP at any time, without penalty or cost to the City. This RFP should not be considered a commitment by the City to enter into any contract.
- f) In the event of any disagreement between the City and respondent regarding the interpretation of the provisions of the RFP, the Manger of Purchasing and Supply or an individual acting in that capacity, shall make the final determination as to interpretation.

5.7 Treatment of Information

- a) The information submitted in response to this RFP will be treated in accordance with the relevant provisions of the Municipal Freedom of Information and Protection of Privacy Act and in accordance with Section 8.11, "Confidentiality of Proprietary Information", of Council Policy 21 (1). The information collected will be used solely for the purposes stated in this request.
- b) The Proponent does, by the submission of a proposal, accept that the information contained in it will be treated in accordance with the process set out in this section of the RFP.

6.0 REQUIREMENTS AT TIME OF EXECUTION

Subject to an award of the proposal, the successful Proponent is required to submit the following documentation in a form satisfactory to the City for execution within ten (10) working days after being notified to do so in writing:

1. Professional Liability Insurance Documents
2. Clearance Certificate from the Workplace Safety and Insurance Board

If the successful Proponent for any reason, defaults or fails in any matter or thing referred to under "Requirements at Time of Execution", the City reserves the right to accept any other bid, advertise for new proposals or carry out the work in any way as the City may, at its sole discretion, deem best.

6.1 Professional Liability Insurance

Evidence of financial stability (via insurance) is as important for professionals as it is for contractors and suppliers. This type of insurance is on a 'claims made' basis. For example, when a policy is effective from January 1, 2010 to January 1, 2011 it only covers claims made in 2010. If work is completed in December, 2010 but no claim is made until February, 2011 the policy in effect in February is the one that insures the loss – not the policy that expired on January 1st. Most errors or omissions claims are made within the first 12 months after completion of the work. To ensure coverage on the date of claim we require evidence that insurance is in effect for 12 months after work is completed.

a) Insurance and Indemnity

For the purposes of Article 6.1:

- (i) 'claim' or 'claims' shall mean a claim or claims whether in contract or torts.
 - (ii) the 'Professional' includes Professional's officers, directors, employees, representatives and consultants.
- b) The successful Proponent shall obtain and maintain until the termination of this Agreement, and provide the City with satisfactory evidence of Professional Liability Insurance covering the work and services described in this Agreement, such policy to provide coverage for an amount not less than Two Million (\$2,000,000.00) dollars and such insurance shall continue for twelve (12) months following completion of work.
- c) The successful Proponent shall not commence work until satisfactory evidence of insurance has been filed with and approved by the City. Prior to the effective date of this Agreement and thereafter on renewal date of the insurance, the successful Proponent shall further provide that evidence of the continuation of said insurance is filed at each policy renewal date for the duration of the contract. The City reserves the right to request such higher limits of insurance or other types of insurance as it may reasonable require from time to time; failure to procure and maintain said insurance shall constitute a default under this agreement.
- d) The insurance shown in (a) above will not be cancelled or permitted to lapse unless the insurer notifies the City in writing at least thirty (30) days prior to the effective date of cancellation or expiry. The City reserves the right to request such higher limits of insurance or other types of insurance as it may reasonably require from time to time; failure to procure and maintain said insurance shall constitute a default under this agreement.
- e) The successful Proponent shall indemnify and hold the City harmless from and against any liability, loss, claims, demands, costs, and expenses including legal fees, occasioned wholly or in part by an acts or omissions either in negligence or in nuisance whether wilful or otherwise by the successful Proponent or other persons for whom it is responsible for at law.

6.0 REQUIREMENTS AT TIME OF EXECUTION...cont'd

6.2 Workplace Safety & Insurance Board

- a) The successful bidder shall furnish a WSIB Clearance Certificate indicating their WSIB firm number, account number and that their account is in good standing. This form must be furnished prior to commencement of work, every sixty (60) days or upon receipt of a Clearance Certificate from WSIB throughout the contract and must be submitted with final invoice before payment is made. The successful bidder further agrees to maintain their WSIB account in good standing throughout the contract period.
- b) If the successful bidder is a self – employed individual, partner or executive officer who does not pay WSIB premium and is recognized by WSIB as an ‘independent operator’ a letter from WSIB acknowledging independent contractor status and confirming that WSIB cover is not required must be provided to the City prior to commencement of work.

7.0 TERMS AND CONDITIONS

7.1 Contract Term

The term of the contract will be for a period of five (5) years, subject to the performance of the audit firm. However, if the performance of the audit firm at the sole discretion of the City, is unsatisfactory, the City reserves the right to cancel the contract with sixty (60) days written notice, without penalty.

7.2 Taxes

HST - Extra

All Proponents shall provide their Goods and Services Tax/Harmonized Sales Tax (GST/HST) registration number in their RFP Form of Proposal.

7.3 Assignment

Following award of the contract, the successful Proponent shall not, without written consent of the Manager of Purchasing and Supply make any assignment or any subcontract for the execution of any service hereby proposed.

7.0 TERMS AND CONDITIONS...cont'd

7.4 Compliance with the Accessibility for Ontarians with Disabilities Act, 2005

The successful Proponent shall ensure that all its employees, agents, volunteers, or others for whom the successful Proponent is legally responsible receive training regarding the provision of the goods and services contemplated herein to persons with disabilities in accordance with Section 6 of Ontario Regulation 429/07 (the "Regulation") made under the Accessibility for Ontarians with Disabilities Act, 2005, as amended the "Act"). The successful Proponent shall ensure that such training includes, without limitation, a review of the purposes of the Act and the requirements of the Regulation, as well as instruction regarding all matters set out in Section 6 of the Regulation. The successful Proponent shall submit to the City, as required from time to time, documentation describing its customer service training policies, practices and procedures, and a summary of its training program, together with a record of the dates on which training was provided and a list of the employees, agents volunteers or others who received such training. The City reserves the right to require the contractor to amend its training policies to meet the requirements of the Act and the Regulation.

7.5 Changes in Law

The parties acknowledge that performance of the obligations required hereunder may be affected by changes in applicable laws of the Province of Ontario. In the event of a change in applicable legislation that results in a material impact on the performance of any act required by this Agreement, the Parties shall renegotiate the provisions of this Agreement to achieve mutually acceptable terms for the performance of acts required hereunder. If the Parties are unable to agree on the revised terms and conditions either Party may submit the dispute to arbitration in accordance with the provisions of the Arbitration Act S.O. 1991, C. 17.

7.6 Exclusion Of Proponent In Litigation

- a) The City may, in its absolute discretion, reject a proposal submitted by a Proponent if the Proponent, or any officer or director of the Proponent is or has been engaged, either directly or indirectly through another corporation, in a legal action against the City, its elected or appointed officers and employees in relation to:
 - i. Any other contract or services; or
 - ii. Any matter arising from the City's exercise of its powers, duties, or functions.
- b) In determining whether or not to reject a proposal under this clause, the City will consider whether the litigation is likely to affect the Proponent's ability to work with the City, its consultants and representatives, and whether the City's experience with the Proponent indicates that the City is likely to incur increased staff and legal costs in the administration of the contract if it is awarded to the Proponent.

7.7 Exclusion Of Proponent Due To Poor Performance

- a) The General Manager shall document evidence and advise Purchasing and Supply in writing where the performance of a supplier has been unsatisfactory in terms of failure to meet contract specifications, terms and conditions or for Health and Safety violations
- b) The City Treasurer may, in consultation with the City Solicitor, prohibit an unsatisfactory supplier from bidding on future contracts for a period of up to three (3) years.

8.0 SUBMISSIONS REQUIREMENTS

8.1 General

- a) The City is requesting proposals from firms who are both interested and capable of undertaking the project.
- b) The onus is on the Proponent to show their knowledge, understanding and capacity to conduct the work outlined in the RFP.
- c) The responses will be assessed according to how well they assure the City's success in relation to the submission requirements. The detail and clarity of the written submission will be considered indicative of the Proponents expertise and competence.
- d) All information provided in response to this RFP must contain sufficient detail to support the services being proposed. **Incomplete submissions will not be considered.**
- e) All prices must be stated in **Canadian** funds.

8.2 Administration Fee

- a) Proponents who elect to retrieve the information from the City's website, www.london.ca will not be charged the administrative fee noted below, but must complete the **Registration Form** as instructed on the web page.
- b) Proponents who do not elect to retrieve the proposal information from the City's website will be required to submit a \$25.00 administrative fee with their proposal in the form of a cheque or Canadian Currency. Cheques are to be made payable to the "City Treasurer". **Failure to do so will result in a delay in processing of the bid. ". Please refer to section 5.5c) Questions/Inquiries regarding the issuance of all addenda.**
- c) Proponents who have not submitted a bid or remitted the administrative fee will be removed from future bidder's lists.

8.3 Mandatory Requirements

The following mandatory requirements are identified for inclusion in proposal submission:

FAILURE TO SUBMIT ALL MANDATORY REQUIREMENTS WILL RESULT IN THE SUBMISSION BEING REJECTED.

Your proposal submission MUST follow the following format:

In order to receive a uniform format of response from all Proponents, the Proposal must be formatted as follows:

- a) Title page which will include the Proponent's legal name, address, telephone and fax numbers, e-mail address and name of primary contact and date.
- b) A least one (1) original signed "**Form of Proposal**" **MUST** be submitted with the proposal submission.
- c) Satisfactory evidence that the partner(s) is (are) licensed under the Public Accountancy Act.
- d) Indicate compliance with Section 296 of the *Municipal Act; 2001*.

8.0 SUBMISSIONS REQUIREMENTS...cont'd

8.4 Audit Firm Technical Requirements

- a) Provide a list of the firm's current and prior largest municipal clients indicating the type(s) of service performed, the number of years served for each client. Please include specific examples of audits related to the implementation of PS1200 and PS3150 from the Public Sector Accounting Handbook. Please also provide a list of any experience auditing Electrical Distribution entities. Please provide the names and phone numbers of senior staff of these municipalities or Electrical Distribution entities that may be contacted as references.
- b) Provide evidence of any research, education and knowledge with respect International Financial Reporting standards.
- c) Please elaborate on any involvement with the Ontario Energy Board (OEB), and/or any special task forces or projects that the firm has been involved with in the Ontario Electricity Regulation Environment.
- d) Indicate the firm's experience in providing auxiliary services to include commodity tax services, technology and security audit expertise to municipal clients by listing the name of each client, the type(s) of services performed, and the local office which provided the service.
- e) Show evidence of well-developed professional auditing techniques to evaluate systems of internal control and review for audit work performed.
- f) Provide evidence firm has experience in auditing a large, complex and computerized municipality.
- g) Firms must show evidence they have substantial expertise, resources and support services available to perform the audits consistently from one(1) year to the next, in an expeditious manner and within the required time frames.

8.5 Audit Personnel Technical Requirements

- a) Include resume(s) and experience profile of the Proponent's principal contact person(s) who will be responsible for this contract.
- b) Describe the experience in municipal audits of the partner, manager/supervisor, and senior assigned to the audit including years on each job and their position on each audit. Describe the role of each member of the audit team assigned to the audit including staff in specialized areas such as computer auditing or commodity tax specialists.
- c) Indicate the local office(s) where the staff will be located, which office will be assigned the audit and provide a detailed list of audit staffing and their positions.
- d) Describe the relevant educational background of each individual assigned to the audit. This should include seminars and courses attended within the past two years related to PSAB and IFRS, also please include any related details on corporate income tax and Scientific Research and Experimental Development tax Credits.
- e) Describe any specialized skills, training and background in public finance by assigned individuals. This may include participation in municipal or provincial consulting assignments, speaker or instructor roles in conferences or seminars or authorship of articles and books.

8.0 SUBMISSIONS REQUIREMENTS...cont'd

8.6 Audit Approach

Describe the firm's approach to the audit. This should include at least the following points:

- (i) Type of audit program used;
- (ii) Use of statistical sampling (techniques and automated tools);
- (iii) Use of computer audit specialists;
- (iv) Organization of the audit team and approximate percentage of time spent on the audit by each team member.

8.7 Advisory Services and Publications

Information should be included in the proposal regarding any advisory services which may be available to the municipality free of charge on routine matters. These may include staff assistance and/or publications relating to the economy, income tax, payroll tax, commodity and excise taxes, employment benefit plans, management, cash management, Scientific Research and Experimental Development Tax Credits etc.

8.8 Fee Schedule

- a) A listing of proposed fees for each of the five (5) years, detailed by specific municipal entity must be included. Also included will be a fee for each of the five years for other annual requirements listed in section 3. Appendix A should be completed with the annual fees.
- b) For each municipal entity and annual report, a schedule of the estimated hours of involvement of each member of the audit team is to be included.
- c) A lump sum fee to complete the Scope of Work as detailed including all disbursements and related costs.
- d) The Proponent is required to submit a schedule of proposed hourly rates for all project personnel (names optional) by classification for a determination of pricing for additional and/or optional work, as outlined in section 3.1.f). This supplemental information is not part of the evaluation criteria.

8.9 Additional Information

Provide a brief explanation of why your firm should be selected (specific, detailed, verifiable information). Also, include comment on any ideas respecting the audit function that your firm believes the City should consider.

9.0 EVALUATION CRITERIA

9.1 Evaluation Team

Proposals will be evaluated by an evaluation team with representation from all key functional areas including Finance, London Hydro Inc., Middlesex London Health Unit, the London Transit Commission and Purchasing and Supply.

9.0 EVALUATION CRITERIA...cont'd

9.2 Evaluation Process

- a) The Evaluation Team reviews all proposal submissions and will consider overall completeness and suitability of the responses. All responses will be evaluated against the pre-determined evaluation criteria.
- b) A short list of eligible firms will be recommended by the Evaluation Team to the Audit Services Selection Committee for interview and evaluation. This Committee consists of the members of the Audit Committee as well as the City Treasurer, Chief Financial Officer and the Deputy City Treasurer. This Committee will be supported by members of the Evaluation Team. The recommended firms will be required to participate in an interview/presentation for final recommendation.

9.3 Evaluation Criteria

The evaluation criteria may include but not be limited to the following:

- i) Municipal audit experience and references;
- ii) Utility audit experience and references;
- iii) Experience providing specialized services;
- iv) Skills and experience of personnel assigned in areas of public sector auditing, public finance and specialized areas;
- v) Audit program and techniques;
- vi) Computer audit experience;
- vii) Staffing plan;
- viii) Ability to meet service needs of the City on an interactive basis; and
- ix) Audit fee

9.4 Presentation Process

The interview/presentation will consist of a brief presentation by the Proponent (no more than twenty minutes) and then a question and answer period with the representatives of the City. The interviews/presentations will be scheduled the between October 5- 15, 2010.

The interview/presentations shall be evaluated by the Audit Services Selection Committee based on the following criteria:

- i) Presentation;
- ii) Responses to questions; and
- iii) Overall completeness and suitability of the Proponent to undertake the project.

9.5 Selection Process

The Audit Services Selection Committee will recommend the appointment of an audit firm to the Board of Control, who will make a recommendation to Council. City Council makes the final decision on the appointment of an audit firm. It is anticipated that a firm will be appointed by City Council prior to the end of November 2010.

BY RESPONDING TO THIS RFP, PROPONENTS ACKNOWLEDGE THAT THE EVALUATION TEAM IS SOLELY RESPONSIBLE FOR RECOMMENDING THE SUCCESSFUL PROPONENT TO CITY COUNCIL AND THAT CITY COUNCIL MAKES THE FINAL DECISION.

10.0 FORM OF PROPOSAL

AT LEAST ONE SIGNED ORIGINAL OF THIS FORM OF PROPOSAL MUST BE INCLUDED IN YOUR SUBMISSION

- 10.1 Please state terms of payment (Note: Early payment discounts will be considered in the award of the contract, and will apply **after** taxes):

- 10.2 I/WE, the undersigned authorized signing officer of the Proponent, HEREBY DECLARE that no person, firm or corporation other than the one represented by the signature (or signatures) of proper officers as provided below, has any interest in this proposal.
- 10.3 I/WE further declare that all statements, schedules and other information provided in this proposal are true, complete and accurate in all respects to the best knowledge and belief of the Proponent.
- 10.4 I/WE further declare that this proposal is made without connection, knowledge, comparison of figures or arrangement with any other company, firm or persons making a proposal and is in all respects fair and without collusion for fraud.
- 10.5 I/WE further declare that the undersigned is empowered by the Proponent to negotiate all matters with the Corporation representatives, relative to this proposal.
- 10.6 WE further declare that the agent listed below is hereby authorized by the Proponent to submit this proposal and is authorized to negotiate on behalf of the Proponent.
- 10.7 I/WE have allowed for Addenda numbered as follows: #_____ through to #_____.

Failure to acknowledge all addenda will result in your proposal being rejected.

COMPANY NAME: _____

ADDRESS: _____

CITY/PROVINCE: _____

POSTAL CODE/ZIP CODE _____

AUTHORIZED SIGNATURE: _____ TITLE _____
I/WE are authorized to bind the COMPANY/CORPORATION

NAME (Please print or type): _____

TELEPHONE NUMBER () _____ FAX NUMBER () _____

GST REGISTRATION # _____

HST REGISTRATION # _____

EMAIL ADDRESS _____

DATE OF PROPOSAL _____

NOTE: Please return page **14** on or before **12:00 Noon, Local Time, FRIDAY, SEPTEMBER 10, 2010.**