

TOWN OF BARRINGTON REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The Town of Barrington is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2015, with the option of auditing its financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards, established by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the *Government Auditing Standards* issued by the Comptroller General of the United States.

These audits are to be performed in accordance with the provisions of the federal Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. The federal government released new federal audit requirements for state and local governments receiving federal funds. The new audit requirements will become effective for the fiscal 2016 audit. References to OMB Circular A-133 as included herein shall be superseded by those new requirements (OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F – Audit Requirements) for audit periods after fiscal 2015.

The minimum requirements of the Office of the Auditor General of the State of Rhode Island and the Department of Education of the State of Rhode Island should also be followed.

The Barrington School Department implemented a Uniform Chart of Accounts (UCOA). The auditors engaged to perform the annual audit of the Town of Barrington shall also be engaged to report on their tests of compliance with the School UCOA requirements in an agreed-upon procedures compliance attestation format.

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

To be considered, three copies of a proposal must be received by Kathleen Raposa at 283 County Road, Barrington, RI 02806 by 12:00 PM on March 31, 2015. The proposals will be opened on March 31, 2015 at 12:00 PM. The Town of Barrington reserves the right to reject any or all proposals submitted.

During the evaluation process, the Town reserves the right, where it may serve the Town of Barrington's best interest, to request additional information or clarifications from proposers, or to allow corrections of minor errors or omissions. At the discretion of the Town of Barrington,

firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Barrington 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 Barrington and the firm selected.

It is anticipated that the selection of a firm will be notified by April 7, 2015. Following the notification of the selected firm it is expected a contract will be executed between both parties by April 14, 2015.

B. Term of Engagement

A three-year contract is contemplated, subject to the annual review and recommendation of the Finance Director with the concurrence of the Barrington Town Manager.

II. NATURE OF AUDIT SERVICES REQUIRED

A. General

The Town of Barrington is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending June 30, 2015 with the option to audit the Town of Barrington's financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The Town of Barrington requires the auditor to express an opinion on the fair presentation of its basic financial statements, which will include government-wide financial statements, fund financial statements, and notes to the financial statements in conformity with generally accepted accounting principles.

The Town of Barrington also requires the auditor to express an opinion on the fair presentation of its combining and individual fund statements in conformity with generally accepted accounting principles. The auditor is not required to audit the required supplementary information and other supplementary information contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" report on the other supplementary information based on the auditing procedures applied during the audit of the basic financial statements. The auditor is not required to audit the statistical section of the report.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information, including but not limited to the Management's Discussion and Analysis section, as required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The auditor is not required to audit the supplementary schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Other schedules may be required by the Town and/or the State of Rhode Island Director of Revenue, Auditor General, and Department of Education or as required by the applicable section of the general laws such as, Rhode Island General Laws Section (RIGL) 45-10-6 (Contents of Audit Report). The Statistical Section of the Comprehensive Annual Financial Report, prepared in accordance with generally accepted accounting principles, shall meet the requirements of RIGL 45-10-6 for additional information to the basic financial statements.

If the general operations of the school department do not qualify as a special revenue fund, in accordance with generally accepted accounting principles, and is merged with the general fund for financial reporting purposes, the specific "school unrestricted fund" information will be presented within the Supplementary Information section of the annual financial report. The Supplementary Information will consist of: a Balance Sheet, a Statement of Revenues, Expenditures and Changes in Fund Balance, and a Budget and Actual Statement.

C. 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Single Audit Act of 1984 as amended by the Single Audit Act Amendments of 1996 and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations. The federal government released new federal audit requirements for state and local governments receiving federal funds. The new audit requirements will become effective for the fiscal 2016 audit. References to OMB Circular A-133 as included herein shall be superseded by those new requirements (OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F – Audit Requirements) for audit periods after fiscal 2015.

D. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles based upon an audit performed in accordance with generally accepted auditing standards and *Government Auditing Standards*.

2. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. Reports and summaries related to federal financial assistance as required by OMB guidance (the auditor should refer to applicable OMB guidance in effect and the applicable AICPA Audit Guide for reporting guidance). A completed Form SF-SAC, "Data Collection Form for Reporting on Audits of State, Local Governments and Non-Profit Organizations" to be submitted in accordance with the submission requirements for Form SF-SAC and Single Audit reporting packages (per OMB public Notice), to the Federal Audit Clearinghouse Internet Data Entry System.
4. Other reports that may be requested by the Director of Revenue, Auditor General, Rhode Island Department of Education or as required by the applicable section of the general laws.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Significant deficiencies that are also material weaknesses shall be identified as such in the report.

Other matters, for example, control deficiencies that are not significant deficiencies or material weaknesses discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

The management letter should include comments, and/or recommendations beyond those included in the reports described above, on such matters as:

1. Policies, procedures and practices employed by the municipality and by the School Department.
2. Weaknesses in the internal controls that are not "significant deficiencies."
3. Use of resources to provide a governmental service in a reasonable, judicious, economical, and efficient manner.
4. Compliance with state laws pertaining to the municipality and with rules and regulations established by the municipality.

Upon completion of the audit the management letter will be submitted to the Finance Director of Barrington, with copies to the Director of Revenue and the Auditor General. A copy of the final written correspondence, *The Auditor's Communication with Those Charged with Governance*, shall also be delivered to the State Auditor General.

Fraud and illegal acts. Auditors shall be required to make an immediate, written report of all fraud and illegal acts of which they become aware to the following parties:

- 1) Town Manager
- 2) Town Council

E. Special Considerations

Outlined below are certain additional requirements, which the Town requires. The cost of providing these services should be included in the all-inclusive maximum price.

1. The Town of Barrington will send its comprehensive annual financial report (CAFR) to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement of Excellence in Financial Reporting program. It is expected that the auditor will be responsible for printing the CAFR. The auditor will also be responsible for preparing the financial statements, based upon trial balances prepared and provided by the Town, to meet the necessary guidelines of the program. All supplementary information currently in the CAFR is expected to be provided by the auditors in all future CAFR reports.
2. Draft copies of all audit reports and management letters shall be submitted to the Finance Director of the Town prior to the exit conference so that there will be adequate time for review.
3. The supplementary schedule of expenditures of federal awards and related auditor's report, as well as the reports on internal control and compliance, are to be issued as part of the comprehensive annual financial report.
4. Difficulties may be encountered in implementing and complying with specific reporting requirements mandated by the State, AICPA, GASB, and OMB guidance. The auditor will be responsible to work with the Finance Director to ensure proper implementation and compliance with any new pronouncements effective during the contract.

Additionally, the Town seeks assistance in preparing the conversion from the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. The cost of this amount is to be shown separately in the cost proposal.

All audit documentation and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Town of Barrington of the need to

extend the retention period. The auditors will be required to make copies of all audit documentation requested by the Finance Director.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review audit documentation relating to matters of continuing accounting significance.

It is understood that the contract between the municipality and the audit firm shall require the auditor or the audit firm to release any and all information obtained in the course of the engagement to the Rhode Island State Auditor General (or his designee). This information includes but is not limited to financial data, analysis, audit documentation, and memorandums. Audit documentation of the independent auditors shall be made available to the Auditor General (or his designee) upon request. The request for such information by the Auditor General shall be responded to promptly. Failure to provide this information shall constitute a breach of contract, and the contract shall give the Auditor General standing in a court of competent jurisdiction to enforce this provision.

III. NATURE OF AGREED-UPON PROCEDURES SERVICES REQUIRED

The Barrington School District implemented a Uniform Chart of Accounts (UCOA) as promulgated by the Auditor General and Commissioner of Education in accordance with Rhode Island General Law 16-2-9.4. Each municipal school district, regional school district, collaborative, or charter school, which is required to adopt the UCOA, shall have additional compliance testing procedures designed to assess compliance with UCOA requirements and the entity's effectiveness of internal control over compliance with those requirements.

See Appendix D for the agreed-upon procedures. Please note that the agreed-upon procedures may be subject to subsequent modification.

IV. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact People

Kathy Raposa
Finance Director
247-1900

B. Background Information

The Town of Barrington serves an area of 15.8 square miles with an estimated population of 16,310. The Town of Barrington's fiscal year begins on July 1 and ends on June 30.

C. Fund Structure

The Town of Barrington used the following fund types and account groups in its financial reporting for the fiscal year ending June 30, 2014:

<u>Fund Type/Account Group</u>	<u>Number of Individual Funds</u>	<u>Number With Legally Adopted Annual Budgets</u>
General	1	1
Special Revenue	14	1
Capital Project	24	0
Permanent	2	0
Enterprise	1	1
Internal Service	1	0
Fiduciary	7	0

D. Budgetary Basis of Accounting.

The Town of Barrington prepares its budgets on a basis consistent with generally accepted accounting principles with two exceptions. Major encumbrances at year-end are considered to be expenditures for budgetary purposes but not for GAAP purposes. In addition, use of fund balance designated for operations is recognized as revenue on a budgetary basis.

E. Computer Systems

The Town presently utilizes Revenue Sense (Govern) and Tyler (Unifund) software. All financial applications are processed through this system.

F. Availability of Prior Year Audit Reports and Documentation

Interested proposers who wish to review prior years' audit reports and management letters should contact Kathy Raposa at 283 County Road Barrington, RI 02806, or by calling (401) 247-1900. The Town of Barrington will use its best efforts to make prior year audit reports and supporting audit documentation available to proposers to aid their response to this request for proposals. The CAFR can also be found on the Town's Website.

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:

Request for proposals issued	March 13, 2015
Due date for proposals	March 31, 2015

B. Notification and Contract Dates

Selected firm notified	April 7, 2015
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Contract date April 14, 2015

C. Date Audit may commence anytime in June 2015

The Town of Barrington will have all records ready for audit and available by September 18, 2015.

D. Schedule for the 2015 Fiscal Year Audit (A similar schedule will be developed for audits of future fiscal years if the Town of Barrington exercises its option for additional audits.)

Each of the following shall be completed by the auditor no later than the dates indicated.

1. Interim Work

The firm shall complete all interim work by July 15, 2015.

2. Detailed Audit Plan

The firm shall provide the Town of Barrington by June 18, 2015, both a detailed audit plan and a list of all schedules to be prepared by the Town of Barrington.

3. Fieldwork

The firm shall complete all fieldwork by October 16, 2015.

4. Draft Reports

The firm shall have drafts of the audit report(s) and recommendations to management for review by the Finance Director by October 30, 2015.

E. Date Final Reports are due is Nov 13, 2015.

The Finance Director shall prepare preliminary trial balances, and all required supplementary schedules by September 18, 2015. The firm shall provide all recommendations, revisions and suggestions for improvement to the Finance Director by October 16, 2015. A draft report shall be delivered to the Finance Director by October 30, 2015.

The Finance Director will complete the review of the draft report as expeditiously as possible. It is not expected that this process should exceed one week. During that period, the firm should be available for any meetings that may be necessary to discuss the audit reports of the Town and School. Once all issues for discussion are resolved, the final signed report shall be delivered to the Finance Director within 14 working days. It is anticipated that this process will be completed and the final report delivered by November 13, 2015. If the dates are not met, the Town of Barrington will deduct from the audit fee, \$200 per day for each business day any of the above dates are delinquent.

The final report, 20 signed copies, and an electronic version of the full report in pdf format suitable for posting on the Town's website and for the Town of Barrington's submission to the Auditor General and the state Director of Revenue should be delivered to Kathy Raposa, Finance Director at 283 County Road Barrington, RI 02806.

The final agreed-upon procedures report and 20 copies shall be delivered to Kathy Raposa, Finance Director, at 283 County Road Barrington, RI 02806.

The Town of Barrington shall provide the agreed-upon procedures report to the Rhode Island Department of Education and the Office of the Auditor General at the conclusion of the annual audit or the revised timeline established by the Rhode Island Department of Education and the Office of the Auditor General.

VI. ASSISTANCE TO BE PROVIDED TO THE FIRM AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Town of Barrington based on information requested by the firm.

B. Statements and Schedules to be prepared by the Staff of the Town of Barrington.

The staff of the Town of Barrington Finance Department will prepare the statements and schedules outlined in the Detailed Audit Plan (Section V.D.2), for the firm by an agreed upon date.

D. Work Area, Telephones and Photocopying

The Town of Barrington will provide the firm with reasonable workspace, desks and chairs. The firm will also be provided with access to telephone lines and photocopying facilities. All long distance telephone calls not associated with the Barrington audit are to be reimbursed by the firm to the Town. A telephone log sheet shall be maintained by the firm and be given to the Financial Controller at the end of each month.

E. Report Preparation

Report preparation, editing and printing shall be the responsibility of the firm. CAFR sections in the report will be prepared in conjunction of the audit. The Management Discussion and Analysis (MD&A) section of the report may require that some pages are printed in color. Future changes to the MD&A section may require additional color printing.

VII. 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:

Kathy Raposa
Finance Director
283 County Road
Barrington, RI 02806

2. Submission of Proposals

The following material is required to be received by 12:00 PM March 31, 2015, for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and two copies to include the following:

i. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address and telephone number of a contact person; and 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 it to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for a three year period.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VII B of this request for proposals.

v. Executed copies of Respondent's Guarantees and Respondent's Representations, attached to this request for proposals (Appendix A and Appendix B)

b. The proposer shall submit an original and 2 copies of a dollar cost bid (Appendix C) in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID
PROPOSAL

FOR
TOWN OF BARRINGTON
FOR
PROFESSIONAL AUDITING SERVICES
AGREED-UPON PROCEDURES SERVICES
March 31, 2015

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

Kathy Raposa
Finance Director
Town of Barrington
283 County Road
Barrington, RI 02809

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 and agreed-upon procedures of the Town of Barrington 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 the approach that will meet the request for proposals requirement.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed dollar cost bid.) 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 data may be presented, the following audit services requirements in, 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 under the requirements of the American Institute of Certified Public Accountants including those in Interpretation 10 of Rule 101 of the AICPA Code of Professional Ethics and *Government Auditing Standards*.

The firm should also list and describe the firm's professional relationships involving the Town of Barrington or any of its agencies or component units 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.

3. License to Practice in Rhode Island

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Rhode Island.

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 professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Representation that the private auditor has an appropriate internal quality control system in place and has participated in an external quality control review program as required by *Government Auditing Standards is required*. The firm is also required to submit a copy of the report on its most recent external quality control review report, as required by *Government Auditing Standards*, with a statement whether that quality control review included a review of specific government engagements. The firm will provide the Auditor General with a copy of its most recent external quality control review report.

Representation that the private auditor is familiar with generally accepted accounting principles for state and local government units and with the generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants; *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act of 1984 as amended in July 1996 and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F – Audit Requirements. The private auditor will conduct the audit and report in accordance with those standards.

The firm shall also provide information on the results of any 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 or its partners with state regulatory bodies or professional organizations.

The firm must provide information regarding any lawsuits or claims against the firm, pending or resolved.

An affirmative statement should be included indicating that the firm meets the continuing educational requirements of *Government Auditing Standards*.

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 Rhode Island. The senior accountant in charge of the fieldwork shall be a certified public accountant. The firm also should provide information on the government auditing experience of each person, including information on meeting continuing professional education requirements of *Government Auditing Standards* for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

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 Barrington. However, in either case, the Town of Barrington 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 Barrington, 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. However, the Town of Barrington retains the right to approve or reject replacements.

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 proposal. 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. Specific Approach

The proposal should set forth a work plan, including an explanation of the methodology to be followed, to perform the services required in Section II and Section III of this request for proposals.

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 and expected completion date of the audit.

- c. Sample sizes 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 of Barrington'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 test 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 Barrington.

9. Report Format

The proposal should include sample formats for required reports. A sample municipal audit report must be enclosed for the Town's review.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement and the agreed-upon procedures as described in this request for proposals. The dollar cost bid should specifically identify the fee for the audit services and the fee for the agreed-upon procedures. 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 Barrington will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the Town of Barrington.
- c. A Total All-inclusive Maximum Price for the 2015 engagement.
 2. Rates by Partner, Manager, Senior and Staff Level Times Hours Anticipated for Each

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

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates

All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

4. Rates for Additional Professional Services

If it should become necessary for the Town of Barrington to request the firm to render any additional services to either supplement the 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 Barrington and the firm. Any such additional work agreed to between the Town of Barrington and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid. Firms may quote different prices for certain times of the year.

In accordance with Government Auditing Standards, if the firm provides non-audit services, it must evaluate whether providing the services creates independence impairment with respect to the audit of the Town of Barrington.

5. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month.

VIII. EVALUATION PROCEDURES

- A. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The firm is independent and licensed to practice in Rhode Island.
- b. The firm's professional personnel have received adequate continuing professional education within the preceding two years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Barrington.
- 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 instruction in this request for proposals on preparing and submitting the proposal.
- f. The firm's capacity to meet required deadlines (e.g. staffing levels and other government engagements with similar due dates).
- g. The firm's track record for meeting contractual deadlines for completion of audits.

2. Technical Qualifications:

- a. General Qualifications and Experience
- b. Governmental Expertise and Experience
 1. The firm's past experience and performance on comparable government engagements including the issuance of a comprehensive annual financial report.
 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.
- c. Audit Approach
 1. Adequacy of proposed staffing plan for various segments of the Engagement.
 2. Adequacy of sampling techniques.

3. Adequacy of analytical procedures.

3. Price

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF A FIRM.

An evaluation committee will be comprised of individuals knowledgeable about auditing and financial reporting matters. Proposals will be evaluated using the following scoring weights resulting in a maximum score of 100 points:

	Maximum points
Overall qualifications and experience of the firm and the specific engagement personnel to be assigned focusing on experiences with governmental entities and the specific line of business or services provided by the entity to be audited.	40
Overall audit approach and audit strategy described/outlined in the proposal and firm capacity to perform the engagement within the specified timeframe (prior experience of the firm in meeting timelines should be factored in here)	30
Audit fees - See formula for points awarded for audit fees (*) 30	30
Maximum evaluation points 100	100

* Evaluation technique – audit fees

Audit fee score = (lowest qualified bid/bid for firm being evaluated) X 30 points

Example: Assuming 3 bids received were: (firm A) - \$40,000, (firm B) - \$46,000, (firm C) - \$50,000

Firm A (the lowest bidder)	awarded 30 points	$\$40,000/\$40,000 \times 30 \text{ points} = 30$
Firm B	awarded 26 points	$\$40,000/\$46,000 \times 30 \text{ points} = 26$
Firm C	awarded 24 points	$\$40,000/\$50,000 \times 30 \text{ points} = 24$

An evaluation grid will be prepared summarizing the scoring by each member of the evaluation committee and the composite ranking. If any firm is disqualified and therefore not evaluated, the reason for such action shall be documented.

B. Oral Presentations

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

C. Final Selection

The Town Council will select a firm based upon the recommendation of the evaluation committee.

It is anticipated that a firm will be selected and notified by April 7, 2015. Following notification of the firm selected, it is expected a contract will be executed between both parties by April 14, 2015.

D. 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 Barrington and the firm selected.

The Town of Barrington reserves the right without prejudice to reject any or all proposals.