



**TOWN OF SCARBOROUGH
259 US Route One
Scarborough, ME 04070-0360**

Request for Proposal

RFP # 072008

Date of Issue: April 4th, 2008

Title and Purpose of RFP: Audit Services

**SECTION ONE
INTRODUCTION AND INSTRUCTIONS**

1.01

**Return Mailing Address, Contact Person, Telephone, Fax Numbers and
Deadline for Receipt of Proposals**

Auditors must submit three (3) copies of their proposal, in writing, to the Purchasing Agent in a sealed envelope or box. It must be addressed as follows:

Attention: **Keith L. Matherne, Purchasing Agent**
Request for Proposal (RFP) Number: **072008**
Project name: Audit Services
259 US Route One
PO BOX 360
Scarborough, ME, 04070-0360

Proposals must be received no later than 3:00PM., EDT on **May 9th, 2008**. Faxed, Emailed and/or Oral proposals are **NOT** acceptable. ***These proposals will not be publicly opened.***

An Auditor's failure to submit its proposal prior to the deadline will cause the proposal to be disqualified. Late proposals or amendments will not be opened or accepted for evaluation.

All proposals submitted shall become property of Town of Scarborough and will not be returned.

CONTACT INFORMATION;

Keith L. Matherne, Purchasing Agent

PHONE **207-730-4089**

FAX **207-730 4167**

EMAIL - kmathern@ci.scarborough.me.us

THE PREFERRED CONTACT METHOD IS VIA EMAIL

1.02

Contract Term

The contract term set out herein represents the Town of Scarborough's best estimate of the schedule that will be followed.

The length of the contract will be three (3) years; external audits are to be performed for each of the five fiscal years ending June 30th, 2008 thru June 30th, 2010. Two one year extensions can be exercised upon mutual agreement.

1.03

Purpose of the RFP

The Town of Scarborough, which includes the School Department, is seeking proposals from qualified independent certified public accountants to perform the required external audits for each of the three (3) fiscal years ending June 30, 2008 thru June 30, 2010. Proposals may include recommendations for two one year extensions beyond the five fiscal year term.

1.04 Required Review

Auditors should carefully review this solicitation for defects and questionable or objectionable material. Comments concerning defects and objectionable material must be made in writing and received by the Purchasing Agent at least ten days before the proposal opening. This will allow issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of Auditor's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the Purchasing Agent, in writing, at least ten days before the time set for opening.

1.05 Questions Received Prior to Opening of Proposals

All questions must be in writing and directed to the Purchasing Agent; the preferred method is via email.

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the RFP; these questions may be answered without issuing an amendment. Other questions may be more complex and may require a written amendment to the RFP. The Purchasing Agent and Finance Director will make such decisions.

1.06 Amendments

If an amendment is issued, it will be provided to all who were mailed a copy of the RFP and to those who have registered with the Purchasing Agent as having downloaded the RFP from the Town of Scarborough web site.

1.07 Alternate Proposals

Auditors may only submit one proposal for evaluation.

1.08 Right of Rejection

Auditors must comply with all of the terms of the RFP, the Town Purchasing Ordinance, and all applicable local, state, and federal laws, codes, and regulations. The Purchasing Agent may reject any proposal that does not comply with all of the material and substantial terms, conditions, and performance requirements of the RFP.

Auditors may not qualify the proposal nor restrict the rights of the Town. If an Auditor does so, the Purchasing Agent may determine the proposal to be a non-responsive counter-offer and the proposal may be rejected.

Minor informalities that may be waived by the Purchasing Agent:

- do not affect responsiveness;
- are merely a matter of form or format;
- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

The Town of Scarborough reserves the right to accept or reject any or all proposals should it be deemed in the best interest of the Town.

1.09

Town Not Responsible for Preparation Costs

The Town will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any proposal.

1.10

Disclosure of Proposal Contents

All proposals and other material submitted become the property of the Town of Scarborough and may be returned only at the Town's option. Public records are to be open to reasonable inspection. All proposal information, including detailed price and cost information, will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, proposals will become public information.

Trade secrets and other proprietary data contained in proposals may be held confidential if the Auditor requests, in writing, that the Purchasing Agent does so, and if the Purchasing Agent agrees, in writing, to do so. Material considered confidential by the Auditor must be clearly identified and the Auditor must include a brief statement that sets out the reasons for confidentiality.

1.11

Subcontractors

Work under this proposed contract is not to be subcontracted without the prior written consent of the Finance Director.

1.12

Joint Ventures

Joint Ventures under this proposed contract are not permitted without the prior written consent of the Finance Director.

1.13

Auditor's Certification

By signature on the proposal, Auditors certify that they comply with:

- (a) the codes and ordinances of the Town of Scarborough and the laws of State of Maine;
- (b) all terms and conditions set out in this RFP;
- (c) a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- (d) that the offer(s) will remain open and valid based on the timeline proposed.

If any Auditor fails to comply with [a] through [d] of this paragraph, the Town reserves the right to disregard the proposal, terminate the contract, or consider the contractor in default.

**1.14
Conflict of Interest**

Each proposal shall include a statement indicating whether or not the firm or any individuals working on the contract has a possible conflict of interest (e.g., employed by the Town of Scarborough) and, if so, the nature of that conflict. The Town Manager or his designee, reserves the right to cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the program to be developed by the Auditor. The Town Manager's determination regarding any questions of conflict of interest shall be final.

**1.15
Right to Inspect Place of Business**

At reasonable times and where applicable, the Town may inspect those areas of the contractor's place of business that are related to the performance of this contract. If the Town makes such an inspection, the contractor must provide reasonable assistance.

**1.16
Solicitation Advertising**

Public notice has been provided in accordance with the Town Purchasing Ordinance.

**1.17
Assignment**

The contractor may not transfer or assign any portion of the contract without prior written approval from the Finance Director or Purchasing Agent.

**1.18
Disputes**

Any dispute arising out of this agreement will be resolved under the laws of the State of Maine. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain relief from or remedy in connection with this agreement may be brought only in a Superior Court for Cumberland County.

1.19

Severability

If any provision of the contract or agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

1.20

Continuing Obligation

Regardless of the terms and conditions of any third-party financing agreement, the contractor agrees that none of its responsibilities under this contract are transferable and that the contractor alone will continue to be solely responsible until the expiration date of the contract and warranty. By signature on this proposal the Auditor acknowledges this requirement and indicates unconditional acceptance of this continuing obligation clause.

SECTION TWO STANDARD PROPOSAL INFORMATION

2.01

Authorized Signature

All proposals must be signed by an individual authorized to bind the Auditor to the provisions of the RFP. Proposals must remain open and valid based on the proposed timeline.

2.02

Amendments to Proposals

Amendments to or withdrawals of proposals will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of proposals. No amendments or withdrawals will be accepted after the deadline unless they are in response to the Town's request.

2.03

Supplemental Terms and Conditions

Proposals must comply with Section **1.08 Right of Rejection**. However, if the Town fails to identify or detect supplemental terms or conditions that conflict with those contained in this RFP, or that diminish the Town's rights under any contract resulting from the RFP, the term(s) or condition(s) will be considered null and void. After award of contract:

- a) if conflict arises between a supplemental term or condition included in the proposal and a term or condition of the RFP, the term or condition of the RFP will prevail; and
- b) if the Town's rights would be diminished as a result of application of a supplemental term or condition included in the proposal, the supplemental term or condition will be considered null and void.

2.04

Clarification of Offers

Communications by the Purchasing Agent or the proposal evaluation committee are permitted with an Auditor to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications may not result in a material or substantive change to the proposal. The evaluation by the Purchasing Agent or the proposal evaluation committee may be adjusted as a result of a clarification under this section.

2.05

Discussions with Auditors

The Town may conduct discussions with Auditors. The purpose of these discussions will be to ensure full understanding of the requirements of the RFP and proposal. Discussions will be limited to specific sections of the RFP or proposal identified by the Purchasing Agent. Discussions will only be held with Auditors who have submitted a proposal deemed reasonably susceptible for award by the Purchasing Agent. Discussions, if held, will be after initial evaluation of proposals. If modifications are made as a result of these discussions they will be put in writing. Following discussions, the Purchasing Agent may

set a time for best and final proposal submissions from those Auditors with whom discussions were held. Proposals may be reevaluated after receipt of best and final proposal submissions.

If an Auditor does not submit a best and final proposal or a notice of withdrawal, the Auditor's immediate previous proposal is considered the Auditor's best and final proposal.

2.06 Prior Experience

Please see evaluation criteria for prior experience information.

2.07 Evaluation of Proposals

The Purchasing Agent and Finance Director, or an evaluation committee will evaluate proposals. The evaluation will be based solely on the evaluation factors set out in Section SEVEN of this RFP.

After receipt of proposals, if there is a need for any substantial clarification or material change in the RFP, an amendment will be issued. The amendment will incorporate the clarification or change, and a new date and time established for new or amended proposals. Evaluations may be adjusted as a result of receiving new or amended proposals.

2.08 F.O.B. Point

Where applicable, all goods purchased through this contract will be F.O.B. final destination. Unless specifically stated otherwise, all prices offered must include the delivery costs to any location in the Town of Scarborough.

2.09 Contract Negotiation

After final evaluation, the Purchasing Agent may negotiate with the Auditor of the highest-ranked proposal. If the highest-ranked Auditor fails to provide necessary information for negotiations in a timely manner, or fails to negotiate in good faith, the Town may terminate negotiations and negotiate with the Auditor of the next highest-ranked proposal.

Contract negotiations will take place in **Scarborough, ME**, therefore the Auditor will be responsible for their travel and per diem expenses.

2.10 Failure to Negotiate

If the selected Auditor

- fails to provide the information required to begin negotiations in a timely manner; or
- fails to negotiate in good faith; or
- indicates they cannot perform the contract within the budgeted funds available for the project; or
- if the Auditor and the Town, after a good faith effort, simply cannot come to terms;

the Town may terminate negotiations with the Auditor initially selected and commence negotiations with the next highest ranked Auditor.

2.11

Notice of Intent to Award — Auditor Notification of Selection

After the completion of contract negotiation the Purchasing Agent will issue a written Notice of Intent to Award and send copies to all Auditors. This will set out the names of all Auditors and identify the proposal selected for award.

2.12

Schedule of Project

To be considered responsive, the proposal shall include a timeline of the work to be performed in order to accomplish the required audit deadline of December 30th.

**SECTION THREE
STANDARD CONTRACT INFORMATION**

3.01

Contract Intent

This RFP is intended to result in the contracting for external auditing services for three (3) fiscal years starting July 1st, 2008 and ending June 30th, 2010. Upon written agreement of all parties, this contract may be extended by the Finance Director up to two times for a period of one year for each renewal. The renewal shall be under the terms of the current contract and executed within a reasonable time (approximately 90 days) prior to the expiration date.

3.02

Contract Approval

This RFP does not, by itself, obligate the Town. The Town's obligation will commence when funds are appropriated by the Town Council, and the contract is approved by the Town Manager, or the Town Manager's designee. Upon written notice to the contractor, the Town may set a different starting date for the contract. The Town will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the Town.

3.03

Proposal as a Part of the Contract

Part or all of this RFP and the successful proposal may be incorporated into the contract signed by the Town, School Department and the selected Auditor.

3.04

Additional Terms and Conditions

The Town reserves the right to add terms, conditions, and specifications during contract negotiations. These terms, conditions, and specifications will be within the scope of the RFP and will not affect the proposal evaluations.

3.05 Insurance Requirements

The successful Auditor must provide proof of acceptable insurance prior to contract approval.

Auditors must review the information contained in APPENDIX 'A' attached for details on required coverage. No alteration of these requirements will be permitted without prior written approval from the Town Manager or his designee. Objections to any of the requirements in APPENDIX 'A' must be set out in the Auditor's proposal.

3.06 Contract Funding

It is understood and agreed between parties to any agreement resulting from this proposal that the Town and School Department shall be bound hereunder only to the extent of fund's available or which may become available for the purposes of this agreement

It is further understood and agreed upon between the parties to any agreement resulting from this proposal that the Town and School Department shall not be obligated to purchase or pay for services covered by this agreement unless and until they are ordered, delivered and performed for the Town and School Department.

3.07 Proposed Payment Procedures

The successful auditor shall submit itemized invoices to the Finance Director for the Town and School Department's audit separately with detail consistent with the final fixed cost audit contract price.

The Town shall make payment to the Auditor upon completion of the services and acceptance of the report each year for the Town and School Department. The Finance Director may make interim payments for work performed by the under auditor under their discretion.

The Town is not responsible for and will not pay local, state, or federal taxes. All costs associated with the contract must be in U.S. currency.

3.08 Inspection & Modification - Reimbursement for Unacceptable Deliverables

The contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the Finance Director or her designee. The Town may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. Should the Finance Director determine that corrections or modifications are necessary in order to accomplish its intent, the Finance Director may direct the contractor to make such changes. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the Town to terminate the contract. In this event, the Town may require the contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

3.09 Termination for Convenience, Default or Otherwise

Any resulting contract shall be subject to cancellation for convenience by either party upon ninety (90) days written notice, one to the other.

If the Purchasing Agent, Finance Director or designee of either determines that the contractor has refused to perform the work or has failed to perform the work with such diligence as to ensure its timely and accurate completion, the Town may, by providing written notice to the contractor, terminate the contractor's right to proceed with part or all of the remaining work.

3.10 Contract Changes - Unanticipated Amendments

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract or assistance to the Finance Director as specifically determined and approved in advance by the Town. When additional work is required, the Finance Director will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments.

The contractor will not commence additional work until the Purchasing Agent has secured any required approvals necessary for the amendment and issued a written contract amendment.

3.11 Personnel

The personnel designated in the management summary for key positions shall not be changed except with the permission or request of the Finance Director. The Town and School Department will only approve such change when, in their opinion, the substitute personnel have equal or greater qualifications and experience than those they replace.

3.12 Audit

The Town and School Department reserve the right to review all of the vendor's files associated with a subsequent contract where payments are based on contractor's record of time, salaries, materials or actual expenses, on demand and without notice. The same right to review will be imposed on any subcontractor as well.

3.13 Property of Work

Any work resulting from the award of this contract will become the sole property of the Town and School Department. The successful offer shall not copyright any material and/or reports. And upon request, the Auditor should turnover all work papers and related documents to the Town and School Department.

SECTION FOUR BACKGROUND INFORMATION

4.01 Background Information

The Town of Scarborough is a municipal corporation of the State of Maine with the population of approximately 18,812 and a current annual budget of \$73.6 million. The Town and School Department employ approximately 1,350 people. The Town participates in the Maine Public Employees Retirement System, formally known as the Maine State Retirement System. The Town also participates in a deferred compensation plan (457) as well as a money purchase plan (401a).

The Town and the School Department are required by local, state, and federal laws and regulations to have an independent certified public accountant (“Auditor”) perform an annual external audit of their financial statements. These audits are to be performed with generally accepted auditing standards set forth by the said mentioned governing bodies. The municipal audit includes the School Department as well as a separate report issued for the school accounts only. The Town requires the Auditor to present the Town Council and School Board with a set of audited financial statements before December 30th of the calendar year that follows the close of the fiscal year (June 30).

The Town is committed to quality financial reporting, maintaining adequate systems of internal control, and proper stewardship of public funds. Consistent with this, the Town and School expect an audit that clearly meets all applicable auditing standards. The Town has been awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for two consecutive years. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Town provides the following services to its citizens:

- Public Safety (Police, Fire and Rescue)
- Public Works
- Education
- Community Services
- General Assistance
- Planning
- General Administration

The Town and School Department both utilize the MUNIS Accounting Software.

The accounting system of both the Town and School are comprised of the following funds:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Private Purpose Trust Funds
- Agency Funds
- Permanent Funds
- General Long-Term Debt

SECTION FIVE SCOPE OF WORK, TECHNICAL, and ACCESS REQUIREMENTS

5.01 Scope of Work

The Auditor shall perform a financial and compliance audit of the financial statements in accordance with generally accepted auditing standards and principles for the Town and School related services as described below.

- a. Provide an opinion on the General Fund Financial Statements. This includes an opinion on the government-wide financial statements, fund financial statements and notes to the financial statements. The Auditor will also perform the single audit (A-133) of federal grant programs.
- b. Review the Management's Discussion and Analysis document and other required supplementary information for accuracy and completeness.
- c. Provide a management letter recommending improvements in internal controls and operations.
- d. Provide Statement of Net Assets and Statement of Activities.
- e. Assist the Town and School Department with other statements and exhibits.
- f. Assist the Town and School Department in other various areas as requested (a separate per-hour quote for additional services should be provided in your proposal that is submitted to the Town).

5.02 Technical Requirements

1. Town Furnished Items

- a. The Department of Finance will prepare the Town's CAFR.
- b. The Auditor will print the CAFR as well as provide a PFD file for the Town website (<http://www.scarborough.me.us/townhall/finance/statements/index.html>).
- c. The Auditor will have access to all of the Town and School Department records as required to perform the audit.
- d. There will be reasonable working space for the Auditor. Phone lines will be made available; however, no long distance or other toll service will be provided. A Fax machine will be available.
- e. Preliminary audit work can start immediately after the contract award.
- f. The Director of Finance will be the primary contact and coordinator of the contract and will coordinate issues related to the preparation of the CAFR and debt issues.

2. Audit Standards and Assurances

- a. The Auditor shall conduct his/her examination and render their report in accordance with:
 - i. Generally accepted governmental auditing standards as defined by Government Auditing Standards issued by the Comptroller General of the United States and any revisions effective during the audit period.
 - ii. The Single Audit Act of 1984, amended in 1996, and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations and any revisions effective during the audit period. The Auditors shall make all coordinating arrangements with the cognizant agency.
- b. The Town Council and School Board anticipate receiving unqualified opinions on the financial statements. Should the Auditor determine during the course of the audit that the Auditor cannot issue an unqualified opinion; the Auditor shall formally notify the Finance Director as soon as possible.
- c. Throughout the audit, communication of potential audit adjustments, potential management comments, potential findings and questioned costs and matters relating to audit progress shall be of a frequency and nature as specified by the Finance Director from time to time. Adequate and timely review by the Audit Partner and Manager shall occur in order to ensure the communications provided for herein. Adequate documentation shall be maintained in the audit work papers and furnished to the Finance Director to support all such items.
- d. The Auditor's management letters shall be addressed to the Town Council and School Board and shall include all known reportable conditions, including known reportable conditions from a prior audit which have not been corrected; separately identify any reportable conditions which are also material weaknesses; and include conditions discovered by the Auditor that are not reportable conditions but the Auditor chooses to report to management.
- e. The Auditor shall immediately report all irregularities and illegal acts or indications of illegal acts to the Finance Director and Town Manager. If, in the Auditor's opinion the irregularities or illegal acts are of sufficient significance, they shall be reported to the Town Council or School Board.
- f. During the audit, the Auditor shall report to the Town Manager and Finance Director on the progress of the audit.
- g. The Auditor shall be available to provide incidental or insignificant assistance to audit or accounting inquiries of other natures throughout the contract. Fees for incidental or insignificant assistance in these regards shall be included as part of the contract cost. Non-incidental or significant assistance shall be provided for under **Section 3 – Standard Contract Information Sub-Section 3.07**.
- h. The Auditor agrees that the firm and all auditors working on the audit are independent of the Town, School Department and component units included in the Town's CAFR in accordance with Government Auditing Standards and shall comply with all Federal, State and local laws and regulations in performance of this engagement. The Auditor agrees to disclose to the Town the presence of litigation against the Town or any other local government, which could impair the Auditor's independence or ability to perform the audit.

5.03

Access Requirements

The Auditor's working papers will be available for routine review by the Town and School Department and appropriate auditors of the Federal or State Governments and retained for a period of 6 years after

final issuance of the audit reports. If the auditor is unable to retain the records for this time period, they are to be turned over to the Town.

Should the Town and School Department change auditors, the Auditor will make the working papers available to the successor auditor and provide usual and customary professional courtesy and responses to successor auditor inquiries without additional charge to the Town or successor auditor.

SECTION SIX PROPOSAL FORMAT AND CONTENT

6.01 Proposal Format and Content

In order to facilitate the evaluation and comparison of all proposals, please present your proposal as described in the following sub-sections. To be considered responsive, the proposal shall respond to all requirements of this section of the RFP. It is not sufficient for Auditor to address the proposal in general terms or in terms other than those outlined in the RFP.

Any other information thought to be relevant, but not applicable to the enumerated categories, may be provided as a separately bound appendix to the proposal. The proposal should be concise and to the point and should not exceed 75 pages.

The Town discourages overly lengthy and costly proposals, however, in order for the Town to evaluate proposals fairly and completely, Auditors must follow the format set out in this RFP and provide all information requested.

6.02 Introduction

Proposals must include the complete name and address of Auditor's firm and the name, mailing address, and telephone number and email address of the person the Town should contact regarding the proposal.

Proposals must confirm that the Auditor will comply with all provisions in this RFP. Proposals must be signed by a company officer empowered to bind the company. An Auditor's failure to include these items in the proposals may cause the proposal to be determined to be non-responsive and the proposal may be rejected.

6.03 Audit Approach

Describe how you, the Auditor, will plan, conduct, and report on the audit; explicit expected dollar levels of materiality by fund (based on fiscal year 200X); expected levels of materiality for the A-133 audit; and coordination with management.

6.04 Qualifications and Experience of Auditors

Describe how the audit managers and individual auditors, who will be assigned to the Town and School audit are qualified by training and experience to perform the audit. How the quality of the staff over the term of the agreement will be assured.

6.05 Qualifications and Experience of Firm

Describe how the local office of the firm is qualified to perform a governmental audit; including a minimum of five years experience auditing other local governments and schools. Provide a list of references of audits of towns, cities and schools, including those in Maine.

**6.06
Accessibility**

Describe the degree of accessibility that the Auditor will be able to provide the Town and School.

**6.07
Resumes**

Include resumes of individual audit partners, managers and staff auditors expected to be assigned to the audit. Specifics such as professional certifications, college degrees, type, levels and years of experience in auditing local governments, schools, and relevant training courses should be clearly shown.

**6.08
Compensation**

Estimate the total hours and the resulting all-inclusive maximum fee for which the requested work will be done. An Appendix stating the hourly rate for staff classifications is required. The Town reserves the right to adjust the quoted appraisal fee negatively for each day the report is received after the deadline at a rate of \$100.00 per day. No penalty shall be imposed for delay that is beyond the control of the Auditor and the auditing firm if written documentation explaining the reason for delay is received by the Town well in advance of the report's due date.

**SECTION SEVEN
EVALUATION CRITERIA AND CONTRACTOR SELECTION**

**THE TOTAL NUMBER OF POINTS USED
TO SCORE THIS CONTRACT IS 100**

**7.01
Audit Approach (30 Points)**

**7.02
Qualifications and Experience of the Auditors Assigned to Audit (30 Points)**

**7.03
Qualifications and Experience of Firm (25 Points)**

**7.04
Cost Proposal (15 Points)**

Fee will include all costs, expenses, overhead and profit (fixed fees).

Converting Cost to Points

The lowest cost proposal will receive the maximum number of points allocated to cost.

**SECTION EIGHT
ATTACHMENTS**

**8.01
Attachments**

PROPOSAL EVALUATION FORM

EVALUATION CRITERIA AND SCORING

THE TOTAL NUMBER OF POINTS USED TO SCORE THIS CONTRACT IS 100

SAMPLE FORM

RFP 072008/AUDITING

Evaluation Criteria		Percentage
	1) Audit Approach	30%
	Qualifications and Experience of	
	2) Auditors assigned	35%
	3) Qualifications and Experience of Firm	25%
	4) Cost Proposal	15%
		100%

Criteria number	Firm Name				
1)	0%	0%	0%	0%	0%
2)	0%	0%	0%	0%	0%
3)	0%	0%	0%	0%	0%
4)	0%	0%	0%	0%	0%
Total Score	0%	0%	0%	0%	0%

Evaluated by

Appendix A Insurance and Indemnification Requirements

INDEMNIFICATION: The contractor shall indemnify, hold harmless, and defend the Town from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the Town for a claim of, or liability for, the independent negligence of the Town. If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the Town, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Town", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Town's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

INSURANCE: Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the Town shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Purchasing Agent prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services.

Proof of insurance is required for the following:

The contractor shall furnish proof of adequate insurance coverage of the types, and to the limits, specified below. Certificates of such insurance shall be filed with the Purchasing Agent within five (5) days following notification of the Bid Award.

WORKERS COMPENSATION:

The Contractor shall purchase and maintain during the life of this Contract Workers Compensation Insurance for all employees employed in the course of performing services under this Contract as awarded pursuant to these Specifications; and in case any work is sublet, the Contractor shall require the Sub-Contractor to similarly provide Worker's Compensation Insurance for all of the latter's employees, unless such employees are covered by the protection afforded the Contractor. In case any class of employees engage in hazardous work under the Workman's Compensation Statute, the Contractor shall provide adequate coverage for the protection of employees not otherwise protected. All coverage to be in accordance with State of Maine laws in effect and the requirements of the Industrial Accident Commission.

LIABILITY INSURANCE:

The Contractor shall carry and maintain, until final written acceptance of the work by the Town, insurance as specified below and in such form as shall protect the Town of Scarborough and its employees and officials from all claims and liability for damages and bodily injury including accidental death and for property damage which may arise from operations under this Contract. The Contractor covenants and agrees to hold the Town of Scarborough and its employees, agents, and officials harmless from loss and damage due to claims from personal injury and/or property damage arising from or in connection with operations under this Contract. Except as otherwise stated, the amounts of such insurance shall be for each policy not less than:

1. For liability, for bodily injury, including accidental death \$400,000 on account of one occurrence and \$400,000 aggregate limit.
2. For liability for property damage \$400,000 on account of any one occurrence and \$400,000 aggregate limit.
3. An umbrella policy in the amount of \$400,000 covering the underlying policies. All policies shall be so written that the Purchasing Agent's office of the Town of Scarborough will be notified of cancellation or restrictive amendment at least thirty (30) days prior to the effective date of such cancellation or amendment. A certificate from the Contractor's insurance carrier showing at least the coverage and limits of liability specified above and expiration date shall be filed with the Town before operations may begin. Certificates shall make no claims against the Town of Scarborough or its officers for any injury to any of his officers or employees for damage to his trucks or equipment arising out of work contemplated by this Contract. The Contractor agrees to hold the Town harmless from any claims so made and to indemnify the Town, its officers, employees, agents, and servants from all claims legal or equitable, including court costs and reasonable attorneys fees arising out of the operation of the contract.

AUTOMOTIVE LIABILITY INSURANCE:

Automotive Liability Insurance with a minimum limit of liability for bodily injury in the amount of \$400,000 for each occurrence and minimum limit of liability for property damage in the amount of \$50,000 / \$100,000 aggregate.