

DISTRICT OF TUMBLER RIDGE



Request for Proposal

Annual Audit Services

June 11, 2007

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1. INTRODUCTION

The District of Tumbler Ridge is seeking proposals from interested firms for the provision of the annual audit services for the fiscal years 2007-2009 inclusive. Subject to satisfactory performance of the services by the successful Firm, the term may be extended, if mutually agreeable, for an additional two (2) year period.

This Request For Proposal (RFP) outlines the basic requirements of the District of Tumbler Ridge for the services to be provided by the firm, herein referred to as the Firm.

1.1 Background

The District is governed by a 7 member council. The 2007 annual operating budget is approximately \$9 million which includes approximately \$3.055 million of capital projects. The municipality's revenues consist largely of taxes from its residents, user fees, fees for services and government transfers.

As at December 31, 2006 the District of Tumbler Ridge held approximately \$2.997 million in statutory reserves. The municipality does not have any long-term debt financing.

To assist in the preparation of the proposal, the following additional information is provided:

- District of Tumbler Ridge 2006 Annual Financial Statements (Appendix B)
- District of Tumbler Ridge Financial Plan Bylaw, 2007-2011 (Appendix C)

2. TERMS AND CONDITIONS

All submissions related to this RFP are to be directed to the following person. Information obtained from any other source is not official and should not be relied upon. Inquiries and responses will be recorded and may be distributed to all Firms at the District's request.

Trevor Seibel, CA
Chief Financial Officer
Box 100
Tumbler Ridge, BC V0C 2W0
(250) 242-4242
trevor@dtr.ca

2.1 Selection Criteria

2.1.1 Mandatory Criteria

- Organizations must provide one (1) original signed by a person authorized to sign on behalf of the Firm and one (1) digital copy in PDF format
- The proposal must be received by Tuesday July 31, 2007 at 4:00 Pacific Standard Time (PST)
- Proposals are not to be sent by facsimile
- Proposals should be clearly marked with the name and address of the Firm
- It is the Firm's sole responsibility to ensure their submission is received when, where and how it is specified in the RFP. The District is not responsible for lost, misplaced or incorrectly delivered submissions
- All submissions will be date and time stamped

2.1.2 Desirable Criteria

Proposals meeting all of the mandatory criteria will be further assessed against desirable criteria. The Desirable criteria are outlined in Appendix A:
Desirable Criteria

2.2 RFP Timeframe

The following timetable outlines the anticipated schedule for the RFP process. The timing and the sequence of events resulting from this RFP may vary and shall ultimately be determined by the District.

Event	Anticipated Date
Request for Proposal issued	<i>June 11, 2007</i>
Request for Proposal closes	<i>July 31, 2007</i>
Complete Evaluation of Proposals	<i>August 15, 2007</i>

Upon completion of the evaluation, a report will be prepared for consideration by District Council containing a recommendation to appoint an Audit Firm. Should Council resolve to accept the recommendation, the successful Firm will be contacted in writing of the award. The award will be for an initial three (3) year appointment term with annual reviews carried out in each of these years by District staff. Subject to satisfactory performance of the services by the successful Firm, as determined by the District at its annual review, the term may be extended for an additional two (2) year period.

2.3 General Conditions

The District is subject to the provisions of the Freedom of Information and Protection of Privacy Act (The Act). Proprietary information can be protected under the Act (Section 21) which deems disclosure harmful to business interests of a third party. Please clearly mark only the pages of your proposal that you consider to fall under this protection with "Confidential". However, please be advised that should there be a dispute regarding the

protection of this information, the final decisions is made by the British Columbia Information and Privacy Commissioner.

At the conclusion of the RFP process, all Firms will be notified. Unsuccessful Firms may request a debriefing meeting with the Chief Financial Officer (CFO). A debriefing meeting will be at the sole discretion of the CFO.

Late proposals will not be accepted and will be returned to the Firm.

2.4 Signature and Seal

Proposals shall be submitted under the signature of individuals authorized to sign such proposals and commit the Firm to perform the services contemplated in the District's RFP. The Corporate Seal of the Firm should be affixed where appropriate in the proposal submission.

2.5 Preparation Costs

All costs associated with the preparation and submission of a proposal shall be borne solely by the Firm.

2.6 Termination of Services

Notwithstanding the provisions of the Community Charter respecting the termination of a Firm, either party may terminate audit services as described, upon 30 days written notice.

3. PROJECT SCOPE

3.1 General

In compliance with the Community Charter, Council will appoint an auditor (or audit firm) for audit services; however, other firms may be used for other financial services if it is deemed more advantageous or appropriate to do so. The District, therefore, expressly reserves the right, at its sole discretion, to use other financial services and financial firms.

3.2 Range of Services

The range of audit services required to be performed by the Firm shall include, but not be limited to, the following:

- a) Performing an annual audit in accordance with Canadian generally accepted auditing standards and the provisions of the Community Charter;
- b) An audit opinion on the consolidated financial statements and the supplementary information on the financial position and operating results of the individual funds of the District;

- c) Attending meetings with District staff for the planning and review of both the audit process and the financial statements;
- d) Responding to, and discussing with, District staff any accounting, auditing or tax related issues arising during the contracted period of audit services.

The Financial Statements for the District of Tumbler Ridge, which will conform to PSAB requirements, will be prepared by District staff complete with required working papers. The preparation and receipt of these working papers will be determined at mutually agreed upon dates (usually on or before February 28th of each year). The audited financial statements must be finalized by the appropriate statutory deadline.

In a situation where the financial statements and working papers have not been prepared by District staff, please quote the fee for service rates in your proposal. As well, the auditors may be requested to provide additional non-audit services. Please include the types of services your firm provides and the fee for services rates in your proposal.

4. THE PROPOSAL

4.1 General

The proposal must include a table of contents illustrating the page numbers of all major sections as well as identifying relevant appendices or attachments. Specifically, the proposal should include the following information:

- a) The name of the audit firm, local address, telephone and facsimile numbers and name of the contact person;
- b) The location of the office from which the audit services are to be performed and the number of partners, managers and other professional staff employed at that office;
- c) A full description of the range of services provided by the local office;
- d) Identification of the partner, managers and supervisors who will be assigned to the District audit, together with their qualifications and professional certifications; a list of current and prior government audit clients, including the number of years of service on each and the name, telephone and facsimile number of a contact who can provide the District with a reference;
- e) A description of experience with up-to-date PSAB requirements including methodology/approach to the audit requirements of Public Sector Accounting Board Section 3150: Tangible Capital Assets;
- f) Experience in providing additional services to government and a description of the nature of such services; and
- g) Confirmation of WCB and insurance coverage. Firms not already conducting business in Tumbler Ridge may also be required to obtain a business license.

4.2 Cost and Time Estimates

Proposals shall contain the following time and cost information:

- An estimate of the total number of person hours required to complete the audit;
- Hourly billing rates for each category of staff;
- Additional costs or disbursement charges and fees;
- Pricing structure for special projects;
- An all inclusive and maximum price for full audit services for the fiscal years of 2007 to 2009;
- Audit requirements to satisfy the changes forthcoming from Public Sector Accounting Board Section 3150 on Tangible Capital Assets; and
- Provide details on innovative ways to reduce audit fees

4.3 Acknowledgement and Understanding

In submitting a proposal, the Firm acknowledges and agrees that it has read, understood and agreed to all terms and conditions described in this document

APPENDIX A: Desirable Criteria

Criteria	Weighting (of 100%)
Firm Profile	20%
Qualifications	50%
Methodology	30%

The points will be awarded within the following categories:

Component	Criteria
Firm Profile	Local, Regional or National Firm Office Location and the number of professional staff employed
Qualifications	Previous experience with similar audit engagements including the names and numbers of client contact Identify the professional staff that will work on the audit including a brief resume for each Clarity of work plan (time table) and reporting requirements
Methodology	Quality of proposal Proposed Audit fee and hourly rates for additional services Flexibility and expertise for additional services

NOTE: Any additional information that is pertinent to the audit, and not noted above, should be included in the proposal and may be considered.

APPENDIX B: 2006 Annual Financial Statements

APPENDIX C: Financial Plan Bylaw, 2007-2011