

TOWN OF WILTON REQUEST FOR PROPOSALS
FOR
PROFESSIONAL AUDITING SERVICES

The Town of Wilton, Connecticut, is requesting proposals from qualified firms of certified public accountants, in accordance with the provisions of the Connecticut General Statutes, to conduct an examination and to render an opinion on the comprehensive annual financial statements of the Town of Wilton. Proposals will be received at the First Selectman's Office, 238 Danbury Road, Wilton, CT 06897 until 11:00 a.m. on Tuesday, November 30, 2010 at which time no further proposals will be considered. Request for Proposal documents and specifications can be viewed/downloaded from the Town of Wilton website at <http://www.wiltonct.org> or may be obtained at the First Selectman's Office from 8:30 a.m. until 4:30 p.m. on Mondays through Fridays. Technical information concerning this Request for Proposals may be obtained by contacting Sandra L. Dennies, CFO, at (203) 563-0128. The Town of Wilton is an Equal Opportunity Employer.

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I. INTRODUCTION

A. General Information

The Town of Wilton (the Town) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2011, 2012 and 2013. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards (1994)*, the provisions of the Federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*, and the provisions of Sections 4-230 through 4-236 of the Connecticut General Statutes concerning the *State Single Audit Act*.

The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

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

To be considered, nine copies of a proposal must be received at the First Selectman's Office, Town of Wilton, 238 Danbury Road, CT 06897 by 11:00 a.m. on Tuesday, November 30, 2010. The Town of Wilton reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by finance personnel, Town administrators and Board of Finance members.

During the evaluation process, the selection personnel and the Town of Wilton reserve the right, where it may serve the Town's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the Town of Wilton or the selection personnel, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The Town of Wilton 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 Wilton and the firm selected.

It is anticipated the selection of a firm will be completed no later than January 2, 2011. Following the notification of the selected firm, and approvals by the Board of Finance and Board of Selectmen, it is expected that an engagement letter will be executed between both parties within 30 days of all approvals.

B. Term of Engagement

1. Contract Period

The agreement shall be for a three-year period and shall become effective immediately upon execution by all parties with implementation of all specified services to take place for the audit of fiscal year ending June 30, 2011. The contract entered into between the Town and the firm shall extend for a term through and including the audit for the fiscal year ending June 30, 2013. The agreement may be extended for an additional two years at the discretion of the Board of Finance.

2. Compensation

Compensation for services shall be a fixed price for each year of the three-year term of the agreement. The fixed fee shall include a minimum number of hours to be allocated to the partner-in-charge, supervising manager, and field staff. Upon request the firm will provide the Town with a statement of chargeable hours to substantiate billings. Any annual optional extensions shall be performed at prices to be negotiated before the option is exercised.

3. Following engagement, should the Chief Financial Officer find that the firm failed in any material respect to perform its obligations under the agreement; the Board of Finance may cancel the agreement. The firm shall be liable for damages from such breach including reasonably foreseeable incidental and consequential damages. Should the Town find that the auditing services provided under the terms of this agreement precludes the Town from administering its duties in an efficient manner, the Town of Wilton may cancel the agreement upon 90 days written notice to the firm. In such event the Town shall compensate the firm at the pro rata hourly rate for service performed through the effective date of the cancellation which shall be in full and complete satisfaction for the firm's claims. The firm shall promptly return all work papers and work in progress to the Town. The firm shall provide the Town at least 180 days prior written notice of its intent to terminate any agreement.

II. DESCRIPTION OF THE GOVERNMENT

A. General

The auditor's principal contact with the Town of Wilton will be Sandra L. Dennies, Chief Financial Officer, a designated representative, who will coordinate the assistance to be provided by the Town of Wilton to the auditor.

B. Background Information

The Town of Wilton operates under a Board of Selectmen, Town Meeting form of government. A Town Charter and Code of Ordinances govern operation of the Town. In addition, certain Town and Board of Education transactions are governed by the State of Connecticut General Statutes (CGS).

The Town of Wilton serves an area of 27.3 square miles with a population of approximately 17,965. The Town of Wilton's fiscal year begins July 1 and ends on June 30.

The Town provides the following services to its citizens: Police Protection, Fire Protection, Parks and Recreation, Road Repair, Street Lights, Snow Removal, Transfer Station, Recycling, Animal Control, Social Services, Educational and General Government Services, as well as support for the Library, Ambulance and other services provided by not-for-profit organizations.

The Town of Wilton is organized into several departments. Wilton's financial administration, operation, accounting and reporting are divided between the Town Finance Department and the Board of Education Business Office. The Board of Education maintains its own budget, accounting, payroll, procurement, human resources, purchasing, employee benefits, and vendor checks. The transactions are posted in summary form to the Town's General ledger maintained by the Town Finance Department based upon information supplied by the Business Office of the Board of Education. The Board maintains the supporting documentation. Exceptions to this are worker's compensation transactions, transactions of capital project funds, and capital lease

transactions for the Board of Education computers. The Town Finance Department accounts for these types of transactions and keeps the supporting documentation.

More detailed information on the government and its finances can be found in a variety of documents which provide background information that defines the scope of Town services, Town demographics, fund structure, basis of accounting, federal and state assistance and a description of the Town's pension plans.

More detailed information on the government and its finances can be found in the following documents which are available on the Town of Wilton's website at: (www.wiltonct.org under the Finance Department).

1. General Obligation Bonds, Issue of 2010 – Final Official Statement (Feb. 1, 2010)
2. Budget for Fiscal Year 2010 – Adopted
3. Audit Report, Fiscal Year 2009
4. Federal/State Compliance Report 2009
5. Audit Report, Fiscal Year 2008
 - Audit Report, Fiscal Year 2007
 - Audit Report, Fiscal Year 2006
 - Audit Report, Fiscal Year 2005

C. Fund Structure

The Town uses all of the funds included in the budget and the Audit and Pension Funds, all under general ledger control, and account groups in its financial reporting including the following:

General Fund

Special Revenue Fund – BOE Entitlement Grants, Emergency Medical Services, Parks & Recreation Self-Sustaining, Gift Fund, BOE Summer School, BOE Continuing Education, Police Asset Forfeiture, Selectmen's Benevolent Fund, Water Assessment (Debt Service), and School Lunch.

Capital Project Funds– Debt Issuance of 1997, 1998, Open Space, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010

Trust - Wilton Employees Retirement Trust, Other Post Employment Benefits Trust

Business Type - Water Pollution Control Authority, Transfer Station

Internal Service - BOE Medical Benefits

Agency - Student Activity

D. Budgetary Basis of Accounting

The Town of Wilton prepares its budgets on a basis consistent with generally accepted accounting principles except that encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year. Where applicable, budgets for proprietary funds are prepared on the full accrual basis. Only the general fund budget is legally

adopted by Town Meeting. The Water Pollution Control Authority (WPCA) adopts the sewer operating budget by resolution. The Transfer Station budget is approved by the Board of Selectmen.

E. Pension Plans

The Town of Wilton is an administrator of a single employer defined benefit pension plan (the “Plan”) which covers substantially all full-time employees of the Town, other than members of the Teamster’s Union, certified teachers and other Board of Education personnel, who participate in a contributory retirement plan administered by the State. Certified teachers employed by the Town of Wilton are eligible to participate in the State of Connecticut Teachers’ Retirement System. This system is a cost-sharing multi-employer defined benefit PERS with the State acting as a non-employer contributor, which is administered under the provisions of Chapter 167a of the Connecticut General Statutes.

The Town is obligated to support Teamsters Local 145 through a contribution determined by the collective bargaining unit.

Effective July 1, 2007 for newly hired Town non-union employees and employees who are members of AFSCME Local 1303, a Defined Contribution Plan is in place.

Actuarial services for the Town and Board of Education plan are provided by Hooker & Holcombe Consultants.

F. OPEB

The Town of Wilton provides healthcare benefits to its retirees and their spouses and dependants. The amount Wilton pays for the medical premiums for retirees and spouses varies by employment group. All eligible regular active employees who retire directly from Wilton and meet the eligibility criteria may participate in accordance with the plan provisions of their respective employee group. An OPEB Trust has been created and funds have been deposited in STIF. By the end of this fiscal year investment of the funds will be initiated. The contribution of the Town is based upon a biannual actuarial report. Information to be included in the audit shall be prepared in accordance with GASB 43 and 45. Employer contributions are recognized in the period in which the contributions are due. In accordance with GASB 45, information is disclosed in the audit report as to the accumulated liability from prior years and to provide useful information in assessing potential demands on the Town’s future cash flows.

III. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Statements and Schedules and Other Pertinent Information to be Prepared by the Town of Wilton.

The staff of the Town of Wilton will prepare or provide the following statements and schedules for the auditor as follows:

- Adjusted trial balance for all funds
- Detailed schedules of revenues and expenditures, expenses, accounts payable and receivable, and encumbrances
- Detail of balance sheet and subsidiary account activity
- Check registers for all funds
- Bank reconciliations for all accounts
- Detail of capital projects expenditures on a project to life basis

- Analysis of accounts as requested
- Investment activity schedules
- Debt schedules
- Fixed assets schedules
- Payroll records
- Tax collection schedules
- Schedule of compensated absences
- Latest actuarial reports
- Completed ED-001 and supporting documents
- Standard representation letters
- Individual fund statements for all funds
- Notes to combined financial statements
- Required supplementary information
- Management's discussion and analysis
- CAFR statistical tables
- Schedule of federal and state assistance

B. General

Office space will be provided by the Finance Department. Telephones and use of copy and facsimile machines will be made available as well as Internet access during the engagement. The auditor will be required to provide additional computer equipment and other office materials as needed. The auditor should be aware that the use of these Town telephones, equipment and services is restricted to this audit engagement only and is not available for use to service the auditor's clients or for personal use.

IV. NATURE OF SERVICES REQUIRED

A. General

The Town of Wilton is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2011, 2012 and 2013 with an optional two year extension at the discretion of the Board of Finance. These audits are to be performed in accordance with the provisions contained in this Request for Proposals.

B. Qualifying Requirements

Qualified Firm:

Firms submitting proposals must be qualified to perform independent audits of municipalities of the State of Connecticut. The firm must have been engaged during the fiscal year ending June 30, 2009, as independent auditors for the purpose of rendering an opinion on the annual financial statements of a Connecticut municipality.

Location:

The auditors must have an office located within the State of Connecticut and resident staff must be able to offer the full range of auditing services required by this Request for Proposals.

Non-Discrimination:

No person shall be denied or subjected to discrimination on account of any services, or activities made possible by or resulting from this agreement on the grounds of sex, race, color, creed, national origin, age (except minimum age and retirement provision), marital status or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds for cancellation, termination or suspension in whole or in part of the agreement by the Town of Wilton and may result in ineligibility for further Town of Wilton contracts. The proposer shall at all times in the proposal and contract process comply with all applicable Town of Wilton, state, and federal anti-discrimination laws, rules, regulations and requirements thereof.

Reports:

Each proposer shall submit hard copies of **at least three** recent Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. **At least one** of these reports shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

Other:

Supervisory members of the audit team, including the "in charge" field auditor, should be Certified Public Accountants and have a minimum of three (3) years of municipal audit experience in the State of Connecticut. The selection personnel intend to strongly consider municipal audit experience and certification in evaluating the proposer's audit team.

List the current Connecticut municipal clients and the Connecticut clients lost and gained during the period July 1, 2009 through June 30, 2010.

C. Scope of Work to be Performed

The Town of Wilton desires the auditor to express an opinion on the fair presentation of its basic financial statements, the combining and individual non-major fund financial statements and schedules in conformity with generally accepted accounting principles.

The auditor is not required to audit the supporting schedules, the Management's Discussion and Analysis and the Budgetary Comparison contained in the Comprehensive Annual Financial Report. However, the auditor is to provide an "in-relation-to" report on the supporting schedules and information based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

The auditor will be entirely responsible for the printing of 15 CAFRs that contain charts and graphs before December 31st each year for the previous fiscal year. A searchable PDF of the CAFR that is able to be posted on EMMA and the Town website will be provided to the Town at that time.

D. 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 U.S. Comptroller General's Government Auditing Standards (1994), the provisions of the Single Audit Act of 1984, as amended in 1996, the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-profit

Organizations, and in conjunction and conformity with sections 4-230 through 4-236 of the *Connecticut General Statutes* (the State Single Audit Act.)

E. Reports to be Issued by the Auditors

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue, as required by generally accepted auditing standards, and *Government Auditing standards*, *OMB Circular A-133*, and the *Connecticut General Statutes*, including but not limited to the following:

- Comprehensive Annual Financial Report (15 copies) plus a searchable pdf of the CAFR
- Municipal Audit Questionnaire for Submission to the State Office of Policy and Management
- Comprehensive Annual Report – Certificate of Achievement Format
- Circular A-128, Federal Single Audit Report (15 copies) plus a searchable electronic report in pdf
- Public Act 91-401, State Single Audit Report (15 copies) plus a searchable electronic report in pdf
- Management Letter (15copies)
- ED001 Certification for the Board of Education
- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- A report on compliance and on internal control over financial reporting based on an audit performed in accordance with *Government Auditing Standards*.
- A report on the Schedule of Expenditures of Federal Financial Assistance.
- A report on the Supplementary Schedule of State Financial Assistance.
- A report on the internal control over compliance in accordance with the State Single Audit Act.
- A report on compliance with the general requirements applicable to state financial assistance programs.
- A report on compliance with specific requirements applicable to major state financial assistance programs.

The auditor shall communicate in a letter to the Board of Finance any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement.

The auditor shall have the following reporting responsibilities:

1. Reportable conditions - If the auditor becomes aware of deficiencies in the design and operations of the Town's internal control structure, these deficiencies, must be brought to the attention of the management and those charged with governance. At a minimum, the auditor should use SAS No. 112 to identify and evaluate control deficiencies during an audit. As set forth in SAS No. 112, Communication of Internal Related Matters Identified in an Audit, GAGAS requires reportable conditions to be included in the auditors' report on the Town's internal control structure. The auditor should use the definition of significant deficiency and a material weakness as defined in SAS No. 112.
2. Nonmaterial instances of noncompliance – GAGAS requires that all material instances of noncompliance with applicable laws and regulations be included in the auditors' report on compliance. GAGAS also requires that non-material instances of noncompliance be reported to the Audit Committee (Board of Finance), in writing. Since the Town of Wilton is subject to the provisions of the Federal

Single Audit Act, OMB Circular A-128 requires the auditor to include all instances of non-compliance in its report. Reportable conditions that are also material weaknesses, non-reportable conditions, material instances of noncompliance and all instances of noncompliance, as required by OMB Circular A-128, should be included in the Management Letter.

3. Errors and irregularities, etc. - The auditor's responsibilities for reporting errors and irregularities are set forth in SAS No. 82, Consideration of Fraud in a Financial Statement Audit. The auditor will also be required to report any indications of abnormalities, non-recurring or extraordinary items or one-time changes in the pattern of Town expenditures or procedures to the Board of Finance, in writing.
4. Illegal acts and indications of illegal acts – The auditor's responsibilities for reporting illegal acts and indications of illegal acts are set forth in SAS No. 54, Illegal Acts by Clients. Additional reporting responsibilities for GAGAS audits are set forth in the GAO's yellow book. GAGAS require the auditor who becomes aware of illegal acts or indications of illegal acts to promptly report them to both the First Selectman and the Board of Finance simultaneously. Also, when illegal acts or indications of illegal acts involve funds received from another government, the auditor must assure himself that the audited government has properly notified the officials of the donor government, including officials of the donor government's audit organization. If the audit government does not notify the donor government in a reasonable time, GAGAS requires the auditor to inform the donor government directly. GAGAS also requires that all notifications of illegal acts or indications of illegal acts be made in writing.
5. Other matters to be brought to the Board of Finance attention - SAS No. 61, Communication With Audit Committees, requires the auditors to determine that certain matters related to the audit are communicated to the Audit Committee. The auditor's responsibilities under GAGAS include significant accounting policies, management judgments and accounting estimates, significant audit adjustments, disagreements with management, consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered in performing the audit, a written list and explanation of all adjustments made to the financial reports and Management Letter between its draft and final issuance. The Town of Wilton requires that the auditor communicate in writing to the Board of Finance.

F. Special Considerations

1. The Town of Wilton intends to send its Comprehensive Annual Financial Report to the Government Finance Officers Association for review in its Certificate of Achievement for Excellence in Financial Reporting program in a timely manner. The Town will not allow an extension on submission for this program.

2. The schedule of federal and state financial assistance and related auditor's reports, as well as the reports on the internal control structure and compliance, are to be issued separately from the Comprehensive Annual Financial Report.

3. During the course of the contract period, the Town of Wilton will likely prepare several official statements in connection with the sale of debt securities which will contain the basic financial statements and the auditor's opinion thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."

G. Working Paper Retention and Access to Working Papers

All working papers 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 Wilton of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Town of Wilton. In accordance

with the requirements of Government Auditing Standards and of the Single Audit Act Amendments of 1996, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Chief Financial Officer prior to providing such access.

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

H. Other Audit Services

Periodically, the Town of Wilton may have separate audits performed. The auditor will be expected to perform these audits and any other audit services requested by the Town of Wilton outside of the standard audit at the hourly rate stated in Appendix A.

I. Implied Requirements

All services not specifically mentioned in this Request for Proposals that are necessary to provide the functional capabilities described by the auditor shall be included in the Scope of Services.

V. TIME REQUIREMENTS

A. Proposal Calendar

The following time schedule has been established for the processes governing this Request for Proposals:

November 5, 2010	Distribute RFP, Publish in <u>The Norwalk Hour</u> and the Town of Wilton's Website
November 30, 2010 (11:00 am)	Proposals MUST be received by the Finance Dept.
December 10, 2010	Selection Committee will choose two or three finalists
December 14 - 15, 2010	Oral Presentations by finalists to the Selection Committee
December 24, 2010	Selected firm is notified
January 2, 2011	Contract negotiations
January 17, 2011	Board of Selectmen approves contract
January 30, 2011	Fully executed engagement letter
June 1, 2011	Audit work begins

B. Report Submissions

Copies of all reports shall be addressed to the Board of Finance. The following timetable for financial reporting has been established for Fiscal Year 2011 based on the requirements of the Town Charter as well as those of the State of Connecticut and the federal government. These reporting deadlines are to be adhered to.

<u>Description</u>	<u>Draft Report</u>	<u>Final Report</u>
Comprehensive Annual Financial Report	Oct. 15	Dec. 1
State of Connecticut Audit Questionnaire	Oct. 30	Dec. 1
Comprehensive Annual Report - Certificate of Achievement Format	Oct. 30	Dec. 1
State and Federal Single Audit Reports	Nov. 30	Dec. 12
Management Letter	Nov. 30	Dec. 12
BOE Forms ED0011 Certification	Nov. 30	Dec. 15

It should be noted that the mandated due date for filing all reports with the State of Connecticut is December 31.

VI. GENERAL AND TECHNICAL PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries - Inquiries concerning the Request for Proposals must be made to:

Town of Wilton
238 Danbury Road
Wilton, Connecticut 06897
Attn: Sandra L. Dennies, CFO
(203) 563-0128
(203) 563-0282 (Fax)
Sandy.dennies@wiltonct.org

B. Technical Proposal

1. General Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, capacity and competence of the firm seeking to undertake an independent audit of the Town of Wilton in conformity with the requirements of the 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 the engagement. It should also specify an audit approach that will meet the request for proposals requirements.

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

1. Submission of Proposals

The following material is required to be received by 11:00 a.m. on November 30, 2010 for a proposing firm to be considered:

The Original Proposal and nine copies are to include the following:

- **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 the date of the proposal.
- **Table of Contents**
- **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 itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the period covered.
- **Detailed Proposal**
The detailed proposal should follow the order set forth in Section VI B of this Request for Proposals.
- **Executed Appendix A Proposer Guarantees and Proposer Warranties**

The proposer shall submit an original and nine copies of dollar cost proposal attached to this request for proposals (Appendix B.)

Proposers should send the completed proposal consisting of two separate envelopes, to the following address:

**First Selectman's Office
238 Danbury Road
Wilton, CT 06897**

The envelopes shall be clearly marked as follows:

Envelope #1: Audit Technical Proposal and an executed Appendix A

Envelope #2: Audit Sealed Dollar Cost Proposal (Appendix B)

2. Independence

The firm should provide an affirmative statement that it is independent of the Town of Wilton as defined by generally accepted accounting standards and the U.S. Comptroller General's *Government Auditing Standards* (1994).

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

In addition, the firm shall give the Town of Wilton written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Connecticut

An affirmative statement should be included indicating that the firm and all key professional staff are properly qualified to practice in Connecticut.

4. Firm Qualifications and Experience

The proposer 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.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the last three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.

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. Indicate whether each such person is licensed to practice as a certified public accountant in Connecticut. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

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. Indicate how the quality of the staff over the term of the agreement will be assured.

The proposer should identify the extent to which its staff reflects the Town of Wilton's commitment to Affirmative Action.

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

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 - 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 Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section IV of this Request for Proposals. In developing the work plan, reference should be made to such sources of information as the Town of Wilton's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

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.
NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL
- c. Sample size 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 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 tests of 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 Wilton.

9. Report Format

The proposal should include sample formats for required reports.

NO DOLLAR AMOUNTS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the CAFR engagement as described in this Request for Proposals. 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 Wilton will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost proposal. Such costs should not be included in the proposal.

2. Fixed Fees by Category

The dollar cost proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix A), that supports the total all-inclusive price. Such price shall be held for a period of 90 days following the November 30, 2010 submittal date.

The total all-inclusive maximum price to be proposed shall contain all direct and indirect costs including all out-of-pocket expenses.

3. Rates for Additional Professional Services

If it should become necessary for the Town of Wilton to request the auditor to render any additional 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 Wilton and the firm. Any such additional work agreed to between the Town of Wilton and the firm shall be performed at the same rates set forth in the schedule of fees (including hourly rates) and expenses included in the dollar cost proposal in Appendix A.

4. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost proposal. Interim billings shall cover a period of not less than a calendar month. Indicate your proposed schedule of billing dates during the contract.

C. Procedural Matters

1. Engagement Letter

The auditor shall annually submit an engagement letter to the First Selectman, the Board of Finance and the Chief Financial Officer outlining the terms of the engagement for that year. The engagement letter shall be the basis for ratification of the auditors by the Board of Finance and, subject to review by the Town's Corporation Counsel and Board of Selectmen as to form and signature by the First Selectman shall constitute an annual contract between the auditor and the Town.

2. Pre-Audit Conference

After the engagement letter is signed, the auditor shall meet with the Chief Financial Officer and her staff at a pre-audit conference to discuss the schedule of the audit and the information needed to complete the audit.

3. Written Work Plan and Schedule

The auditor shall submit a written work plan and schedule for the audit to the Chief Financial Officer and her staff at a pre-audit conference to discuss the schedule of the audit and the information needed to complete the audit.

4. Auditor Availability

The auditor shall be available to meet with elected or appointed Town officials, at their request and at their regular meeting times, typically between 7:30 p.m. and 8:30 p.m., to discuss the audit and any other related financial matters. The auditor will be expected to address the Board of Finance at least twice during the audit (in July and September) to keep the audit committee apprised of issues and the status of the audit.

5. Management Letter Draft before Final Publication

The auditor shall submit a draft of the Management letter to the Chief Financial Officer, the Director of Finance for the Board of Education and to the Board of Finance in advance of its final publication. These Town officials shall have the opportunity to respond to or to otherwise comment on the draft before it is published in its final format.

6. Post-Audit Conference with the Board of Finance

The auditor shall meet with the Board of Finance at a post-audit conference to review the financial statements, compliance reports and the management letter. This conference will probably take place at the Board's regular meeting time of approximately 7:30 p.m.

VII. EVALUATION PROCEDURES

A. Selection Personnel

Proposals submitted will be evaluated by financial personnel, Town administrators and Board of Finance members.

B. Evaluation Criteria

The following represent the principal selection criteria which will be considered during the evaluation process of proposals:

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Connecticut.
- b. The audit firm's professional personnel have received adequate continuing professional education within the preceding three years.
- c. The firm has no conflict of interest with regard to any other work performed by the firm for the Town of Wilton.
- 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 instructions in this Request for Proposals on preparing and submitting the proposal.
- f. The firm submits copies of at least three Comprehensive Annual Financial Reports issued by Connecticut municipalities in which their opinion is contained. One shall have been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting.

2. Technical Qualifications

a. Expertise and Experience

1. The firm's past experience and performance on comparable government engagements.
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.
3. Experience with the preparation of federal and state financial assistance and related reports.
4. Experience in providing assistance to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program.

b. Audit Approach

1. Service Delivery Plan: Describe how the firm intends to conduct the audit in the first year versus subsequent years. Describe the service delivery system including what will be done, by whom, how and where. Provide detail on staffing requirements. Describe how the services will be coordinated and monitored and how access to them will be ensured through entrance conferences, progress reporting, and exit conferences.

3. All-Inclusive Price

Cost will be a factor in the selection of an audit firm. Bid price as presented in proposal shall be held for a maximum period of 90 days from November 30, 2010.

C. Oral Presentations

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

D. Final Selection

The selection personnel will recommend a firm for approval by the Board of Finance. It is anticipated that a firm will be selected in January 2011. Following notification of the firm selected, and contract approvals by both the Board of Finance and the Board of Selectmen, it is expected a contract will be executed between both parties before late February 2011.

E. 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 Wilton and the firm selected.

The Town of Wilton reserves the right without prejudice to reject any or all proposals or parts thereof for any reason, to negotiate changes to proposal terms and to waive minor inconsistencies with the Request for Proposal.

Appendix A

Proposer Guarantees and Proposer Warranties

Proposer Guarantees

1. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section IV, Nature of Services Required.

Proposer Warranties

1. Proposer warrants that it is willing and able to comply with State of Connecticut laws with respect to foreign (non-state of Connecticut) corporations.
2. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful negligent acts, or omissions of any officers, employees or agents thereof.
3. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without express prior written permission of the Town of Wilton.
4. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

Appendix B

AUDIT FEE PROPOSAL

Name of firm _____

Location of office staffing the audit _____

Professional staff assigned to Wilton (Number) _____

Certified professional audit staff assigned to Wilton (Number) _____

Connecticut municipal audit clients: List fiscal year 2009 engagements for municipalities with populations of 15,000 or greater.

Audit Fees for Year 1:

<u>Classifications</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Hourly Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal				_____

Out-of-pocket expenses	_____
Meals and lodging	_____
Transportation	_____
Other (specify): _____	_____
Total all-inclusive maximum price for (FISCAL YEAR) audit	_____

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

Audit Fees for Year 2:

<u>Classifications</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Hourly Quoted Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal				_____
Out-of-pocket expenses				_____
Meals and lodging				_____
Transportation				_____

Other (specify):

Total all-inclusive maximum
price for (FISCAL YEAR) audit

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

Audit Fees for Year 3:

<u>Classifications</u>	<u>Hours</u>	<u>Standard Rates</u>	<u>Hourly Quoted Hourly Rates</u>	<u>Total</u>
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other (specify): _____	_____	_____	_____	_____
Subtotal				_____
Out-of-pocket expenses				_____
Meals and lodging				_____
Transportation				_____
Other (specify): _____				_____
Total all-inclusive maximum price for (FISCAL YEAR) audit				_____

Note: The rates quoted should not be presented as a general percentage of the standard hourly rates or as a gross deduction from the total all-inclusive maximum price.

Appendix C

INSURANCE COVERAGE REQUIREMENTS

The Town of Wilton is requiring insurance coverage as listed below for this work.

Note: The term "Town of Wilton" or "Town" is to be taken to mean Town of Wilton and the Wilton Board of Education when the project includes work for the Board of Education.

At least five days before the Contract is executed and prior to commencement of work there under the Contractor will be required to file with the Chief Financial Officer an acceptable certificate of insurance, executed by an authorized representative of the insurance company. The policy shall name the Town of Wilton, its officers, agents and employees as Additional Insureds and state that, with respect to the award, the Contractor carries insurance in accordance with the following requirements:

INSURANCE RIDER

The Contractor shall provide and maintain insurance coverage related to its services in connection with the Project in compliance with the following requirements.

The insurance required shall be written for not less than the scope and limits of insurance specified hereunder, or required by applicable federal, state and/or municipal law, regulation or requirement, whichever coverage requirement is greater. It is agreed and understood that the scope and limits of insurance specified hereunder are minimum requirements and shall in no way limit or preclude the Town from requiring additional limits and coverage to be provided under the Contractor's policies.

A. Minimum Scope and Limits of Insurance:

1.0. Minimum Scope and Limits of Insurance

Worker's Compensation Insurance: With respect to all operations, the Contractor shall carry worker's compensation insurance in accordance with the requirements of the laws of the State of Connecticut.

Commercial General Liability: With respect to all operations, the Contractor shall carry Commercial General Liability insurance providing for a total limit of one million dollars (\$1,000,000) per occurrence for all damages arising out of bodily injury, personal injury, property damage, products/completed operations, and contractual liability coverage for the indemnification provided under this contract. Each annual aggregate limit shall not be less than \$2,000,000.

Automobile Liability: With respect to any owned, non-owned, or hired vehicles, the Contractor shall carry Automobile Liability insurance providing one million dollars (\$1,000,000) per accident for bodily injury and property damage.

Errors and Omissions/Professional Liability: With respect to any damage, costs, expenses, or liabilities caused by an error, omission or any negligent acts of the Contractor performed under this contract, the Contractor shall carry one million dollars (\$1,000,000) per claim for any such act or conduct.

"Tail" Coverage: If any of the required liability insurance is on a claims made basis, "tail" coverage will be required at the completion of this contract for duration of 24 months, or the maximum time period reasonably available in the marketplace. Contractor shall furnish certification of "tail" coverage as described or continuous "claims made" liability coverage for 24 months following Contract completion date. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage provided its Retroactive date is on or before the effective date of this Contract. If continuous "claims made" coverage is used, Contractor shall be required to keep the coverage in effect for duration of not less than 24 months from the end of the Contract.

Acceptability of Insurers: The Contractor's policies shall be written by insurance companies licensed to do business in the State of Connecticut, with an A.M. Best rating of A- VII or otherwise acceptable by the Town's Chief Financial Officer acting as the Town's Risk Manager.

Subcontractors: The Contractor shall require subcontractors to provide the same "minimum scope and limits of insurance" as required herein, with the exception of Errors and Omissions/Professional Liability insurance, unless Errors and Omissions/Professional Liability insurance is applicable to the work performed by the subcontractor. All Certificates of Insurance shall be provided to the Risk Manager's office as required herein.

Aggregate Limits: Any aggregate limits must be declared to and approved by the Town. It is agreed that the Contractor shall notify the Town when fifty percent (50%) of the aggregate limits are eroded during the contract term. If the aggregate limit is eroded for the full limit, the Contractor agrees to reinstate or purchase additional limits to meet the minimum limit requirements stated herein. The premium shall be paid by the Contractor.

Deductibles and Self-Insured Retentions: Any deductible or self-insured retention must be declared to and approved by the Town. All deductibles or self-insured retentions are the sole responsibility of the Proposer to pay and/or to indemnify.

Notice of Cancellation or Non-renewal: Each insurance policy required shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to the Town.

Waiver of Governmental Immunity: Unless requested otherwise by the Town, the Contractor and its insurer shall waive governmental immunity as defense and shall not use the defense of governmental immunity in the adjustment of claims or in the defense

of any suit brought against the Town.

Additional Insured: The liability insurance coverage, except Errors and Omissions, Professional Liability, or Workers Compensation, if included, required for the performance of the Contract shall include the Town as an Additional Insured but only with respect to the Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Certificate of Insurance: As evidence of the insurance coverage required by this Contract, the Contractor shall furnish Certificate(s) of Insurance to the Chief Financial Officer prior to the award of the Contract if required by the Bid document, but in all events prior to Contractor's commencement of work under this Contract. The Certificate(s) will specify all parties who are endorsed on the policy as Additional Insureds (or Loss Payees). The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. Renewals of expiring certificates shall be filed thirty (30) days prior to expiration. The Town reserves the right to require complete, certified copies of all required policies at any time. The Town reserves the right to require complete, certified copies of all required policies at any time. All insurance documents required should be mailed to The Town of Wilton, Chief Financial Officer, at 238 Danbury Road, Wilton, CT 06897

Waiver of requirements: The Town Counsel may vary the requirements at Corporation Counsel's sole discretion; if Town Counsel determines that the Town's interests will be adequately protected without meeting all stated requirements.

Appendix D

SAMPLE AGREEMENT: *The following document is a sample agreement of the Town's independent contract for consultant services produced by the Town of Wilton's Counsel. Please be advised that the substantive terms and requirements outlined therein may be revised only with the approval of WILTON's Counsel. Additionally, the terms of the final contract may vary at the Town's option and, this sample agreement has been included to provide you with the general contract terms and conditions typically utilized by the Town in the hiring of an independent contractor for consultant services.*

**AGREEMENT FOR CONSULTANT SERVICES
BY AND BETWEEN
Town OF WILTON
AND**

THIS AGREEMENT made and entered into this ____ day of _____, 2011, by and between the **TOWN OF WILTON** (the TOWN), acting herein by William F. Brennan, Its First Selectman, whose principal office is located at 238 Danbury Road, Wilton, CT 06897 and _____ (the CONTRACTOR), whose principal office is located at _____.

W I T N E S S E T H:

WHEREAS, the TOWN wishes to hire a _____ to perform _____ services for _____, and to prepare _____ pursuant to applicable state and federal laws and regulations; and

WHEREAS, based on the CONTRACTOR's representations to the TOWN regarding its qualifications, experience and competency, the TOWN desires to retain the services of the CONTRACTOR to perform the needed _____ services and to prepare the necessary _____;

WHEREAS, the CONTRACTOR agrees to perform the services needed by the TOWN in a professional and timely manner and in accordance with the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of One (\$1.00) Dollar and the mutual covenants and agreements herein contained, which the parties acknowledge is adequate, the parties agree as follows:

1. ENGAGEMENT OF CONTRACTOR

A. The TOWN hereby employs the CONTRACTOR to perform the _____

services described herein in accordance with the requirements of _____, and _____ and reports in connection therewith that may be required by state or federal laws and/or regulations. The CONTRACTOR hereby represents that it is qualified as an _____ to perform the professional services described herein in accordance with generally accepted _____ standards as defined by _____. The CONTRACTOR agrees to perform such services in accordance with the terms and conditions and for the consideration set forth herein.

B. The person in charge of administering this Agreement on behalf of the TOWN shall be Sandra L. Dennies, Chief Financial Officer, or such other person as may be designated in writing.

C. The person responsible for the services to be rendered on behalf of the CONTRACTOR shall be _____, or such other qualified person as is designated in writing by the CONTRACTOR and accepted by the TOWN.

2. SERVICES TO BE PERFORMED

A. The CONTRACTOR agrees to perform all services necessary to _____ for the TOWN and to prepare a _____. Such services are generally outlined in the Request for Proposals published by the TOWN for Project Number _____, and dated _____, together with the CONTRACTOR's Proposal Response, which are attached hereto as Exhibits A and B respectively and incorporated herein. The terms and provisions of the foregoing documents shall be construed as supplementing each other and the terms and intent of this Agreement.

The TOWN may, from time to time, request changes in the scope of services to be performed hereunder. Such changes, including any resulting increase or decrease in the amount of the CONTRACTOR's compensation, which are mutually agreed upon by and between the TOWN and the CONTRACTOR, shall be incorporated in written amendments to this Agreement signed by both parties. The CONTRACTOR's services shall comply in all respects with all applicable laws, regulations, standards and requirements related to municipal practices.

B. The CONTRACTOR's analysis, findings, and recommendations shall be conveyed to the TOWN in written reports prepared in accordance with the principles and standards for municipal _____ reports set out in the _____, as the same may be amended from time to time. Upon completion of such reports, the CONTRACTOR shall file certified copies of the same with the TOWN.

The CONTRACTOR shall preserve all of its working papers employed in the performance of its services and preparation of _____ for a period of _____ years from the date it files the certified copy of such reports with the _____. Such working papers shall also be available at the CONTRACTOR's office or place of business during usual business hours throughout the _____ period, upon request and

reasonable notice from _____, for inspection by the
_____ or an authorized representative.

C. The CONTRACTOR shall be available to meet with Sandra L. Dennies, Chief Financial Officer, or her representatives; with other agencies, departments or officials of the TOWN as appropriate; and with other entities as directed by the TOWN, with regard to the services performed hereunder.

3. COMPENSATION

A. The CONTRACTOR shall be compensated for its services in the amount of _____ (\$_____) based on its standard hourly rates plus out-of-pocket expenses as set forth in Exhibit B with a total amount of compensation to be paid CONTRACTOR for the services to be provided under this Agreement, not to exceed the sum of _____ (\$_____). The total compensation provided for herein shall not exceed this maximum amount without a written amendment to this Agreement authorized by the Wilton Common Council and signed by both parties.

B. Compensation provided under this Agreement constitutes full and complete payment for all costs assumed by the CONTRACTOR in performing this Agreement including, but not limited to, salaries; costs of materials and supplies; printing and reproduction; attendance at meetings, consultations and presentations; clerical costs; travel expenses; postage; telephone; and all similar expenses. No direct costs shall be reimbursed by the TOWN without specific prior written approval of the TOWN prior to their expenditure and, in any event, payment of such expenses shall not exceed the maximum compensation amount pursuant to the terms of Paragraph A above.

C. Payments to the CONTRACTOR under this Agreement shall be made by the TOWN on approval of payment requisitions certified by a principal of the CONTRACTOR. Each requisition shall be in a form acceptable to the TOWN and shall identify the work performed and completed, as appropriate, and the compensation due the CONTRACTOR. The TOWN may, prior to making any payment under this Agreement, require the CONTRACTOR to submit to it such additional information with respect to the CONTRACTOR's costs as it deems necessary.

D. The acceptance by the CONTRACTOR, its successors or assigns, of any payment made on the final requisition under this Agreement, or of any final payment due on termination hereof, shall constitute a full and complete release of the TOWN, its agents and employees, from any and all claims, demands and causes of action whatsoever which the CONTRACTOR, its successors or assigns have or may have against the TOWN under the provisions of or in connection with this Agreement.

4. TIME PROVISIONS

A. The CONTRACTOR shall complete the services set forth in this Agreement in accordance with a schedule established by the Chief Financial Officer. Notwithstanding the foregoing, this Agreement shall remain in effect until the services required hereunder are completed in accordance with the terms herein, unless otherwise terminated by either party.

B. If the CONTRACTOR's performance has been delayed and, as a result, will be unable to be timely completed, fully and satisfactorily and in compliance with such deadlines, the CONTRACTOR shall be responsible for filing a proper request for an extension of time. If the cause of such delay is in no part due to or caused by the actions, omissions or fault of the CONTRACTOR, or its agents, servants, partners or employees, then the CONTRACTOR shall be entitled to additional compensation, as mutually agreed

to by the parties, to remunerate the CONTRACTOR for any additional services required as a result of such an extension. To the extent that such delay is due to any extent to the actions, omissions or fault of the CONTRACTOR, its agents, servants, partners or employees, the CONTRACTOR shall not be entitled to additional compensation for the services required in connection with the extension and the CONTRACTOR agrees that it shall make no claims for damages for any delays or hindrances from any cause whatsoever.

It is understood and agreed that permitting the CONTRACTOR to complete the services or any part thereof after the date of completion stated in this Agreement, or after the date to which the time of completion may have been extended, shall in no way operate as a waiver by the TOWN of any of its rights herein or at law.

5. INSURANCE

The CONTRACTOR shall take out and maintain during the life of this Agreement insurance coverage in compliance with the requirements set out in _____.

All insurance shall be provided by a company or companies authorized to do business in the State of Connecticut. Before commencing the work, the CONTRACTOR shall furnish the TOWN a certificate of insurance, and shall thereafter provide renewal certificates, as appropriate, evidencing such coverage written by a company or companies acceptable to the TOWN. Such certificate and renewal certificates shall provide for a notice of cancellation, lapse or restrictive amendment by certified or registered mail at least thirty (30) days prior thereto and shall have attached a photocopy of the license(s) issued to the agent writing such insurance by the company or companies providing the insurance coverage under the certificate. If such insurance is written on a "claims made" basis then such insurance shall be kept in full force and effect for three (3) years after final payment to the CONTRACTOR. All insurance shall be taken out and maintained at no cost or expense to the TOWN and the CONTRACTOR shall be responsible for the full amount of any deductible. The insurance requirements stated herein, including, but not limited to, the additional insured requirement, are separate and independent of any other requirement of this written Agreement.

6. STANDARDS OF PERFORMANCE

The CONTRACTOR shall perform its services in a satisfactory manner in compliance with all the applicable laws, regulations, standards, principles and requirements including all applicable state and federal requirements and standards, and generally accepted government standards as may prevail from time to time.

7. INDEMNIFICATION

The CONTRACTOR shall indemnify, defend and save harmless the TOWN, its officers, agents, servants and employees, from and against any and all claims, demands, suits, proceedings, liabilities, judgments, losses, costs or damages, including attorneys' fees, in any way arising out of, relating to or in connection with the performance of or failure to perform this Agreement. This provision shall include all losses, costs, and damages which the TOWN

may suffer as a result of any negligent supervision of services by the CONTRACTOR. The CONTRACTOR hereby assumes and agrees to pay for the defense of all such claims, damages, demands, suits and proceedings. The provisions of this paragraph shall survive the expiration or termination of this Agreement; shall not be limited by reason of any insurance coverage provided hereunder or the limits of any insurance requirements; and shall be separate and independent of any other requirement of this Agreement.

8. GENERAL PROVISIONS

A. The TOWN may at any time, and for any reason, direct the discontinuance of the services contemplated under this Agreement for a period of time. Such direction shall be in writing and shall specify the period during which the services shall be discontinued. The services shall be resumed on the dates specified in such direction, or upon such other date as the TOWN may thereafter specify in writing. The period during which such services shall have been discontinued shall be deemed added to the time for performance. Stoppage of services under this article shall not give rise to any claim against the TOWN.

B. The TOWN may at any time and for any reason, with or without cause, terminate this Agreement by written notice specifying the termination date, which shall be not less than seven (7) days from the date such notice is given. In the event of such termination, services shall be paid for in such amount as shall compensate the CONTRACTOR for the services satisfactorily performed prior to termination. Such amount shall be fixed by the TOWN after consultation with the CONTRACTOR, and shall be subject to audit by the Controller. Termination under this section shall not give rise to any claim against the TOWN for damages or for compensation in addition to that provided hereunder. The CONTRACTOR may resign from performance of this Agreement if obligated to do so by any term or requirement set out in the Connecticut General Statutes or the applicable provisions of the professional standards of the Connecticut State Board of Accountancy or the American Institute of Certified Public Accountants. Prior to resigning, the CONTRACTOR shall provide the Controller with written notice of its intention, setting out the reasons for the same in detail and specifying the effective date of its intended resignation, which shall not be less than forty-five (45) days from the date of the Controller's receipt of such notice. The CONTRACTOR shall make every effort to assist and cooperate with the TOWN in obtaining a competent replacement for it and shall perform all services necessary and reasonably desirable in order to assist the TOWN in meeting all applicable time schedules and audit deadlines or to obtain a proper extension of the same, as may be in the best interests of the TOWN as determined by its Controller.

In the event of such termination or resignation, the CONTRACTOR's services shall be paid for in such amount as shall compensate the CONTRACTOR for the portion of the work satisfactorily performed. This compensation amount shall be fixed by mutual agreement of the TOWN and the CONTRACTOR, and shall be subject to audit by the Controller. In such event the CONTRACTOR shall provide its successor with access to all documents, information and other working papers that may have been used or drawn up in connection with and as part of the performance of the auditing services hereunder, in accordance with the applicable professional standards, and based on mutually

agreeable terms and conditions as set by and between the TOWN and the CONTRACTOR. Termination under this section or the CONTRACTOR's resignation shall not give rise to any claim against the TOWN for damages or for compensation in addition to that provided hereunder.

C. It is the intent of this Agreement to secure the personal services of _____, and duly authorized and competent employees and representatives of the CONTRACTOR reasonably acceptable to the TOWN. Failure of the CONTRACTOR for any reason to make the services of such persons available to the TOWN to the extent necessary to perform the services required in a professional, skillful and timely manner shall be cause for termination of this Agreement. All persons engaged in the work required under this Agreement shall be authorized or permitted under State law to perform such services, as required by law.

D. The CONTRACTOR shall not assign or subcontract this Agreement or any of the services to be performed by it hereunder without prior consent of the TOWN in writing. Any assignment or subcontracting in violation hereof shall be void and unenforceable. The CONTRACTOR shall be as fully responsible to the TOWN for the acts and omissions of its subcontractors as it is for the acts and omissions of people directly employed by it. The CONTRACTOR shall require any subcontractor approved by the TOWN to agree in a written contract to observe and be bound by all obligations and conditions of this Agreement to which CONTRACTOR is bound.

E. When the TOWN shall have reasonable grounds for believing that:
(1) The CONTRACTOR will be unable to perform this Agreement fully and satisfactorily within the time fixed for performance; or (2) A meritorious claim exists or will exist against the CONTRACTOR or the TOWN arising out of the negligent, willful or wanton acts, errors or omissions of the CONTRACTOR, its agents, servants or employees, or the CONTRACTOR'S breach of any provision of this Agreement; then the TOWN may withhold payment of any amount otherwise due and payable to the CONTRACTOR hereunder. Any amount so withheld may be retained by the TOWN for such period as it may deem advisable to protect the TOWN against any loss and may, after written notice to the CONTRACTOR, be applied in satisfaction of any claim herein described. This provision is intended solely for the benefit of the TOWN, and no person shall have any right against the TOWN or claim against the TOWN by reason of the TOWN'S failure or refusal to withhold monies. No interest shall be payable by the TOWN on any amounts withheld under this provision. This provision is not intended to limit or in any way prejudice any other right of the TOWN.

F. The CONTRACTOR shall not assert any claim arising out of any act or omission by any agent, officer or employee of the TOWN in the execution or performance of this Agreement against any such agent, officer or employee. Such claims may be made against the TOWN.

G. No member of the governing body of the TOWN, and no other officer, employee, or agent of the TOWN shall have any personal interest, direct or indirect, in this Agreement, except as permitted by the Code of Ethics of the TOWN of Wilton; and the CONTRACTOR covenants that no person having such interest shall be employed in the performance of this Agreement.

H. This Agreement shall be construed in accordance with the laws of the State of Connecticut, and any action at law in connection herewith shall be brought in any of the courts located in the State of Connecticut, Judicial District of Norwalk/WILTON.

I. The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the State of Connecticut, the Federal Government, and the TOWN of Wilton.

J. During the performance of this Agreement, the CONTRACTOR agrees not to discriminate against any employee or applicant for employment because of race, color, religion, age, gender, physical disability, sexual orientation or national origin.

K. This Agreement incorporates all the understandings of the parties hereto and supersedes any and all agreements reached by the parties prior to the execution of this Agreement, whether oral or written.

L. All reports prepared and information collected under this Agreement and all data generated in the process of performing the services required, shall be and remain the property of the TOWN.

M. In the event the TOWN determines that there has been a material breach by the CONTRACTOR of any of the terms of this Agreement, the TOWN has the right, power and authority to terminate this Agreement and to complete the services or any part thereof without consultation with the CONTRACTOR, and the CONTRACTOR shall be obligated to pay the TOWN for any losses, damages, costs and expenses, including attorneys' fees, sustained or incurred thereby. For the purpose of such completion the TOWN may, for itself or for any of its Consultants, take possession of and use or cause to be used any and all documents, information and files or other items that may have been used or compiled in connection with the performance of this Agreement. This right is in addition to any other right or remedy the TOWN may otherwise have.

All costs, expenses, losses, damages, attorneys' fees, and any and all other charges incurred by the TOWN under this section shall be charged to the CONTRACTOR and deducted and/or paid by the TOWN out of any monies due, payable or to become due or payable under this Agreement to the CONTRACTOR. In completing the services to be performed hereunder, the TOWN shall not be required to pursue the least costly means but is entitled to engage those services it reasonably believes to be in its best interests. If such costs exceed the sum due or to become due to the CONTRACTOR, the CONTRACTOR shall pay the excess costs to the TOWN.

N. Each and every provision and clause required by law to be inserted in this Agreement shall be deemed to be inserted and the Agreement shall be read and enforced as though such provisions and clauses were included herein. If, through mistake or otherwise, any provision is not inserted or is not correctly inserted then, upon the written consent of the parties, this Agreement shall forthwith be physically amended to make such insertion.

O. No change or modification of this Agreement shall be valid unless it is in writing and signed by all parties to this Agreement.

P. All notices of any nature referred to in this Agreement shall be in writing and sent by registered or certified mail, postage prepaid, to the respective addresses set forth below or to such other addresses as the respective parties hereto may designate in writing:

To the TOWN: Sandra L. Dennies, Chief Financial Officer
Wilton Town Hall,
238 Danbury Road
Wilton, Connecticut 06897

With a Copy to: Town Counsel
Wilton Town Hall
238 Danbury Road
Wilton, Connecticut 06897

To the CONTRACTOR:

Notices shall be deemed to have been duly given, delivered or served either upon personal delivery or three (3) days following the date when the same are sent by registered mail with proper postage.

Q. The TOWN and the CONTRACTOR each binds itself and its successors and assigns to the other party and to its successors and assigns with respect to all covenants of this Agreement. The CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written approval of the TOWN.

R. If any provision of this Agreement is held invalid, the balance of the provisions of this Agreement shall not be affected thereby if such provisions would then continue to conform to the requirements of applicable laws. The remaining provisions shall thereupon continue in full force and effect.

S. In the event there is a dispute between the parties in connection with any of the provisions of this agreement, either party may give written notice to the other setting out the basis for the dispute and requesting that the issue be referred to a jointly acceptable third party for mediation within thirty (30) days of said notice. In the event the parties cannot agree on a third party mediator, the matter cannot be resolved by mediation, or, in the opinion of one party, the issue requires a more expeditious resolution, then the parties agree that the matter shall be settled by binding arbitration under the rules of the American Arbitration Association. The parties shall equally share in the cost of mediation/arbitration but the prevailing party may be awarded reimbursement of its costs and attorney's fees. The judgment of the arbitrator shall be final and binding on the parties and judgment may be entered in the Connecticut Superior Court.

T. The CONTRACTOR represents to the TOWN as follows:
That it has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Agreement and to assume the responsibilities and

obligations created hereunder; and That this Agreement is duly executed and delivered by an authorized corporate officer, in accordance with such officer's powers to bind the CONTRACTOR hereunder, and constitutes a valid and binding obligation enforceable in accordance with its terms, conditions and provisions.

Dated at WILTON, Connecticut, the day and year first above written, and executed in four (4) counterparts.

Signed, Sealed and Delivered
in the Presence of:

TOWN OF WILTON

By: _____
William F. Brennan, First Selectman
Duly Authorized

Date signed: _____

Date signed: _____

APPROVED AS TO FORM:
OFFICE OF CORPORATION COUNSEL

APPROVED AS TO
AVAILABILITY OF FUNDS:

By: _____

By: _____
Controller

Date: _____