



---

**REQUEST FOR PROPOSAL  
1220-20-557-2021  
External Audit Services**

**Attention: Deb Bodnar, Director of Financial Services**  
District of Port Hardy  
7360 Columbia Street  
PO Box 68  
Port Hardy, BC, V0N 2P0

Issue Date: July 27, 2021  
**Submission Deadline: August 23, 2021, at 2:00 pm PT**

## TABLE OF CONTENTS

|   |    |
|---|----|
| DEFINITIONS.....                                  | 3  |
| INTRODUCTION.....                                 | 4  |
| BACKGROUND.....                                   | 4  |
| REQUEST FOR PROPOSAL (RFP) PROCESS AND TERMS..... | 4  |
| TERMS OF AGREEMENT.....                           | 5  |
| SCOPE OF SERVICES.....                            | 6  |
| REPORTS TO BE ISSUED BY THE AUDITOR.....          | 6  |
| MEETINGS.....                                     | 7  |
| ASSISTANCE TO BE PROVIDED TO THE AUDITOR.....     | 7  |
| AUDITOR’S STAFF ASSIGNMENTS.....                  | 7  |
| FIXED PRICE BID.....                              | 7  |
| ADDITIONAL PROFESSIONAL SERVICES.....             | 8  |
| SUBMISSION REQUIREMENTS.....                      | 8  |
| EVALUATION AND SELECTION PROCESS.....             | 11 |
| SELECTED AGREEMENT TERMS.....                     | 12 |
| APPOINTMENT.....                                  | 13 |
| CONTACT PERSON.....                               | 13 |
| PART A – 2020 Volumes and Statistics.....         | 14 |
| PART B - Proposal Form.....                       | 15 |
| PART C - Audit Team Hours and Budget Summary..... | 16 |

## DEFINITIONS

|                                   |   |
|-----------------------------------|---|
| <b>“CONTRACTOR or CONSULTANT”</b> | means the Proponent whose Proposal has been accepted by the District and is awarded a contract by the District to carry out the Work.                   |
| <b>“DISTRICT”</b>                 | means the District of Port Hardy.   |
| <b>“PROPONENT”</b>                | means the responder to this RFP.  |
| <b>“PROPOSAL”</b>                 | means a proposal to carry out the Work submitted by a Proponent in response to this RFP.  |
| <b>“RFP”</b>                      | means this Request for Proposal.  |
| <b>“WORK”</b>                     | means and includes anything, and everything required to be done for fulfillment and completion of the project in accordance with this RFP and Proposal. |

## INTRODUCTION

### Project Summary

The District of Port Hardy (the “District”) is seeking proposals from qualified firms for the provision of external audit services as prescribed in Part 6, Division 2 of the *Community Charter*, and in accordance with Canadian generally accepted auditing standards. This involves the audit of the annual consolidated financial statements of the District for a period of three (3) years, commencing with the 2021 fiscal year, with an option to extend for an additional two (2) years. The fiscal year of the District is the calendar year. The Auditor should have experience and expertise in performing audits of government corporations and/or other public bodies, be free of any obligations or interests that may conflict or affect their ability to perform and act as the Auditor for the District and have the capacity to provide this service in a timely manner.

**Primary contact**      Deb Bodnar CPA, CMA  
Director of Financial Services  
Email: [DBodnar@PortHardy.ca](mailto:DBodnar@PortHardy.ca)  
Office No. (250) 949-6665

## BACKGROUND

A copy of the District’s 2020 Annual Report which contains the 2020 consolidated financial statements, and some statistics can be obtained from the District’s website located at [www.porthardy.ca](http://www.porthardy.ca). Please see Part A for a selection of estimated 2020 volumes and statistics.

The District currently supports the following computing environments:

- Financial records: MAIS - modules include General Ledger, Payroll, Accounts Payable, Accounts Receivable, Cash Receipting, and Property Tax.
- Capital Assets: CityWide

Accounting, payroll and purchasing transactions are processed through the District’s Financial Services, located at the Municipal Hall at 7360 Columbia Street, Port Hardy.

The District has other facilities within the Municipality. These included the Public Works Yard, Recreation Centre, Fire Hall, Harbour Office, and Animal Control.

## REQUEST FOR PROPOSAL (RFP) PROCESS AND TERMS

This RFP is not a tender call, and the submission of any response to this RFP does not create a tender process. This RFP is not an invitation for an offer to contract, and it is not an offer to contract made by the District.

Though the District fully intends to proceed through the RFP, in order to select the services, the District is under no obligation to proceed to an agreement, or any other stage. The receipt by the District of any information (including any submissions, ideas, models, or other materials communicated or exhibited by any intended proponent, or on its behalf) shall not impose any obligations on the District. There is no guarantee by the District, its officers, employees, or managers, that the process initiated by the issuance of this RFP will continue, or that this RFP process or any RFP process will result in an agreement with the District for the purchase of the service.

Proposals will be accepted by mail or email and will be marked with their receipt date at the closing location. Only complete proposals received and marked before the closing time will be considered to have been received on time. Proposals received after the final date and time for receipt of proposals will be considered a “late proposal”. Late proposals will not be accepted and will be returned unopened to the sender. In the event of a dispute, the proposal receipt time as recorded at the closing location shall prevail whether accurate or not. It is the responsibility of the proponent to verify receipt of submissions by requesting a confirmation or calling the District office at 250-949-6665 to verify.

While the District has used considerable efforts to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as guidance for proponents. This information is not guaranteed or warranted to be accurate by the District, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

The District reserves the right to modify the terms of this RFP at any time in its sole discretion. This includes the right to cancel the RFP at any time prior to entering into an agreement with the successful proponent.

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

## **TERMS OF AGREEMENT**

The term applicable shall be for a three-year period (calendar fiscal years 2021, 2022, 2023), with the option to extend for an additional period of two years (calendar fiscal years 2024, 2025), to a maximum total term of five years. The option to extend the term of this agreement is by mutual agreement between the two parties.

## **SCOPE OF SERVICES**

The District's consolidated financial statements are prepared by District staff in accordance with Canadian generally accepted accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Chartered Professional Accountants.

The District will make available to the Auditor a complete set of consolidated financial statements including notes that are ready for the audit. It is expected that these statements will be available by mid to late March. These statements will be supported by a set of working papers and appropriate supporting documents.

The Auditor will be required to fulfill the duties and responsibilities prescribed in Section 169 of the *Community Charter* and in accordance with Canadian generally accepted auditing standards. The audit is expected to be done in a timely manner and the Auditor shall provide relevant reports and requirements in accordance with a schedule satisfactory to the Director of Financial Services. The audit should be completed no later than April 30<sup>th</sup> of each year to allow the District to file the consolidated financial statements with the Province of British Columbia before the 14<sup>th</sup> of May. The District's preferred timing for the year-end fieldwork is within the last two weeks of March or first week of April. Preferred timing for interim fieldwork is during October or November.

The District will provide resources and reasonable assistance to the Auditor for reproduction, pulling and re-filing documents and preparation of additional schedules.

The audit process includes evaluating the overall consolidated financial statement presentation as drafted by District staff. The Auditor shall also produce a management letter providing observations and recommendations relative to the District's internal accounting controls, systems, and procedures.

## **REPORTS TO BE ISSUED BY THE AUDITOR**

The Auditor shall issue a written opinion on the fair presentation of the consolidated financial statements in conformity with Canadian public sector accounting standards suitable for printing within the consolidated financial statements.

The Auditor shall communicate in a letter to the Director of Financial Services and Chief Administrative Officer any reportable conditions, as determined by the Auditor, found during the audit. The Auditor shall also provide appropriate beneficial suggestions to correct any areas of concerns and weaknesses arising as a result of the audit process.

## **MEETINGS**

The Auditor will attend meetings with municipal officials as required, including the planning, and reviewing of the audit and consolidated financial statements. The Auditor is also expected to present the consolidated financial statements and audit report to Council and review the management letter with the Chief Administrative Officer and Director of Financial Services, who are responsible for advising Council on matters related to the external audit function.

## **ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

The Financial Services staff will be available during the audit to provide information, documentation, and explanations on financial matters.

The Financial Services staff will prepare draft consolidated financial statements including notes to the consolidated financial statements and all normal reconciliations, analysis, and supporting working papers. The District relies on the Auditor to make suggestions for different financial statement presentations and wording for the notes to the consolidated financial statements, most notably to incorporate new accounting pronouncements.

## **AUDITOR'S STAFF ASSIGNMENTS**

A schedule identifying the principal supervisory and management staff, including engagement partners and specialists, who would be assigned to the District's account is required. Information on the qualifications and experience of these staff must be provided.

## **FIXED PRICE BID**

A fixed price bid must be submitted for each of the three years (fiscal 2021, 2022, 2023), and for 2024 and 2025, which are subject to an extension agreement. The bids must be submitted in the Proposal Form (PART B) identified in this RFP. The bid for each year should be supplemented with more detailed budget information (outlined in PART C).

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

Changes in wording or presentation suggested or requested by audit staff during the course of any audit will not be considered as additional services.

## **ADDITIONAL PROFESSIONAL SERVICES**

If it should be necessary for the District to request the Auditors to render any additional services, whether or not these services are connected with the audit work specified in the RFP, the additional work will only be performed if set out in a letter between the District and the Auditors and performed at the rates set out in the fixed price fee schedules or such other negotiated rates as may be mutually agreed upon. Any unauthorized work is expressly excluded from any compensation.

Any requests for additional services will be strictly limited to situations where there exists no possibility for real or perceived conflict of interest in relation to this engagement.

In no case will the total remuneration for each fiscal year exceed the all-inclusive maximum cost as agreed to in the agreement as amended by any approved changes. Any changes to the purpose of the audit or inclusion of additional work shall be agreed to in writing by the Auditor and the District, including remuneration, before any such work is commenced.

## **SUBMISSION REQUIREMENTS**

### **CLOSING DATE AND TIME**

Proposals will be accepted up to **2:00 pm PT, Monday, August 23, 2021.**

### **REQUESTS FOR CLARIFICATION**

Proponents may inquire into and clarify any requirements of this RFP. Questions must be communicated to the contact person at least five days prior to the RFP closing. Questions must be in writing and submitted at least 5 days prior to closing to ensure time to respond.

It is the proponent's responsibility to clarify any details prior to submitting a proposal. The District will assume no responsibility for any oral instruction or suggestion.

### **OMISSIONS AND DISCREPENCIES**

If a proponent finds discrepancies in, or omissions from the proposal documents, or if he/she is in doubt as to their meaning, he/she should advise the District immediately.

Responses, if not already addressed in the RFP, will be addressed in the form of addendum, if required and posted to the District website at [www.porthardy.ca](http://www.porthardy.ca) under the Bids & Tenders page. No oral interpretations will be effective to modify any provisions of the Proposal, unless a written addendum has been issued by the Director of Financial Services, prior to the advertised closing date and time. The Proponent is solely responsible for ensuring any addenda are downloaded, reviewed, and included in their proposal.



### **PROPOSAL IRREVOCABILITY**

- By submission of a clear and detailed written notice, the Proponent may amend or withdraw its proposal prior to the closing date and time. Any amendment submitted which results in the disclosure of pricing or other salient points of the original proposal will result in disqualification of the Proponent. At closing time, all proposals become irrevocable.
- Proposals shall be firm for a period of at least 60 days from the RFP closing date and shall be used as the basis for and be included as part of the contractual agreement that will be entered into with the selected Proponent.
- By submission of a proposal, the Proponent agrees that should its proposal be successful, the Proponent will enter into a contract for the work with the District, the content and format of such contract to be determined by the District.

### **EXPENSE PREPARING PROPOSAL**

Proponents shall bear sole responsibility for any costs associated with preparing a Proposal in response to this RFP. In no event will the District be responsible for the costs of preparation or submission of any Proposal. Furthermore, by submitting a proposal, it is agreed that no claim for damages, for whatever reason, relating to the Agreement or in respect of the expense incurred in preparing a proposal will be brought against the District. The consultant, by submitting a proposal, waives any claim for loss of profits if no agreement is entered into.

### **PROPOSAL FORMAT**

Proponents will complete Part B – Proposal Form with submission.

### **SUBMISSION OF PROPOSALS**

Proposals must be received on or before the Closing Time of:

**TIME: 2:00 PM PT**

**DATE: Monday, August 23, 2021**

By Mail with envelope clearly marked **RFP 1220-20-557-2021 External Audit Services** to:

District of Port Hardy  
7360 Columbia Street, PO Box 68  
Port Hardy, BC V0N 2P0  
Office No. (250) 949-6665

By Email with subject line **RFP 1220-20-557-2021 External Audit Services** to:

[Tenders@porthardy.ca](mailto:Tenders@porthardy.ca)

NOTE: Proponent to verify receipt of email submission by requesting a confirmation or calling the District office at 250-949-6665 to verify.

Proposals will be accepted until the Closing Time specified. It is the Proponent's sole responsibility to ensure its Proposal is received at the addresses set out above by the Closing

Time. Proposals received after the Closing Time will not be accepted or considered. However, the District may consider extending the submission deadline should it be proven that preparation time is not sufficiently long. Requests for extension can be submitted to the above listed project contact.

More than one proposal from an individual, firm, partnership or association under the same or different names will not be considered.

Proposals will not be opened in the public.

### **INQUIRIES**

Proponents must carefully examine the RFP documents and should fully inform themselves as to the intent, existing conditions and limitations that may affect their proposal submission. No consideration will be given after submission of a Proposal to any claim that there was any misunderstanding with respect to the conditions imposed.

Proponents finding discrepancies or omissions in the RFP or having doubts as to the meaning or intent of any provision, should immediately notify the primary contact. If there are any changes, additions, or deletions to the Proposal scope, conditions, or closing date, Proponents will be advised by means of an Addendum issued by the District. All Addenda will become part of the Proposal documents, and Proponents must acknowledge receipt of Addenda in the Proposal submission.

Verbal discussions between District Councillors or staff and a Proponent will not become a part of the RFP or modify the RFP or the Proposal unless confirmed by the District in writing.

### **INDEMNIFICATION**

The successful *Contractor* hereby releases and shall indemnify and save harmless the *District*, its officers, employees, officials, agents, contractors, and representatives from and against any and all claims, costs, damages, actions, causes of action, losses, demands, payments, suits and expenses, legal fees or liability arising from:

- errors, omissions or negligent acts of the *Contractor*, its officers, agents, members, employees, *contractors* or subcontractors, or any other person for whom the *Contractor* is in law responsible in the performances of the Services;
- the breach, violation or non-performance of this Agreement by the *Contractor*, its officers, agents, members, employees, *contractors* or subcontractors, or any other person for whom the *Contractor* is in law responsible in the performance of the Services; or
- personal injury including death, property damage and loss arising out of, suffered or experienced by any person in connection with or during the provision of the Services under this Agreement, including without limitation WorkSafeBC claims and assessments.

The release and indemnity contained above shall apply except to the extent that the claims, costs, damages, actions, causes of action, losses, demands, payments, suits, expenses or legal fees or liability arise from the negligence of the *District*, its officers, employees, officials, agents, *contractors*, or representatives.

The *Contractor* is solely responsible for and shall promptly pay all WorkSafeBC premiums and assessments relating to the performance of the Services under this Agreement, whether by the *Contractor*, its officers, agents, members, employees, *contractors* or subcontractors, or any other person for whom the *Contractor* is in law responsible.

The release and indemnity contained above shall survive the termination of this Project.

The proponent should include statements concerning independence as follows:

- Confirming that any other services performed by the proponent for the District will neither prejudice the independence of this project nor be in conflict of interest under any governing code of professional ethics.
- The proponent should disclose information where there may be a conflict of interest or perceived conflict of interest (or state that there is no conflict of interest), including:
  - Information on the proponent’s partners, managers and members of their immediate family who are on the Council of the District or in a senior management capacity with the District. The District’s website contains the names of Council members and the District senior management. (“Immediate family” is defined as an individual’s spouse and those dependent on the individual or the individual’s spouse, whether related or not).
  - Clients of the firm who engage in significant activity with the District.
  - Clients or agents of the firm who are members of the Council or senior management of the District.
  - Information that may have been provided to Council that may influence the consideration of the proposal.

## **EVALUATION AND SELECTION PROCESS**

### **Evaluation Criteria and Weighting**

The following must be included in the proposed submission, in the sequence listed below, and will be the basis for the evaluation:

1. Qualifications and Experience of the Audit Firm and Audit Team – 25%
  - Name of the key contact person and their resume, including qualifications and experience.
  - A brief resume indicating experience and qualifications of all team members who may be assigned to perform the audit and their roles.

- A minimum of three client references, preferably local government, or related agencies, for which your firm has provided similar nature and scope of service within the last five years. Please provide organization name, address, contact name, telephone number, client profile and the years of service for each.
2. Methodology – 40%
- A statement of your understanding of the services to be performed and your ability and commitment to fulfill the responsibilities as described.
  - Details or proposed methodology for keeping the District abreast of changes, in particular those related to PSAB requirements impacting financial reporting.
  - Details or proposed audit methodology, including interim approach and the timing and duration of visits.
3. Fees – 25%
- The net total cost to perform audits for three (3) years beginning with the 2021 fiscal year and for an additional two (2) years (breakdown of each year).
  - A breakdown of the hourly charge out rates for each team member.
4. Value Added Services – 10%
- The District is prepared to consider any value-added services that proponents may be willing to offer.

## **SELECTED AGREEMENT TERMS**

### **Termination of the Agreement**

The agreement may be terminated for the following reasons:

If the District and the Auditor mutually agree to terminate the agreement for reasons agreed to by both parties, sixty (60) days written notice shall be given; or

If the Auditor is in default in the performance of any of its material obligations set forth in the agreement, then the District may, by written Notice to the Auditor require such default to be corrected. If within fifteen (15) days after receipt of the Notice the default has not been corrected or reasonable steps to correct the default have not been taken, the District, without limiting any other right it may have, may immediately terminate this agreement and must pay the Auditor for the services rendered and disbursements incurred by the Auditor to the date of termination, less any amounts necessary to compensate the District for damages or costs

incurred by the District of by any person employed by or on behalf of the District arising from the Auditor’s default.

## **INSURANCE**

The Auditor shall, at their own expense, provide and maintain until the completion of the Audit the following insurance in a form acceptable to the District of Port Hardy with an insurer licensed in British Columbia:

- Commercial General Liability Insurance with a limit of not less than \$2,000,000 inclusive per occurrence for bodily injury (including death), and damage to property including loss or use thereof. Such insurance shall include coverage from broad form property damage, contractual liability, completed operations and product liability. Commercial General Liability policies shall provide that no cancellation or lapse of or material alteration in the policy shall become effective until THIRTY (30) days after written notice of such cancellation, lapse or alteration has been given to the District of Lantzville.
- Professional Liability in an amount not less than \$2,000,000 insuring the audit firm’s liability resulting from errors and omissions in the performance of professional services during the audit.

Any deductible amounts in the foregoing insurance which are payable by the policyholder shall be in an amount acceptable to the District of Port Hardy.

The Auditor shall provide the District of Port Hardy with a certificate or certificates of insurance as evidence that such insurance is in force including evidence of any insurance renewal or policy or policies and also name the District of Port Hardy as an additional insured on the Auditor’s Commercial General Liability (CGL) Policy with respect to this contract with the District.

Maintenance of such insurance and the performance by the Auditor of their obligation under this clause shall not relieve the Auditor of liability under the indemnify provisions set forth herein.

## **APPOINTMENT**

The Proposal award is subject to Council appointing the firm as the auditor for the municipality under Section 169 of the *Community Charter*.

## **CONTACT PERSON**

The Auditor’s principal contact with the District will be Deb Bodnar, Director of Financial Services, or a designated representative who will coordinate the assistance to be provided by the District to the Auditor.

## **PART A – 2020 Volumes and Statistics**

|  |       |
|--|-------|
| Estimated population (2016 Census).....            | 3,643 |
| Number of general ledger accounts .....            | 2,650 |
| Number of full-time employees.....                 | 28    |
| Number of part-time employees .....                | 18    |
| Number of elected officials.....                   | 5     |
| Number of cheque and EFT payments issued .....     | 1,836 |
| Number of AR invoices issued .....                 | 333   |
| Number of utility billings issued per quarter..... | 1,450 |
| Number of active property folios .....             | 2,183 |
| Number of vendor invoices processed .....          | 4,000 |
| Number of bank accounts.....                       | 2     |
| Number of purchasing cards.....                    | 15    |

## **PART B - Proposal Form**

### **District of Port Hardy RFP 1220-20-557-2021 External Audit Services**

This form must be completed, signed, and included with each proposal submission.

The undersigned confirms that its submission is in response to the above noted RFP.

The Proponent acknowledges receipt of Addenda # \_\_\_\_\_ through Addenda # \_\_\_\_\_.

Name of Proponent \_\_\_\_\_

Address \_\_\_\_\_

Contact Name \_\_\_\_\_

Phone \_\_\_\_\_ E-mail \_\_\_\_\_

All fees quoted below are in Canadian dollars before any applicable taxes:

|  | Three-Year Contract |      |      | Two-Year Extension |      |
|--|---------------------|------|------|--------------------|------|
| Fiscal year  | 2021                | 2022 | 2023 | 2024               | 2025 |
| Total fees   | \$                  | \$   | \$   | \$                 | \$   |
| Hourly rate for additional services (attach separately if necessary) |                     |      |      |                    |      |
| Other charges (attach separately if necessary)                       |                     |      |      |                    |      |

#### **Confirmation of Proponent's Intent to Be Bound**

The enclosed proposal is submitted in response to the referenced Request for Proposal, including any Addenda. By submitting a proposal, the Proponent agrees to all the terms and conditions of the RFP including the following:

- a) The Proponent has carefully read and examined the entire Request for Proposal;
- b) The Proponent has conducted such other investigations as were prudent and reasonable in preparing the proposal; and
- c) The Proponent agrees to be bound by the statements and representations made in its proposal.

Name of authorized representative \_\_\_\_\_

Signature of authorized representative \_\_\_\_\_

Date \_\_\_\_\_

## **PART C - Audit Team Hours and Budget Summary**

|                         |        |      |        |
|-------------------------|--------|------|--------|
| Audit Year:             |        |      |        |
| Staff Assignment        | Hours* | Rate | Budget |
| Audit Partner           |        | \$   | \$     |
| Review Partner          |        | \$   | \$     |
| Sector Specialists      |        | \$   | \$     |
| Audit Manager           |        | \$   | \$     |
| Other Staff             |        | \$   | \$     |
| Staff not yet qualified |        | \$   | \$     |
| Totals (hours, budget)  |        |      | \$     |
| Misc. Disbursements     |        |      | \$     |
| GST (other taxes)       |        |      | \$     |
| Total Fixed Fee         |        |      | \$     |

*\*One Budget Summary document should be completed for each year (2021-2025). The hours worked by each member of the team should be clearly identified.*