



# COMMUNITY OF MURRAY HARBOUR



## REQUEST FOR PROPOSALS MUNICIPAL AUDIT SERVICES FOR THE COMMUNITY OF MURRAY HARBOUR

COMMUNITY OF MURRAY HARBOUR  
P.O. BOX 72, MURRAY HARBOUR, PE C0A 1V0

### **1.0 GENERAL**

The following is a Request for Proposals (RFP) for the provision of auditing and professional accounting services for the Community of Murray Harbour. The requirements of the submission are outlined in this RFP, and the requirements of the project are outlined in the Terms of Reference.

#### **1.1 Introduction**

The Community of Murray Harbour is requesting proposals for the services of a qualified Chartered Accounting firm to conduct the Financial and Compliance Audit of the Community's operations as per the requirements of the PEI Municipalities Act, Part VII Section 27.2. The responsibilities of the auditors will generally be limited to the expression of an opinion on the financial statements, discussions with respect to presentation and disclosure, comments and observations in regards to any aspect of the accounting, reporting or financial affairs of the Community. The Auditor will also be responsible for the completion of certain regulatory reports required by the Island Regulatory and Appeals Commission, Province of Prince Edward Island and the Government of Canada.

## **1.2 Background Information**

Murray Harbour is a small municipality that holds community status in Prince Edward Island, Canada. It is located in southeastern Kings County, in the township of Lot 64.

With an area of 4.1 km<sup>2</sup> and an extensive waterfront facing a large natural harbour (also named Murray Harbour), the community's primary industry is fishing, most notably lobster and scallops. It also hosts some secondary industry in the form of fish processing and a growing tertiary service economy centred on tourism.

The community has a car repair station, a fire station, a grocery, 2 restaurants, a number of churches, a marina and a number of wharves. The Community Centre hosts many events throughout the year, including plays, music and comedy shows - including Small Halls Festival - ceilidhs, suppers, painting classes, seniors' events and more. Behind the Community Centre is a large double dog park and an outdoor rink/ball hockey rink. Soon (summer 2017), a huge playground (for ages 5 to 13) and a skate park will be added.

The majority of the community's fishing fleet is berthed at the South River Harbour facility which is operated by Fisheries and Oceans Canada. Other wharves include the Murray Harbour wharf, Machon Point wharf, and Beach Point wharf, as well as the Bowridge Landing Marina.

## **2.0 INSTRUCTIONS TO PROPONENTS**

### **2.1 Submission**

Proponents shall submit two (2) copies of their sealed proposal, clearly marked with the name of the project. Facsimile transmitted proposals will not be accepted. The proposals are to be submitted to: Community of Murray Harbour P. O. Box 72, Murray Harbour, PE C0A 1V0, no later than 4:00 pm on March 17<sup>th</sup>, 2017

## **2.2 Inquiries and Amendments**

All technical inquiries concerning this Request for Proposal are to be directed to: Sylvain De Lafontaine, Chief Administrative Officer, Community of Murray Harbour, P. O. Box 72, Murray Harbour, PE. C0A 1V0. Phone: 902-962-3835, email: [office@murrayharbour.ca](mailto:office@murrayharbour.ca).

## **2.3 Proponents Requirements**

The successful proponent must be licensed in the Province of Prince Edward Island prior to commencement of the project. The successful proponent shall have professional liability/errors/omissions insurance coverage having a minimum limit of two million dollars per occurrence with the Community of Murray Harbour shown as an additional insured.

## **3.0 TERMS AND CONDITIONS**

- Submission of a proposal constitutes acknowledgement that the proponent has read and agrees to be bound by all the terms and conditions of this Request for Proposal.
- The Community will not make any payments for the preparation of a response to this Request for Proposal. All costs incurred by the proponent will be borne by the proponent.
- This is not an offer. The Community of Murray Harbour does not bind itself to accept the lowest price, the highest scored, or any proposal submitted.
- The Community has the right to cancel this Request for Proposal at any time and to reissue it for any reason whatsoever, without incurring any liability and no proponent will have any claim against the Community as a result of the cancellation or reissuing of the Request for Proposal.
- If a contract is to be awarded as a result of this Request for Proposal, it will be awarded to the proponent whose proposal, in the

Community's opinion, provides the best potential value to the Community and is capable in all respects to perform fully the project.

- The Community reserves the exclusive right to determine the qualitative aspects of all proposals relative to the evaluation criteria.
- Proposals will be evaluated as soon as practicable after the closing time. No detail of any proposal will be made public except the names of all parties submitting proposals.
- The proposal, accompanying documentation, and any project reports, drawings, etc. submitted by the proponents are the property of the Community and will not be returned.
- The proposal shall remain open for acceptance for a period of not less than sixty (60) days from the closing date of this Request for Proposal.

#### **4.0 PROPOSAL REQUIREMENTS AND EVALUATION**

The Proposal shall include information required to rate the proposal as follows:

- A brief narrative describing the proponent's firm (or team) and the overall approach to the project. This is the proponent's opportunity to present their project methodology as well as to show an understanding of the project. It is also an opportunity to present innovative ideas or approaches to the project.
- Background and qualifications of specific staff that will work on this project, including a proposed project manager. The proponent should demonstrate the experience and qualifications of the project team members to provide the services to fulfill the requirements of the project as set out.
- Descriptions of relevant experience and examples of similar work performed. As part of the evaluation of the submission, the Community shall review the proponents past performance on similar projects and their references from other clients for similar projects.

- A detailed schedule that identifies when services shall be conducted, and demonstrate the project can be completed within the allotted time frame and within budget.
- A costing to complete all facets of the required work through year ending 2016, 2017 and 2018. Out of pocket expenses such as travel and accommodations, etc. shall be included as part of the audit fee and are not to be billed separately. Ratings will be confidential and no details will be released to any of the proponents. The evaluation of the proposals shall be based on the factors presented as follows in Table 1.

Table 1 EVALUATION RATING TABLE	
Rating Factors	Weight Factor
1. Understanding of the Project	10
2. Work Plan	20
3. Project Team	20
4. Past Performance / References	15
5. Project Schedule	15
6. Cost of Services	20
<b>MAXIMUM TOTAL POINTS</b>	<b>100</b>

## **5.0 TERMS OF REFERENCE**

### **5.1 Background**

The Community of Murray Harbour has a population of about 320 and provides municipal services including administration, finance, public works, recreation, and fire protection services. The Community also operates the Murray Harbour Sewage Utility, which oversees the delivery of central sewer services. The approved budget for all Community operations (including the sewage utility and Gas

Tax infrastructure projects) for Fiscal Year Ending December 31, 2016 is approximately \$250,000. The Community operates under a council-manager system of government. The Council is comprised of six elected members and an elected Mayor. The Chief Administrative Officer is responsible for all Community administration functions. The Community utilizes QuickBooks Accounting System.

## **5.2 Objective**

The following is the objective of the project:

- To complete the 2016, 2017 and 2018 Municipal audit for the Community of Murray Harbour according to all applicable legislation and regulation.

## **5.3 Scope of Services**

The scope of work to be completed by the consultant as part of this project is summarized below. This scope of services is not to be considered all-inclusive. Tasks required to meet the project objective will be considered to be required under this Terms of Reference unless they are deemed unforeseeable or are required to meet expanded project objectives.

1. Consolidated audited financial statements, including schedules as required, must be provided for the Community of Murray Harbour (Departments include Community Hall, Fire, General Government, Parks and Recreation and Administration), Sewage Utility, and the Community's direct allocation under the Gas Tax Agreement.
2. The following reports/schedules shall be required to be completed for each year of the contract. The annual Municipal Financial Information Return to the Province of PEI, the annual report to the Island Regulatory and Appeals Commission for the Sewage Utility and the Canada-Prince Edward Island Gas Tax Annual Expenditure Report including the CIP and CBF and any others as required.
3. Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material

misstatement, whether caused by error or fraud and conformity with GAAP.

4. Perform tests of documentary evidence supporting the transactions recorded in the accounts, which may include tests of the physical existence of inventories and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions.

5. Review the internal accounting controls of the Community to an extent necessary to evaluate the system as required by applicable standards.

6. Issue a Management Report making recommendations for improvement.

7. The Auditor shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts to the CAO and Council.

8. Inform the CAO and Council of any matters involving internal control and its operation that the Auditor considers being reportable conditions under standards established by the CICA Handbook.

9. Provide the Community with adjusting entries and final trial balance upon completion of the field work.

10. Before September 30<sup>th</sup> of each year, the Community's auditors shall meet with appropriate administrative staff members of the Community to discuss and agree upon a schedule for the completion of the audit, working paper requirements and reporting deadlines. The audit shall be completed on or before the last day of February in the year following so that all financial reports of the municipality may be filed as required by legislation.

11. As part of the overall audit contract, the Community expects to receive from the audit firm a variety of technical assistance throughout the fiscal year, including answers to accounting, reporting or internal control questions and

advisory services. Indicate fees for these services if any and/or if they are included in your total annual base fee.

12. Proposals should contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

13. Term of Contract. The proposal is for auditing services for a three-year term with separate audits for each Fiscal Year Ending December 31<sup>st</sup> 2016, 2017 & 2018. It is the intent of the Community to negotiate a three-year contract. If the contract is satisfactorily carried out for the three-year term, the successful proponent's contract may be extended for two (2) one (1) year extensions for 2019 and 2020 at the sole discretion of the Community. The Community will undertake an annual performance review and Council may, at its discretion revoke the auditor appointment upon thirty (30) days notice should there be any unsatisfactory aspect of performance. An engagement letter is required each year by the auditing firm.

#### **5.4 Project Submission Formats**

Draft and final reports (financial statements, etc.) shall be presented on standard size paper (8 ½" x 11"), minimum font size – 11 point Times or equal and may be double sided. All electronic files submitted, shall be prepared in MS Word format. Any spreadsheets or graphs shall be prepared in MS Excel format.

#### **5.5 Proposed Schedule**

- 1) Request for Proposal Issued March 1<sup>st</sup>, 2017
- 2) Submission of Proposal Due by 4:00 PM March 24<sup>th</sup>, 2017
- 3) Award of Contract April 7<sup>th</sup>, 2017