



# **Sunshine Coast Regional District**

## **Request for Proposal**

**Number: 10 135**

**for**

**Financial Audit Services**

**Issue Date:**  
**July 22, 2010**

**Closing Date and Location:**

**One signed original & one copy (total of 2) of your  
Proposal in a sealed envelope must be received by:**

**Tuesday at 4:00 PM local time, August 17, 2010**

**at**

**Sunshine Coast Regional District  
1975 Field Road  
Sechelt, BC  
V0N 3A1**

## INTENT TO SUBMIT PROPOSAL

REQUEST FOR PROPOSAL FOR:

### Financial Audit Services – RFP No. 10 135

Please complete this form and mail, email or fax immediately to:

Sunshine Coast Regional District  
Attn.: Robert McKee, Purchasing Officer  
1975 Field Road, Sechelt, BC CA V0N 3A1  
Telephone: 604 885 6824

E-Mail: Robert.McKee@scrd.ca

Fax: 604 885 7909

Failure to return this form may result in no further communication regarding this Request for Proposal.

Company Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Contact: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Email: \_\_\_\_\_

I have received a copy of the above noted Request for Proposal.

☐ Yes, I will be responding to this Request for Proposal.

☐ No, I will not be responding to this Request for Proposal.

I understand that if I do not submit a response, this will not affect our Company's status as a potential supplier in the future. I also understand that if I do not return this form our company may not receive any further notices with regard to this Request for Proposal.

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

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**SECTION ONE: GENERAL TERMS & CONDITIONS****1.0 FORM OF PROPOSAL**

This Proposal must be completed in its entirety. Failure to properly complete this Proposal form may cause your Proposal to be rejected. The signing officer must initial all corrections. The Sunshine Coast Regional District reserves the right to permit a correction, clarification or amendment to the Proposal or to correct minor errors and irregularities.

**1.1 ORAL OR ELECTRONIC PROPOSAL**

Oral, email or faxed Proposals will not be accepted. Proposals may only be submitted by hard copy.

**1.2 SIGNATURE REQUIRED**

All Proposals must be properly signed in the places provided by an officer or employee having authority to bind the Proponent by that signature. Proposals shall be delivered to the Regional District in accordance with instructions herein and submitted on time in a sealed envelope addressed as per the attached sample label. RFP submissions received late, unsigned or in locations other than the address indicated will be returned without further consideration.

**1.3 CLARIFICATIONS, ADDENDA & MINOR IRREGULARITIES**

If any Proponent finds any inconsistencies, errors or omissions in the proposal documents or requires clarification of any provision contained therein, they shall submit their query in writing, addressed as follows:

R. L. McKee, Purchasing Officer  
Sunshine Coast Regional District  
1975 Field Road, Sechelt, BC V0N 3A1

Any interpretation of, addition to, deletions from, or any other corrections to the proposal documents, will be issued as written addends by the Regional District and will be faxed to all Proponents. All questions regarding this Proposal must be received by 3:00 p.m. two days before the closing date stated above.

The right is reserved, as the interests of the Regional District may require, to reject any or all Proposals and waive any minor informality or irregularity in the Proposals received.

**1.4 WITHDRAWAL**

Proposals may be withdrawn by written notice provided such notice of withdrawal is received prior to the closing date and time. Proposals withdrawn will be returned to the Proponent unopened.

**1.5 CONDUCT OF THE CONTRACT**

Unless otherwise specified within this document, any queries regarding this Request for Proposal are to be directed to Robert McKee, Purchasing Officer. No other verbal or written instruction or information shall be relied upon by the Bidder, nor will they be binding upon the Regional District.

**1.6 INDEMNITY**

The Proponent will indemnify and save harmless the Regional District, its elected and appointed officers, its employees, agents from and against any and all losses, claims, damages, actions, causes of action, costs and expenses the Regional District may sustain, incur, suffer or be put to at time either before or after the termination of the Contract, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the Bidder or of any agent, employee, officer, director or sub contractor of the Bidder pursuant to this Contract, excepting always liability arising out of the independent negligent act of the Regional District.

**1.7 WORKSAFE BC**

The Contractor will abide by the provisions of the Worker's Compensation Act of British Columbia and provide proof to the Regional District that all assessments have been paid and that they are in good standing. It is a condition of contract that the Contractor must remain in good standing throughout the term of any contract between the Regional District and the Contractor. The vendor must comply with all conditions and safety regulations of the Worker's Compensation Act of British Columbia and must be in good standing. Provide BC Worksafe number as requested in Section 5.

**1.8 INSURANCE**

The Proponent shall, without limiting its obligations or liabilities and at its own expense, provide and maintain insurance for its own equipment and continuously carry insurance with insurers licensed in British Columbia and in forms and amounts acceptable to the Regional District as follows:

- a) Comprehensive General Liability in an amount not less than \$ 2,000,000.
- b) Automobile Liability on all owned or leased vehicles in an amount not less than \$ 2,000,000.
- c) Error & Omissions Insurance – not less than \$500,000 per occurrence

The Proponent is responsible for all insurance costs (as required by law).

The Proponent will provide certified copies of required insurance policies when requested.

**1.9 EXTRAS**

No payments for extras will be made unless they have been prior approved by the Regional District in writing.

**1.10 ASSIGNMENT**

The Proponent will not, without written consent of the Regional District, assign or transfer this contract or any part thereof.

**1.11 TIME IS OF THE ESSENCE**

Time shall be of the essence in this contract.

**1.12 OWNERSHIP OF DOCUMENTS & FREEDOM OF INFORMATION**

All documents submitted in response to this Request for Proposal shall become the property of the Regional District and as such will be subject to the disclosure provisions of the Freedom of Information and Protection of Privacy Act.

**1.13 IRREVOCABLE OFFER**

This Proposal must be irrevocable for 60 days from the Proposal closing date and time. Failure to complete the Proposal document as requested may result in rejection of Proposal submitted. Proposal received after the closing time will be returned unopened.

**1.14 CONDITIONS OF ELIGIBILITY**

The Regional District reserves the right to disqualify the Proponent if the Proponent has:

- a) Withdrawn from an irrevocable Proposal, or
- b) Failed to enter into Contract within the time specified by the Regional District, or
- c) Had a Contract terminated or cancelled by the Regional District, or
- d) Forfeited all or part of a security, or
- e) Breached a Contract with the Regional District, or
- f) Had a charge assessed for failing to comply with the requirements of a previous Contract, or
- g) Has a claim or action either active or pending claim against the Regional District, or
- h) Has failed to perform and conducted its business in a fair and ethical manner and in strict compliance with applicable federal, provincial and local laws or regulations. This also includes any failure to act in matter consistent as a good corporate citizen or on any way offends the objectives or principals of the Regional District. Proponents under investigation for any of the above failures may, at the sole discretion of the Regional District may disqualify, suspend or terminate any contract or relationship with the Proponent.

**1.15 OFFER ACCEPTANCE & RIGHT TO REJECT**

The Regional District will not be bound to accept the lowest or any offer and reserves the right to accept or reject in whole or in part, any and all offers and to waive any minor informality or irregularity. The Regional District is not under any obligation to award a Contract and may amend or terminate this RFP at any time. Contract award decisions will be based on the best overall value determined by award criteria herein. Regional District representatives shall have sole discretion over the determination of best value. All awards are subject to funding approval by the Regional District Board.

Further, the Regional District may, at its sole discretion and after appropriate investigation evaluation determine that:

- a) The RFP is cancelled due to budget restrictions or changing economic circumstances
- b) Information becomes available which significantly changes the original scope of work.
- c) None of the Proposals sufficiently meet the stated criteria.

**1.16 CURRENCY AND TAXES**

Prices offered are to be in Canadian dollars with harmonized sales tax (HST) to be separately stated where applicable.

**1.17 COST OF PROPOSAL, INVOICING & PAYMENT**

The Proponent acknowledges and agrees that the Regional District will not be responsible for any costs, expenses, losses, damage or liability incurred by the proponent as a result of or arising out submitting a Proposal for the proposed contract or the Regional District's acceptance or non-acceptance of their proposal.

Further, except as expressly and specifically permitted herein, no Proponent shall have any claim for any compensation of any kind whatsoever, as a result of participating in this RFP, and by submitting a proposal each Proponent shall be deemed to have agreed that it has no claim

Unless otherwise agreed, the Regional District payment terms are Net 30 days following satisfactory acceptance of services provided and upon receipt of invoice, whichever is later. Original invoices are to be forwarded to the account payable department of the Regional District. The Purchase Order number, where applicable must be stated on the invoice otherwise payment may be delayed or rejected.

**1.19 ENVIRONMENTAL RESPONSIBILITY**

The Regional District is committed to preserving the environment. Where possible, Proponents shall provide environmentally sensitive products or services. Where there is a requirement that the Proponent supplies materials, and/or processes that may cause adverse effects, the Proponent shall indicate the nature of the hazard in its Proposal. The Proponent agrees to advise the Regional District of any known alternatives or substitutes for such materials that would mitigate the effects of any adverse condition on the environment.

**1.20 DEFAULT**

The Regional District may, by Notice of Default to the successful Proponent, immediately terminate in whole or in part of the contract if the Proponent fails to perform the services required. In the event the Regional District does terminate the contract in whole or in part as specified above, the Regional District may purchase services so terminated and the Proponent shall be liable to the Regional District for any excess costs for such services and for reasonable liquidated damages.

**1.21 PROPONENT'S RESPONSIBILITY**

It is the Proponents' responsibility to ensure that the terms of reference contained herein are fully understood and to obtain any further information required for this proposal call at their own initiative. The Regional District reserves the right to share, with all proponents, all questions and answers related to this proposal call.

**1.22 TERMINATION**

The Sunshine Coast Regional District (at its sole discretion) may immediately terminate any contract awarded through this RFP process if there is a major violation of agreed conditions or where the Proponent has taken an action against the Regional District.

**1.23 DISPUTE RESOLUTION**

The laws of the Province of British Columbia shall govern any contract awarded by the Regional District to the successful Proponent. Where disputes cannot be resolved between the Proponent and the Regional District, the successful Proponent agrees to resolve any and all disputes through a mediation process administered through the British Columbia International Commercial Arbitration Centre, Vancouver, BC under its rules. The cost of any such alternate dispute resolution shall be shared equally by the parties in dispute. The arbitration process shall take place in Vancouver, British Columbia, Canada.

**1.24 OPENING OF PROPOSALS**

Proposal will be opened:

- ☐ in public, at the Closing Location, immediately after the Closing Date and Closing Time, and the proposals will be opened and read; or
- ☒ in private, and total bid prices will not be made public until after the Contract is signed with the successful Proponent.

Proposals will be evaluated in private, including proposals that were opened and read in public, if applicable. The Contract will not be awarded at the time of opening.

If only one Proposal is received, the Regional District reserves the right to open the Proposal in private and if the total bid price exceeds the estimated budget for the Contract, the Regional District may re-tender, accept, not accept and cancel or re-scope the work, re-tender the Work seeking a better response, with or without any changes being made to the Proposal documents.

If more than one Proposal is received from the same Proponent, the last Proposal received, as determined by the Regional District, will be the only Proposal considered.

**SECTION TWO: NON-ACCEPTANCE OF CONDITIONS SUMMARY SHEET**

(Please photocopy if you require additional space)

PLEASE STATE:

CONDITION: \_\_\_\_\_

EXPLANATION OF NON-ACCEPTANCE:

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CONDITION: \_\_\_\_\_

EXPLANATION OF NON-ACCEPTANCE:

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CONDITION: \_\_\_\_\_

EXPLANATION OF NON-ACCEPTANCE:

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CONDITION: \_\_\_\_\_

EXPLANATION OF NON- ACCEPTANCE

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Bidders are advised that all variations from stated conditions will be reviewed and may negatively impact the overall rating of your Tender.



## **SECTION THREE: INTRODUCTION & SCOPE OF WORK**

### **3.0 INTRODUCTION**

The Regional District is seeking proposals from qualified firms for the provision of external audit services for the Sunshine Coast Regional District Board and the Sunshine Coast Regional Hospital District for the fiscal years 2010 – 2014 inclusive.

This RFP outlines the basic requirements for the Regional District and Regional Hospital District, for the services to be provided by the Auditors, herein referred to as the Auditors or Firm.

#### **1) Background**

The Regional District is governed by an eight member board including representation from three member municipalities and five rural areas. The 2010 operating budget is approximately \$33 million with an additional \$11 million capital budget. The Regional District provides 35 distinct types of services which are administered through approximately 115 functions.

For the sixth consecutive year, the Corporate Services Department of the Regional District has received the Canadian Award for Financial Reporting (CANFR) presented by the Government Finance Officers Association.

To assist in the preparation of this proposal, the following documents can be obtained from the Regional District's website: [www.scrd.ca](http://www.scrd.ca).

- Regional District's 2009 Annual Report (*About us – Publications*)
- Regional District's 2010 Budget and 5 Year Financial Plan (*Departments – Finance*)
- Regional Hospital District 2009 Financial Statements and 2010 Budget (*Popular Links – Regional Hospital District*).

The copy of the 2009 Statement of Financial Information returns and additional information may be provided upon request.

The chart of accounts contains approximately 4,000 active accounts. The Regional District issued approximately 7,000 accounts payable cheques in 2009. Taxation collected for 2010 was approximately \$13 million. The Regional District has approximately 250 employees of which 182 are full time. Employees are paid by direct deposit.

The Regional District and Hospital District currently use Vadim, iCity as the accounting and budgeting software. Caseware is used to produce lead sheets and financial statements.

### **3.1 SCOPE OF SERVICES REQUESTED**

#### **1) General**

In compliance with the Local Government Act, the Regional District Board will appoint an Audit firm for audit services. Other firms may be used for other financial services as deemed more advantageous or appropriate to do so. The Regional District therefore expressly reserves the right at its sole discretion, to use other financial services and financial firms for services required by the Regional District.

#### **2) Scope of Services**

Commencing with the 2010 fiscal year, audit services are required for the Regional District and the Regional Hospital District. In addition, the Provincial Government requires the Regional District to provide an Audit Report in regard to the Hillside Development Project as related to foreshore lease revenue, approximately \$ 50,000 a year.

The audit must be in accordance with generally accepted auditing standards in order to express an opinion on the fair presentation of both the Regional District and the Regional Hospital District consolidated financial statements and supplementary information, in conformity with generally accepted accounting principles and provisions of the Community Charter of British Columbia.

**3) Annual Schedule**

Before September 30<sup>th</sup> of each year, the Auditors shall correspond with the Regional District to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. The schedule of activities shall be finalized by September 30<sup>th</sup> of each year and shall set out the key dates by which necessary information is to be assembled by both parties. The basic time line will be as follows:

- Interim audit mid October to mid November of each year.
- Schedule of client assistance, provided by the Auditors to the Regional District staff by 1<sup>st</sup> week of February.
- Year end trial balance, provided by the Regional District staff to the Auditor approximately two weeks prior to year end audit.
- Draft financials, provided by the Regional District to the Auditor, approximately one week prior to year-end audit.
- Year-end audit, within the last week of March to mid April of each year.
- Audit report and presentation to the Board, mid to late May of each year.

**4) Qualified Statement**

The Auditors shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the appropriate staff. In addition, the Auditors shall as far as possible, allow a reasonable period of time for Regional District staff to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

**5) Audit Report and Management Letter**

The audit process includes final approval of both the Regional District and the Regional Hospital District annual financial statements, prepared by Regional District staff.

The Auditors reports, duly signed by the Auditors shall be delivered to the Regional District by the deadlines set out in the annual schedule.

The Regional District wishes to be advised of any weaknesses in internal control noted during the audit or other area of concern, prior to the issue of the Management letter.

The Auditor shall issue a written notice on the fair presentation of the consolidated financial statements or financial statements on conformity with generally accepted accounting principles, suitable for printing within the financial statements.

The Auditor shall issue a separate written opinion on the supplementary information accompanying the consolidated financial statements or financial statements, suitable for printing within the financial statements.

The Auditor shall communicate in a post audit report and in the form of an Management Letter to the Regional District Board, any reportable conditions, as determined by the Auditor, found during the audit.

The Auditors, as directed by the Board, will respond to and discuss with the staff of the Regional District, the contents of the post audit Management Letter. Upon agreement as to the factual accuracy of the observations, a revised Management Letter, if necessary shall be submitted to the Regional Board. The Auditor shall also provide appropriate beneficial suggestions to correct any areas of concerns and weaknesses arising as a result of the audit process.

**6) Meetings and Other Services**

The Auditors will be required to do an annual presentation to the Regional District Board and the Regional Hospital Board on the financial statements and audit, no later than the end of May of the year ended, as set out by the annual schedule.

The Auditor will respond to and discuss with the Regional District's staff accounting, auditing, tax and other issues arising throughout the year. Inquiries if any are infrequent usually brief and specific in nature, and may require a written confirmation. It is expected that such inquiries would be included in the fee schedule provided and would not incur additional billing.

### **7) Work to be provided by Regional District Staff**

The financial statements for both the Regional District and the Regional Hospital District, in conformity with PSAB requirements, will be prepared by Regional District staff in Caseware complete with required working papers. The preparation and provision of these working papers will be based on the annual schedule dates.

Preparation of year end working papers for all entities including:

- Supporting working papers for all significant asset and liability accounts.
- Comparative analysis of current and prior actual.
- Comparative analysis of current actual to current budget.
- Audit confirmations to banks, lawyers and other entities as required upon receipt of forms from Auditors.
- Hillside Development Project working papers and water lease revenue backup.

Preparation of Provincial Statement of Financial Information is done by the Regional District staff.

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

### **8) Proposal**

The Proposal must be prepared in a manner that clearly lays out all the requirements under the RFP. Separate prices should be provided for the Regional District, Regional Hospital District and Hillside as well as the hourly rates for additional work. While additional data may be presented, the following subjects must be included. They represent the criteria against which the Proposal will be evaluated.

### **9) Independence**

The firm must provide an affirmative statement that it is independent of the Regional District.

### **10) Firm Qualifications and Experience**

The Proponents 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, the number and nature of the professional staff to be employed on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis. The Proponents should also provide information on their local government auditing knowledge and experience.

### **11) Partner, Supervisory and Staff Qualifications and Experience**

The Proponents should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists that would be assigned to the engagement. Other audit personnel may be changed at the discretion of the Proponents, provided that replacements have substantially the same or better qualifications or experience.

### **12) Specific Audit Approach**

Provide a statement of your understanding of the work to be done, audit approach and commitment to perform the work within the time period specified in the annual schedule.

Describe the methodology to be used for keeping the Regional District abreast of any changes. Describe the firm's experience in providing additional services to government and a description of the nature of such services.

### **13) Total All Inclusive Maximum Price**

The bid should contain all pricing information relative to performing the audit engagement as described in this RFP. The bid price is to contain the price for the audit as well as all direct and indirect costs including all reimbursable expenses. Changes in wording or presentation of financial statements, notes or schedules, suggested or requested by audit staff during the course of any audit will not be considered as additional services.

In the event that invoices are rendered that are in excess of the fees quoted in the final signed Contract, payment will not be made unless the additional deliverables have been negotiated with and accepted by the Regional District in advance of the conduct of the work.

#### **14) Rates for Additional Services**

During the period of this Contract, additional audit services may be required to address new legislated requirements. As the extent of these additional services is not known, the Regional District is requesting that Proponents set out in their own words and format, the approach that will be taken to ensure your charges for these additional services are as cost effective as possible.

Please include a description of the range of services provided and separate hourly rates or fee for service schedules provided by the firm. These are separate from the audit and would be negotiated in advance of any other service provided.

#### **4.0 SECTION FOUR: REFERENCES**

Provide five references that you have provided services that closely match the size, complexity and requirements of the RFP within the past three years and whom we may contact. Proponents should include as part of their reference information, specific clients that are Regional District's as well as Proponents familiarity with Vadim software.

Name & Address of Reference	Contact Name & Telephone Number	Brief Description of Work & Date Performed

**5.0 SECTION FIVE: FEE PROPOSAL & SUBMISSION****Fee Proposal:**

All fees for this Proposal should be stated as separate pricing as set out in number 8 above and as an attached Schedule of Fees and Charges – to provide fixed price proposal for the project, including a breakdown of expected expenses including hourly billable rates for staff assigned to this project, time, travel, materials. All prices are to be in Canadian funds with HST listed separately.

Any corrections must be initialled by the Proponent.

**Submission:**

Failure to provide this page properly signed will result in your Proposal not being considered.

We certify that we have read and understand the information provided in the Request for Proposal and all addenda's. The information provided in our submission is accurate and we agree to be bound by the all conditions, statements, representations and prices offered herein:

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone # \_\_\_\_\_ Fax # \_\_\_\_\_

E-Mail: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

WorkSafe BC Number: \_\_\_\_\_

Are you a HST Registrant? Yes ☐ No ☐ If yes, please indicate your HST # \_\_\_\_\_

## **Schedule A**

### **EVALUATION CRITERIA**

Proponents must demonstrate in their proposal that they have a clear understanding of the RFP requirements. Proponents need to articulate their proposals, intentions and expectations indicating how they will fulfill the requirements of the RFP and what services they will provide. Evaluation criteria used to evaluate proposals will be as follows:

#### **Qualifications and Experience**

- Technical experience of the firm in performing audits of municipalities, public sectors and/or organizations of a similar size and complexity.
- Audit team experience and qualifications of personnel assigned to the audit.
- References

#### **Knowledge of Client**

- Experience with Regional Districts
- Knowledge of Vadim software

#### **Audit Approach and Additional Services**

- Statement of full understanding of the audit objectives, overall scope of work.
- Quality of the Proposal in terms of methodology and approach to the audit.
- Responsiveness to the RFP and demonstrated willingness to comply with the term and conditions of the RFP.
- Additional services available.

#### **Cost of Services**

- Proposed fees for scope of work required for Annual Audit, including reimbursable expenses, if any for each year.
- Estimated hours required and levels of staff to be assigned and hourly billing rates.

Criteria to be used in the evaluation and consequent recommendation of an firm appointment are as follows:

Qualifications and experience of Audit Team (35 points)

Knowledge of client (10 points)

Audit approach and additional services (15 points)

Cost of services (40 points)

Total 100 points

The evaluation team will recommend the audit contract award to the Regional District Board for final approval.

**Schedule B**

***SAMPLE LABEL***

**FILE No: RFP 10 135**

**TITLE: Financial Audit Services**

**CLOSING DATE: Tuesday, August 17, 2010 - 3:00 PM**

**PURCHASING DEPARTMENT  
SUNSHINE COAST REGIONAL DISTRICT  
1975 Field Road  
Sechelt, BC V0N 3A1**

**DO NOT OPEN – TENDER DOCUMENTS**