

**TECHNICAL REQUIREMENTS PROPOSAL**

**FOR**

**FINANCIAL STATEMENT AUDIT**

**OF**

**CITY OF BURLINGTON, VERMONT**



*Proven Expertise and Integrity*

TECHNICAL REQUIREMENTS PROPOSAL  
FOR  
FINANCIAL STATEMENT AUDIT  
OF  
CITY OF BURLINGTON, VERMONT

SUBMITTED BY:

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
3 OLD ORCHARD ROAD  
BUXTON, MAINE 04093

JUNE 17, 2011

(207) 929-4606 or (800) 300-7708 Ext. 27

CONTACT:

RON H.R. SMITH, C.P.A.

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June 17, 2011

Rich Goodwin  
Assistant Chief Administrative Officer for Finance and Management  
City of Burlington  
City Hall  
149 Church Street  
Burlington, Vermont 05401

Dear Mr. Goodwin:

Thank you for giving us the opportunity to submit the following proposal to provide auditing services to the City of Burlington. Please find enclosed the technical information you requested about the audit and our firm.

We propose to audit the financial statements of the City of Burlington for the years ending June 30, 2011 through June 30, 2014. We will conduct the audits in accordance with Generally Accepted Auditing Standards, (GAAS) including the GAO's *Government Auditing Standards*, OMB Circular A-133 and its supplements, and other auditing standards promulgated by the Government Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA), that are applicable to state and local governments.

RHR Smith & Company specializes in governmental audits, serving over 25% of Maine's municipal, county and tribal governments, as well as sewer and water utilities, schools and nonprofit corporations. We also serve several audit clients in Vermont and Massachusetts. Our unique and innovative approach allows us to build client relationships based on a shared understanding of your entire organization and its needs. We take the time to get to know our clients, making the audit report an important part of organizational education and improvement.

Please do not hesitate to call if you have any questions about this proposal and our services. We welcome the opportunity to meet with you and your staff.

Very Best,

A handwritten signature in blue ink, appearing to be 'RHS'.

Ron H.R. Smith, CPA, CFE

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

RHR SMITH & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

RESPONDENT'S CONTACT INFORMATION

Respondent's Contact Information

Ronald H. R. Smith, CPA, CFE  
Principal  
RHR Smith & Company  
3 Old Orchard Road  
Buxton, Maine 04093  
1-800-300-7708  
207-929-4606  
207-929-4607 (fax)  
207-671-0742  
[rsmith@rhrsmith.com](mailto:rsmith@rhrsmith.com)

Scope of Work

*Engagement Summary*

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole. We will also perform and report on any other procedures necessary to comply with OMB Circular A-133. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

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

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RESPONDENT'S CONTACT INFORMATION

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Our audit will include obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of your compliance with applicable laws and regulations and the provisions of contracts and agreements.

An audit is not designed to provide assurance on internal controls or legal and regulatory compliance or to identify deficiencies in those controls and compliance. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

*Engagement Outline*

The engagement will include the following:

1. Audit plans developed and reviewed with the City's Chief Administrative Officer, Board of Finance and cognizant federal agencies if necessary.
2. Audits of the City wide financial statements in accordance with Generally Accepted Auditing Standards (GAAS); requirements promulgated by the American Institute of Certified Public Accountants (AICPA), and the Government Auditing Standards Board (GASB); and standards contained in *Government Auditing Standards* issued by the Government Accountability Office, OMB Circular A-133 *Audits of States, Local Governments and Nonprofit Organizations*, and related pronouncements regarding the City's Federal assistance awards.
3. Audits of City departments, individual funds, enterprise funds and component units
4. Presentation of reports:
  - a. Comprehensive Annual Financial Report, incorporating separate audit of Burlington Electric Department
  - b. Single Audit
  - c. Other reports of component units, enterprise funds, and verification of debt service coverage for Revenue Bonds
5. Entrance & exit conferences

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RESPONDENT'S CONTACT INFORMATION

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6. Preparation of financial statements and required supporting schedules
7. Review and discussion with management of financial statements and supporting schedules.
8. Presentation of Management Letter
9. Additional accounting services will be provided as requested by the City through a separate non-attest engagement. Effective hourly rates will apply.

Approach

The audit will employ techniques to provide evidence to substantiate the financial statement assertions. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and banks. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

The following is a list of audit procedures which will be performed during the engagement. Additional procedures that must also be performed may be identified during audit planning.

- Engagement planning
- Determination of materiality level
- Understanding of internal control structure
- Test of transactions
- Confirmation of cash, receivables
- Vouching of assets and liabilities, income and expenses
- Account analysis
- Review of funding contracts
- Analytical review procedures
- Audit conclusions

The firm uses standard industry audit programs to direct and document the audit. These programs are very extensive, and are selected based on materiality factors.

Anticipated Time Frame

Work on the audit will commence in 2011 as soon as possible after July 25, and by March 29 in subsequent years. The CAFR will be completed by December 20. All other reports and the final management letter will be submitted by March 31.

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CERTIFIED PUBLIC ACCOUNTANTS

**PROFESSIONAL EXPERTISE**

History

The firm of RHR Smith & Company, Certified Public Accountants was formed by Ronald H. R. Smith in 1997. Since August of 2001, Ron H.R. Smith has been the sole shareholder of the Company. It is a Maine based firm and holds its License to practice in the states of Maine, New Hampshire, Vermont and Massachusetts. Ronald H. R. Smith, CPA, CFE and his staff have over a century of combined experience providing professional accounting, auditing, computer consulting, and other internal control and financial services.

Organizational Structure and Size

The firm is a professional corporation with 17 employees. Audit opinions are prepared and issued by Ronald H. R. Smith, CPA, CFE, Christina M. Smith, CPA, Bruce R. Nadeau, CPA, and Charemon A. Davis, CPA. Professional accounting and government auditing services are provided by a staff of sixteen accountants including five certified public accountants, and two master level accountants. Services are provided from our office in Buxton, Maine.

RHR Smith & Company, Certified Public Accountants is a small business firm, per the definition of "Small Business" as established by the Small Business Administration, as its average annual receipts are less than four million dollars.

Service Capabilities

The firm specializes in the area of governmental and nonprofit accounting and auditing. Within this field, the following services are provided:

- ... Reporting on financial statements in three capacities:
  - o Audit
  - o Review
  - o Compilation
- ... Compliance auditing to meet federal and state requirements.
- ... Preparation of financial statements.
- ... Accounting system design.
- ... Internal control system design.
- ... Electronic data processing system study, and then assistance in implementation.
- ... Assistance in budgeting, forecasts, and cash flow analysis.
- ... Tax and bond anticipation requests.
- ... Lease and bargain purchase financing.
- ... IRS Section 125 plan design and implementation.
- ... Assistance and preparation of GFOA Comprehensive Annual Financial Report.
- ... Other non-attest accounting and consulting services
- ... Free Client Training Workshops

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PROFESSIONAL EXPERTISE

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Quality Control

As a member requirement of the American Institute of Certified Public Accountants, the firm is enrolled in the Peer Review Program. Under this program, our firm is required to be audited every three years by another firm of similar size that is independent of our firm. **That audit consists of thorough reviews of specific, representative engagements conducted by our firm, selected by the Peer Review auditor. A copy of our Peer Review letter can be found on page 17.**

The firm of RHR Smith & Company also maintains a very structured internal quality control system designed to meet the standards of the American Institute of Certified Public Accountants.

Audit Team

The audit will be directed by Ronald H.R. Smith, CPA, CFE, Engagement Partner, and staffed with Senior Accountants Charemon A. Davis, CPA, Christina M. Smith, CPA, Bruce Nadeau CPA and Christopher Backman, MBA. Additional support and assistance with field work will be provided by John Bernier, MSA, William Hall, and Brittany Elliott. The Engagement Partner evaluates and oversees the audit and quality control reviews, and is available for client conferences and preliminary audit meetings as necessary. Accountants assigned to the team are primarily engaged in field work, assembling and auditing financial statements and all applicable schedules. The biographies of each Auditor, Senior Accountant and Staff Accountant are attached.

The team selected for the City of Burlington includes individuals with extensive experience auditing large governments, including cities, counties, tribes, schools, and publicly regulated utilities.

RHR Smith & Company prides itself on the experience and longevity of its employees and takes its commitment to audit continuity seriously. We rarely find it necessary to reassign team members during an engagement. If we conduct your audit for several years, we may change members of the audit team to ensure independence and quality control. Any staff changes made during an audit are discussed with client management, and should be approved in writing by the City.

None of the employees of the firm are, or have been, the subject of disciplinary action taken or pending with state regulatory bodies or professional organizations.

Supervision

The engagement will be planned by Ronald H.R. Smith, CPA, CFE. This is done prior to the commencement of field work, and reviewed with management of the City. Engagement supervision on the City audit will be performed by Ronald Smith, CPA, CFE and Christina M. Smith, CPA. The engagement will be reviewed in detail by Ronald H.R. Smith, CPA. This includes the review of all auditors' reports, financial statements and schedules, and supporting audit work paper files including work papers in the financial and compliance areas.

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CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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Ethics and Independence

Our firm adheres to the most rigid standards in ensuring independence and avoiding any appearance of conflict, including those of the U.S. Government Accountability Office. We have policies outlining detailed processes for making determinations regarding independence, and conduct extensive training in making those determinations. As to this engagement, we are independent from the City of Burlington. No professional relationship exists between our firm and employees or agencies affiliated with the City of Burlington.

**Furthermore, there has been no litigation or pending litigation related to audits or any services provided by RHR Smith & Company CPAs at any time.**

Firm Experience

RHR Smith & Company, CPAs has been auditing governmental organizations for over 14 years. Our specialty in audits includes over 170 current governmental audit clients, including several governments and governmental organizations in Vermont. Ron Smith and Charemon Davis have over 44 years combined experience auditing governments.

**The firm is registered in the state of Vermont. Its managing partner, Ronald H.R. Smith is licensed in Vermont, and all staff are duly authorized to practice in the State of Vermont according to applicable state statutes.**

Individual experience is reflected in the attached biographies. All staff currently work on governmental auditing, and a list of current governmental audit clients is also attached. Clients include larger, complex governments such as cities, tribes, counties and municipal governments with multiple departments and funds.

The firm also specializes in assisting clients with GASB requirements, and were very active when GASB 34 went into effect. Staff stays up to date on all GASB pronouncements through AICPA email alerts, publications, and bi-monthly trainings. Staff uses their knowledge to be proactive with clients that could be affected by new GASB standards, and works with clients to help them understand and comply with the revised standards. The firm also conducts client training workshops twice a year that cover applicable GASB changes, and discussions on current GASB standards.

Electronic Data Processing Experience

The firm is very familiar with the following accounting systems, many of which were designed specifically for municipalities, governmental organizations, and nonprofits.

- |                             |                       |                              |
|-----------------------------|-----------------------|------------------------------|
| 1. CHAS                     | 6. Northern Data      | 11. QuickBooks               |
| 2. Gemini                   | 7. TRIO               | 12. Advanced Data            |
| 3. Grants Management System | 8. ADS ProFund Sequel | 13. EXCEL                    |
| 4. Moody Data System        | 9. Network Systems    | 14. ADP Payroll              |
| 5. Munis                    | 10. ORION system      | 15. T2 Parking Ticket System |

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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RONALD H.R. SMITH, CPA, CFE

NORTH YARMOUTH, MAINE

ENGAGEMENT PARTNER

#### SUMMARY

Twenty two years of public accounting experience. Specific expertise in the auditing, computer consulting, internal control testing, and other numerous financial tasks of governmental and nonprofit clients.

#### PROFESSIONAL HISTORY

1997 - Principal, RHR Smith & Company, Certified Public Accountants.

1989 - Senior Audit and Accounting Manager with Ron L. Beaulieu & Company, Certified Public Accountants, Portland, Maine.

#### EDUCATION

Saint Joseph's College, Standish, Maine - B.S. in Accounting 1988.

#### CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

#### LICENSE

Certified Public Accountant - State of Maine Certificate Number CP 2285

State of Vermont Credential No. 001.0002033

Certified Fraud Examiner – Credentials available upon request

#### PROFESSIONAL ASSOCIATIONS

... Member of the Maine Society of Certified Public Accountants

... Member of The American Institute of Certified Public Accountants

... Member of the Association of Certified Fraud Examiners

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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CHAREMON A. DAVIS, CPA

BUXTON, MAINE

SENIOR ACCOUNTANT

SUMMARY

Twenty two years of public accounting experience. Specific expertise in auditing, computer consulting, internal control testing, accounting and other financial processes related to the needs of governmental and nonprofit clients.

PROFESSIONAL HISTORY

2002	Audit Manager, RHR Smith & Company, Certified Public Accountants.
2000-2002	Principal, Charemon Willey Staples, Certified Public Accountant
1997-1999	Principal with Hollingsworth & Willey, Certified Public Accountants, Bangor, Maine.
1989 - 1997	Auditor, Brantner & Thibodeau, Certified Public Accountants, Bangor, Maine

EDUCATION

University of Maine at Machias, Machias, Maine - B.S. in Accounting 1989.

CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

LICENSE

Certified Public Accountant - State of Maine Certificate Number CP 2612.

PROFESSIONAL ASSOCIATIONS

...	Member of the Maine Society of Certified Public Accountants.
...	Member of The American Institute of Certified Public Accountants.

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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BRUCE R. NADEAU, CPA

AUBURN, MAINE

SENIOR ACCOUNTANT

#### SUMMARY

Ten years of public accounting experience, 25 years of State Government experience. Specific expertise in the auditing, computer consulting, internal control testing, and other numerous financial tasks of governmental clients.

#### PROFESSIONAL HISTORY

2008	Audit Manager, RHR Smith & Company, Certified Public Accountants, Buxton, Maine.
2005 - 2008	Owner of Bruce R. Nadeau, CPA, LLC.
2004 - 2008	Director of Special Projects Bureau of General Services
1983 - 2004	Auditor III, State of Maine, Department of Audit. Augusta, Maine

#### EDUCATION

University of Southern Maine, Portland, Maine - B.S. in Accounting 1983.

#### CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

#### LICENSE

Certified Public Accountant - State of Maine Certificate Number 2218

#### PROFESSIONAL ASSOCIATIONS

- ... Member of the Maine Society of Certified Public Accountants.
- ... Member of The American Institute of Certified Public Accountants.

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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CHRISTINA M. SMITH, CPA  
NORTH YARMOUTH, MAINE  
SENIOR ACCOUNTANT

#### SUMMARY

Nineteen years of public accounting experience. Specific expertise in participating in the auditing of nonprofit and governmental clients.

#### PROFESSIONAL HISTORY

2000 - Audit Manager, RHR Smith & Company, Certified Public Accountants.  
1993 – 2000 Senior Audit and Accounting Manager with Ron L. Beaulieu & Company,  
Certified Public Accountants, Portland, Maine.

#### EDUCATION

University of Southern Maine, Portland, Maine - B.S. in Accounting 1993.

#### CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

#### LICENSE

Certified Public Accountant - State of Maine Certificate Number 2512.

#### PROFESSIONAL ASSOCIATIONS

- ... Member of the Maine Society of Certified Public Accountants.
- ... Member of the American Institute of Certified Public Accountants.
- ... Member of the CAFR review team for the GFOA
- ... Member of the Maine GFOA

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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CHRISTOPHER J. BACKMAN, M.B.A.

BOWDOIN, MAINE

SENIOR ACCOUNTANT

#### SUMMARY

Eight years of public accounting experience. Specific expertise in auditing, computer consulting, internal control testing, accounting and other financial processes related to the needs of governmental and nonprofit clients.

#### PROFESSIONAL HISTORY

2003            Senior Accountant, RHR Smith & Company, Certified Public Accountants.  
1991 - 2003    Business Owner, I & R Associates

#### EDUCATION

Thomas College Waterville, Maine - MBA 2007  
St. Michael's College, Winooski, Vermont – BS in accounting 1991.

#### CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

#### LICENSE

Certified Public Accountant - Expected to be received in fall of 2011

#### PROFESSIONAL ASSOCIATIONS

- ... Member of the Maine Society of Certified Public Accountants
- ... Member of The American Institute of Certified Public Accountants

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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JOHN P. BERNIER, M.S.A.

SACO, MAINE

SENIOR ACCOUNTANT

SUMMARY

Seven years of public accounting experience. Specific expertise in participating in the auditing of non profit and governmental clients.

PROFESSIONAL HISTORY

2005 - Staff Accountant, RHR Smith & Company, Certified Public Accountants.  
2004 – 2005 Staff Accountant, Ron L. Beaulieu & Company, Certified Public Accountants,  
Portland, Maine

EDUCATION

University of Maine, Orono, Maine - M.S.A. in Accounting 2004.

CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants and the Government Accounting Office, and State of Maine Board of Accountancy.

LICENSE

Certified Public Accountant - Expected to be received in fall of 2011

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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WILLIAM HALL  
BUXTON, MAINE  
SENIOR ACCOUNTANT

SUMMARY

Twelve years of public accounting experience. Specific expertise in auditing, finance management of schools, internal control testing, accounting and other financial processes related to the needs of governmental and nonprofit clients.

PROFESSIONAL HISTORY

2005            Senior Accountant, RHR Smith & Company, Certified Public Accountants.  
1999 - 2004    Finance Manager, Maine School Administrative District Number 6

EDUCATION

Husson College, Portland, Maine - BA in accounting 2004  
Andover College, Portland, Maine – Associate in accounting 1993.

CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

PROFESSIONAL EXPERTISE

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BRITTANY ELLIOTT

BRUNSWICK, MAINE

STAFF ACCOUNTANT

SUMMARY

Two years of public accounting experience. Specific expertise in auditing, internal control testing, accounting and other financial processes related to the needs of governmental and nonprofit clients.

PROFESSIONAL HISTORY

2009 Staff Accountant, RHR Smith & Company, Certified Public Accountants  
2009 Intern, RHR Smith & Company, Certified Public Accountants

EDUCATION

University of Maine at Orono, Bachelor of Science in Business (Concentration in Accounting) -  
2009

CONTINUING EDUCATION

All continuing professional education requirements have been met with respect to standards set forth by the American Institute of Certified Public Accountants

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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**Bruce D. Norling, CPA, P.C.**

**System Review Report**

May 12, 2009

To the Owner  
RHR Smith & Company  
and the Peer Review Committee of the NEPR

We have reviewed the system of quality control for the accounting and auditing practice of RHR Smith & Company in effect for the year ended September 30, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of RHR Smith & Company in effect for the year ended September 30, 2008, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. RHR Smith & Company has received a peer review rate of *pass*.

***Bruce D. Norling, CPA, P.C.***

410 Boston Post Road, #24 • Sudbury, MA 01776 • (978) 443-9114

RHR SMITH & COMPANY

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PROFESSIONAL EXPERTISE

**SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

The following are the firm’s most significant engagements, in terms of staff hours, performed with similar government entities during the past five years.

<p><b>Town of South Burlington, Vermont</b>  <i>Audit Client:</i> 2010 to present  <i>Average hours annually:</i> 300  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> Ron Smith  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Sanford Miller, City Manager                      (802) 846-4107</p>	<p><b>South Burlington School District</b>  <i>Audit Client:</i> 2010 to present  <i>Average hours annually:</i> 300  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> William Hall  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> John Stewart, Business Manager                      (802) 652-7052</p>
<p><b>Town of Kittery</b>  <i>Audit Client:</i> 2006 to present  <i>Average hours annually:</i> 325  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> Charemon Davis  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Jonathan Carter, Town Manager                      (207) 475-1329</p>	<p><b>Penobscot Indian Nation</b>  <i>Audit Client:</i> 2006 to present  <i>Average hours annually:</i> 600  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> John Bernier  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Dan Nelson, Finance Director                      (207) 817-7317</p>
<p><b>Maine Regional School Unit No. 13</b>  <i>Audit Client:</i> 2009 to present  <i>Average hours annually:</i> 300  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> William Hall  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Dr. Judith Lucarelli, Superintendent                      (207) 596-6620</p>	<p><b>County of Cumberland</b>  <i>Audit Client:</i> 2005 to present  <i>Average hours annually:</i> 209  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> Christina M. Smith  <i>Scope of Work:</i> Comprehensive Annual Financial Report (CAFR) audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Vic Labrecque, Finance Manager                      (207) 774-1444 ext. 2183</p>
<p><b>Chittendon County Transportation Authority</b>  <i>Audit Client:</i> 2007 to present  <i>Average hours annually:</i> 260  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> Ron Smith  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Michelle Daley, Finance Director                      (802) 864-2282</p>	<p><b>Town of Kennebunk</b>  <i>Audit Client:</i> 2000 to present  <i>Average hours annually:</i> 175  <i>Engagement Partner:</i> Ron Smith  <i>Audit Manager:</i> William Hall  <i>Scope of Work:</i> Basic Financial Statements audit of government activities, business activities, major funds, component units and aggregated other funds.  <i>Client Contact:</i> Joel Downs, Finance Director                      (207) 985-2102</p>

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
PROFESSIONAL EXPERTISE

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Vermont Clients

The following is a list of our current audit clients in Vermont:

- ... City of South Burlington
- ... South Burlington School District
- ... Town of Berlin
- ... Town of Fair Haven
- ... Town of Killington
- ... Green Mountain Transit Agency, Burlington
- ... Chittenden County Transportation Authority, Burlington
- ... Two Rivers-Ottawaquechee Regional Commission, Woodstock

Utility Clients

The following is a list of our clients that operate as publicly regulated utilities:

- ... Addison Point Water District
- ... Alfred Water District
- ... Canton Water District
- ... Farmington Falls Water
- ... Jay Village Water District
- ... Kingfield Water District
- ... Mount Blue Standard Water District
- ... New Sharon Water District
- ... North Jay Water District
- ... Rangeley Water District
- ... Rumford Water District
- ... Stonington Sanitary District
- ... Strong Water District
- ... Topsham Sewer District

### General Audit Approach

The firm uses audit programs to direct and document the audit. These programs are very extensive, and are selected during audit planning. We anticipate the following programs will be used:

- General Procedures
- Minutes, Contracts, Ordinances
- Cash
- Investments
- Revenue, Receivables, and Receipts - Governmental Funds
- Service Revenue and Receivables - Proprietary Fund Types
- Expenditures for Goods and Services and Accounts Payable
- Payroll and Related Liabilities
- Inventories
- Property, Equipment, and Capital Expenditures
- Debt and Debt Service Expenditures
- Fund Equities
- Grants and Similar Programs
- Insurance and Self Insurance

The firm also prepares numerous quality control checklists, including the substantial *AICPA Quality Review Checklist for Governmental Engagements*.

Financial statements and schedules will be prepared from the City's internal financial statements as of June 30. The financial statements will be presented in accordance with generally accepted accounting principles. All required footnote disclosures will also be included.

### Sampling Technique

Audit sampling will be in accordance with the American Institute of Certified Public Accountants' *Audit and Accounting Guide-Audit Sampling*.

Audit sampling will be utilized where it will be the most efficient and effective audit tool in the circumstance.

Three phases of audit sampling will be performed. Planning, selection and evaluation. The actual selection process will include random, systematic, and haphazard selection.

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PROPOSED APPROACH AND PLANS

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Sample Size

When sampling is utilized in order to make a conclusive projection, the firm will utilize a sample size determined to afford us a 10% tolerable rate. When sampling is utilized in an area where a direct, conclusive projection is not necessary, the firm will utilize a sample size determined to afford us a 10 to 15% tolerable rate.

Timeline

1. *Planning*: An audit plan will be provided at a progress conference with the Board of Finance and key Finance department personnel before field work begins. The role of City officials in audit will be discussed, and a list of schedules to be prepared by the staff of the City of Burlington will be provided. From 2012 forward, this will be completed by April 20.
2. *Preliminary Work*: Preliminary audit work will be conducted as soon as possible, based on discussions with Management at an entrance conference conducted after engagement. From 2012 forward, this interim work will be completed by July 15.
3. *Field Work*: Field work will be completed by October 15.
4. *Audit*: An entrance conference with the Board of Finance and key Finance Department personnel to commence year end audit work will be conducted as soon as possible after the execution of the contract. The Finance Department personnel will prepare trial balances and supplemental schedules by the first day of field work, and will make recommendations, revisions and suggestions on the draft reports within ten (10) business days of receiving them.

*Audited Basic Financial Statement Package*

- ... Draft set of financial statements and adjusting entries delivered no later than November 15.
- ... Ten (10) signed and bound copies including independent auditors' report and basic financial statements, 1 unbound report, with all the above mentioned reports for the City,

RHR SMITH & COMPANY  
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PROPOSED APPROACH AND PLANS

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OMB Circular A-133, and all reports required by *Government Auditing Standards* delivered no later than December 15.

- ... Electronic copies of auditor's reports and financial statements.
- ... Single Audit Compliance Report will be issued by March 31.

*Management Letter*

- ... A detailed letter listing items which go beyond the entity's internal control structure will be provided to the City. Management letters deal with operational and administrative efficiencies and other items of perceived benefit to the City. An interim Management Letter will be presented by August 15 each year beginning in 2012. A draft of the letter will be presented at the exit interview at the conclusion of the audit. Ten (10) hard copies and one (1) electronic copy will be provided to the City by March 31

Computer Audit Techniques

As part of the audit, software programs are evaluated to determine how they support the financial structure of the client, and how they contribute to, or detract from, proper internal controls.

Potential Problems

We understand the City has had historical problems with accounting services necessary to get the City's books auditable, and that in the past, this had resulted in over 100 general journal entries annually. In addition, we note more federal awards than in the past year. We would consider it crucial to review past fiscal issues with management, especially in light of increased federal awards, before applying standard industry aides to perform the audit. We also believe the situation at Burlington Telecom poses some unique challenges that can be addressed through the audit process. We have planned to allow extra time to complete more extensive audit programs.

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ADDITIONAL INFORMATION

Frequency of Contacts and Client Benefits

Clients of RHR Smith and Company enjoy ongoing contact with our auditors throughout the year as questions or concerns arise. We do not have policies regarding “maximum phone calls” from clients. We make it a practice to be proactive with our clients, contacting them as issues arise which they should be aware of, conducting client training workshops, and being helpful to them as they work to implement internal controls.

Clients of RHR Smith & Company never pay for industry information we can share, or training we can provide. Our web site ([www.rhrsmith.com](http://www.rhrsmith.com)) has many sample documents and resources available for our clients at no charge.

Proof of Insurance

Proof of insurance is attached to this document.

RHR SMITH & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
ADDITIONAL INFORMATION

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**CURRENT CLIENT LIST**

**Governments**

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Acton, Town of	Gray, Town of
Androscoggin, County of	Greater Portland Transit District (METRO)
Aquinnah Wampanoag Tribal Housing	Harrington, Town of
Aroostook Band of MicMacs	Harrison, Town of
Auburn Housing Authority	Hartford, Town of
Baring Plantation	Houlton, Town of
Berlin, Town of (VT)	Industry, Town of
Boothbay, Town of	Island Falls, Town of
Brooks, Town of	Jay, Town of
Brownfield, Town of	Jonesboro, Town of
Buckfield, Town of	Kennebec, County of
Bucksport, Town of	Kennebunk, Town of
Burnham, Town of	Killington, Town of (VT)
Buxton, Town of	Kittery, Town of
Canton, Town of	Lake Region Bulky Waste Facility
Carmel, Town of	Lebanon, Town of
Carrabassett Valley Sanitary District	Lewiston Housing Authority
Carrabassett Valley, Town of	Limerick, Town of
Casco Bay Island Transit District	Lincoln Plantation
Casco-Naples Transfer Station	Livermore Falls - Jay Sewerage Treatment
Chelsea, Town of	Livermore Falls Water District
Cherryfield, Town of	Livermore Falls, Town of
Chesterville, Town of	Livermore, Town of
Chittenden County Transportation Authority (VT)	Lyman, Town of
Coplin Plantation	Madawaska, Town of
Cumberland County DA - Extradition	Manchester Sanitary District
Cumberland, County of	Manchester, Town of
Cutler, Town of	Marshfield, Town of
Damariscotta, Town of	Meddybemps, Town of
Denmark, Town of	Milbridge, Town of
Dixfield, Town of	Milford, Town of
Embden, Town of	Monroe, Town of
Eustis, Town of	Morrill, Town of
Fair Haven, Town of (VT)	Mount Vernon, Town of
Farmington Village Corporation	Naples, Town of
Farmington, Town of	New Sharon, Town of
Fayette, Town of	New Vineyard, Town of
Federal Program Integrators, LLC	Newcastle, Town of
Franklin County Unorganized Territories	Newry, Town of
Franklin, County of	Noli-Trpinawzk Corporation
Freedom, Town of	Norridgewock, Town of
Fryeburg, Town of	North Berwick Sanitary District
Gouldsboro, Town of	North Berwick, Town of
Grand Isle, Town of	Oakfield, Town of
	Otisfield, Town of
	Oxford County Unorganized Territory

Oxford, County of  
Palermo, Town of  
Penobscot Indian Nation  
Penobscot Indian Nation Ent. DBA PINE  
Penobscot, County of  
Penobscot, County of-Unorganized Territories  
Phillips, Town of  
Pittsfield, Town of  
Pleasant Point Housing Authority  
Pleasant Point Passamaquoddy Tribe  
Poland, Town of  
Rangeley, Town of  
Readfield, Town of  
Rome, Town of  
Rumford, Town of  
Sabattus, Town of  
Sangerville, Town of  
Somerset, County of  
Somerset, County of- UT  
South Burlington, City of  
St. George, Town of  
Starks, Town of  
Steuben, Town of  
Stockton Springs, Town of  
Stonington, Town of  
Strong, Town of  
Temple, Town of  
Two Bridges Jail Authority  
Two Rivers-Ottawaquechee Regional Commission  
(VT)  
Union, Town of  
Unity Township  
Unorganized Territories- Maine Dept of Audit  
Van Buren, Town of  
Veazie, Town of  
Waldoboro, Town of  
Waterboro, Town of  
Wayne, Town of  
Wells, Town of  
Wesley, Town of  
Whitneyville, Town of  
Wiscasset, Town of

### **Nonprofits**

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Addison Point Specialized Services  
Belgrade Lakes Alliance  
Belgrade Regional Conservation Alliance  
Coastal Counties Workforce, Inc.  
Down East R C & D  
Eastern Trails Management District  
Franklin County Community Action Property  
Goodwin Mills Fire Department  
Grand Chapter of Maine, Order of the Eastern Star  
Green Mountain Transit Agency (VT)  
Health Access Network

Home Counselors Inc.  
Kennebunkport Conservation Trust  
Maine Support Network, Inc.  
Mid Maine Homeless Shelters  
New England Bible College  
Northern Maine Development Commission  
Northern Maine Finance Corporation  
Rural Community Action Ministry  
Sacopee Valley Health Center  
Seagull Condominium Association  
Senior Needs Comm. of Wells & Ogunquit  
Sunrise County Economic Council  
Time and Tide RC&D  
Washburn-Norlands Living History Center  
Western Maine Community Action, Inc.  
Western Maine Transportation Services, I  
Western Mountains Charitable Foundation  
Wreaths Across America

### **Schools**

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Maranacook Area School District  
Cutler School Dept  
Jay School Department  
Jonesboro School Department – (AOS 96)  
Kittery School Department  
Milford School Department  
RSU No 13  
RSU No. 6  
RSU No. 85  
RSU No. 37  
RSU No. 44  
RSU No. 52  
RSU No. 53  
RSU No. 55  
RSU No. 61  
RSU No. 72  
RSU No. 78  
South Burlington School District (VT)  
Wesley School Department (AOS 96)

### **Utilities**

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Addison Point Water District  
Alfred Water District  
Canton Water District  
Farmington Falls Water  
Jay Village Water District  
Kingfield Water District  
Mount Blue Standard Water District  
New Sharon Water District  
North Jay Water District  
Rangeley Water District  
Rumford Water District  
Stonington Sanitary District  
Strong Water District  
Topsham Sewer District

# **ATTACHMENTS**

# **RFP ATTACHMENT I: ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS**

## **HOW TO RESPOND TO THIS ATTACHMENT**

**By submitting a Response, the Respondent, on behalf of itself and its Partners/  
Subcontractors acknowledge and agree that:**

1. **RESPONDENT AUTHORIZATION:** The signatories are authorized by the Respondent to make representations for the Respondent and to obligate the Respondent to perform the commitments contained in its Response.
2. **RESPONDENT SELECTION:** Based on responses received to this Request for Qualifications (“RFP”), it is the intent of the Chief Administrative Officer (also referred to as “CAO”) to select the highest scoring and most responsive Respondent for contract negotiations. The intent notwithstanding, the City reserves the right to accept or reject any respondent if it is deemed to be in the best interest of the City. This RFP does not in any way limit the City’s right to solicit contracts for similar or identical services if, in the City’s sole and absolute discretion, it determines Responses received are inadequate to satisfy its needs.
3. **CONTRACT NEGOTIATIONS:** Consistent with the limitations noted above, the City will select the highest scoring Respondent(s) with whom the CAO’s staff will commence contract negotiations. If a satisfactory contract cannot be negotiated in a reasonable time or for a reasonable price with the selected Respondent, then the CAO’s Office, in its sole discretion, may terminate negotiations and begin contract negotiations with the next highest scoring Respondents. The selection of any Respondent for contract negotiations shall not imply acceptance by the City of all terms of the Response, which may be subject to further negotiation and approvals before the City may be legally bound thereby.
4. **NO GUARANTEE OF WORK OR COMPENSATION:** There is no guarantee of a minimal amount of work or compensation for any of the Respondents selected for contract negotiations.
5. **COMPLIANCE WITH LAWS AND REGULATIONS:** Respondent must comply with all applicable State, Federal, and local laws. In the event any governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship or performance of the items offered on this Response prior to their delivery, it shall be the responsibility of the successful Respondent to notify the City at once, indicating in their letter the specific regulation which required such alterations. The City reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the contract.
6. **STAFFING:** The key individuals listed and identified in the Response will be performing the work and will not be substituted with other personnel or reassigned to another project by the Respondent/Contractor without the City’s prior approval or request. The City, in its sole discretion, shall have the right to review and approve all staff assigned to provide services throughout the duration of the contracts negotiated under this RFP. Such approval by the City will not be unreasonably withheld. If selected for interviews, the Respondent’s key individuals, including partner/subcontractor representatives, will be required to meet with the City prior to selection for contract negotiations.

## **RFP ATTACHMENT I: ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS**

7. **LEAD ROLE:** The selected Respondent(s) will be expected to take the lead role in project management and staff/subcontractor coordination. Responses should factor this assumption into pricing.

8. **CITY'S APPROVAL RIGHTS OVER SUBCONTRACTORS AND SUBCONTRACTOR PAYMENTS:** The City has approval rights over the use of all subcontractors. Respondents must identify all subcontractors in their Response and these subcontractors must conform to all City policies regarding subcontractors. Furthermore, each Respondent understands, acknowledges, and agrees that if it subcontracts with a third party for services, the Respondent accepts responsibility for full and prompt payment to the third party. Any dispute between the Respondent and the third party, including any payment dispute, will be promptly remedied by the Respondent. Failure to promptly remedy or to make **PROMPT** payment to a third party (subcontractor) may result in the withholding of funds from the Respondent by the City.

9. **CITY RESOURCES:** The City will arrange for Contractor's access to equipment and data as deemed appropriate by the City.

10. **ADMINISTRATIVE REQUIREMENTS:** see *RFP Attachment II*. Respondent must fulfill the City's administrative requirements for doing business with the City prior to contract award. Fulfillment is defined as completion, submission and approval by applicable City agencies of the forms and requirements referenced in RFP Attachment II.

11. **THE CITY'S TERMS AND CONDITIONS:** Respondent must be willing and able to meet all of the City's terms and conditions as stated in the City's standard professional services agreement ("Agreement"). Respondents wishing to negotiate modification of other terms and conditions must attach a copy of the City's Agreement referring to the specific portion of the Agreement to be changed, and show proposed changes (deleted sections with a strikeover and added sections in boldface type). The City's selection of any Respondent who proposes changes to the City's Agreement terms shall not be deemed as acceptance of the Respondent's proposed changes. Any changes proposed by Respondent to the city's Agreement terms must be clearly accepted by the City in writing.

12. **TERM OF COST AND WORK EFFORT ESTIMATE:** Submission of a Response signifies that the proposed services and prices are valid for the full possible term of the contract awarded under this RFP and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity.

The City may award contract(s), based on Responses received without discussion. A Respondent's initial cost and work effort estimate should, therefore, be based on the most favorable terms available. The City reserves the right to accept other than the lowest price offer and reject all Responses that are not responsive to this RFP.

13. **RELEASE OF LIABILITY:** The Respondent hereby releases all individuals, entities and firms from all claims and losses that may arise from said individuals, entities or firms providing information, comments, or conclusions to inquiries that the City of Burlington may make regarding the qualifications of any individual or firm seeking to be selected as a contractor or subcontractor in connection with this RFP. This release is freely given and will be applicable

## **RFP ATTACHMENT I: ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS**

whether or not the responses by said individuals, entities or firms are accurate or not, or made willfully or negligently.

14. FINANCIAL RESPONSIBILITY FOR RESPONSE COSTS: The City accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Responses will become the property of the City and may be used by the City in any way deemed appropriate.

15. CONTRACT TIMELINE: Actual contract periods may vary, depending upon service and project needs. Any Respondent selected for a contract must be available to commence work no later than the estimated start date stated in the RFP. It will be the responsibility of any Respondent selected for contract negotiations to disclose, before negotiations commence, any limitations that may impact its ability to complete work in accordance with anticipated deliverables and timelines.

16. OBJECTIONS TO RFP TERMS: Should a Respondent object on any ground to any provision or legal requirement set forth in this RFP, the Respondent must, not more than ten (10) calendar days after the RFP is issued, provide written notice to the CAO's Office setting forth with specificity the grounds for the objection. The failure of a Respondent to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

17. EXCEPTIONS TO THIS RFP: All information requested in this RFP must be supplied. Respondents may clearly identify any exceptions to the RFP in this section and must provide a written explanation to include the scope of the exceptions, the ramifications of the exceptions for the City, and the description of the advantages or disadvantages to the City as a result of exceptions. The City, in its sole discretion, may reject any exceptions or specifications within the Response. Respondents may also provide supplemental information, if necessary, to assist the City in analyzing Responses.

18. ERRORS AND OMISSIONS IN RFP: Respondents are responsible for reviewing all portions of this RFP. Respondents are to promptly notify the CAO's Office, in writing, if the Respondent discovers any ambiguity, discrepancy, omission or other error in the RFP. Any such notification should be directed to the CAO's Office promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of Responses. Modifications and clarifications will be made by addenda as provided below.

19. INQUIRIES AND COMMUNICATIONS REGARDING RFP: Inquiries regarding the RFP and all communications including notifications related to, exceptions or objections to, or of an intent to request written modification or clarification of, the RFP must be directed by mail or e-mail (fax is not acceptable) to:

## **RFP ATTACHMENT I: ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS**

Rich Goodwin, Assistant Chief Administrative Officer for  
Finance and Administration  
City of Burlington  
City Hall  
149 Church Street  
Burlington, VT 05401

e-mail: [rgoodwin@ci.burlington.vt.us](mailto:rgoodwin@ci.burlington.vt.us)

20. **CHANGE NOTICES:** The CAO's Office may modify the RFP, prior to the Response due date, by issuing written addenda. Addenda will be posted on the 'RFP' section of the City's website at: <http://www.ci.burlington.vt.us/notices/rfp/>. The CAO's Office will make reasonable efforts to post notification of modifications in a timely manner. Notwithstanding this provision, the Respondent shall be responsible for ensuring that its Response reflects any and all addenda issued by the CAO's Office prior to the Response due date regardless of when the Response is submitted. Therefore, the City recommends that the Respondent call the Clerk/Treasurer's Office or check the City's website before submitting its Response to determine if the Respondent is aware of all addenda.

22. **REVISION OF RESPONSE:** Respondent may revise a Response on the Respondent's own initiative at any time before the deadline for responses. The Respondent must submit the revised response in the same manner as the original. A revised response must be received on or before the response due date.

23. **CONFLICTS OF INTEREST:** The successful Respondent will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest. The successful Respondent will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful Respondent might be deemed contractors under state and local conflict of interest laws. If so, such individuals will be required to submit information we require for independent contractors, to the City within ten (10) calendar days of the City notifying the successful Respondent that the City has selected the Respondent.

**RESPONDENTS ARE STRONGLY ADVISED TO CONSULT WITH THEIR LEGAL COUNSEL REGARDING THEIR ELIGIBILITY TO SUBMIT A RESPONSE FOR THIS RFP OR SUBSEQUENT RFPs/RFPs.**

24. **PUBLIC RECORDS:** Due regard will be given for the protection of proprietary information contained in all proposals received; however, vendors should be aware that all materials associated with this procurement are subject to the terms of the Vermont Access to Public Records Act (1 V.S.A. Chapter 5, Subchapter 3) and all rules, regulations and interpretations resulting from, and any other applicable rules, regulations or judicial decisions

## **RFP ATTACHMENT I: ACKNOWLEDGEMENT OF RFP TERMS AND CONDITIONS**

regarding access to the records of government. Contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request. Respondent understands that any writing presented under this RFP may be subject to public disclosure.

25. **RESERVATIONS OF RIGHTS BY THE CITY:** The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

- A. Waive or correct any defect or informality in any Response, response, or response procedure;
- B. Reject any or all Responses;
- C. Reissue a Request for Qualifications or Request for Responses;
- D. Prior to submission deadline for Responses, modify all or any portion of the selection procedures, including deadlines for accepting Responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the Responses;
- E. Procure any materials, equipment or services specified in this RFP by any other means;  
or
- F. Determine that no contract will be pursued.

26. **NO WAIVER:** No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a Respondent to observe any provision of this RFP. Failure by the Department to object to an error, omission or deviation in the Response in no way will modify the RFP or excuse the Respondent from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

27. **CERTIFICATION:** Each Respondent hereby certifies that it has carefully examined this RFP and documents attached hereto for terms, conditions, specifications, covenants, requirements, services, etc.; and the Respondent certifies that it understands the services requested, that the Respondent has knowledge and expertise to provide the proposed services submitted for consideration, and that its Response is based upon the terms, conditions, specifications, services, and requirements of this RFP and attachments. By its signature on this Attachment, the Respondent certifies that its Response is made without prior understanding, agreement, or connection with any corporation, firm or person submitting a Response for the same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud, so that all Responses for the purchase will result from free, open and competitive proposing among all vendors, in compliance with the City's laws.

28. **ACCEPTANCE:** Submission of a Response indicates a Respondent's acceptance of the terms and conditions contained in this RFP unless clearly and specifically noted otherwise in the Response. The City may discontinue its selection, contract negotiations, or contract award processes with any Respondent if it is determined that the Respondent has not accepted the RFP terms and conditions contained herein.

**RFP ATTACHMENT I: ACKNOWLEDGEMENT OF  
RFP TERMS AND CONDITIONS**

**Each Respondent, as part of its Response, must submit this document signed by a representative(s) authorized by the Respondent to make representations for the Respondent and to obligate the Respondent to perform the commitments contained in its Response.**

Acknowledged and Agreed:

*Dianne Tilton*  
Signature  
Dianne Tilton  
Printed Name  
Operations Director  
Title  
RHR Smith & Company  
Firm Name  
Buxton, ME  
City, State  
(800) 300-7708  
Phone Number  
6/15/2011  
Date

\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Printed Name  
\_\_\_\_\_  
Title  
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Firm Name  
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Date

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Printed Name  
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Title  
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Firm Name  
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City, State  
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Phone Number  
\_\_\_\_\_  
Date

## RFP ATTACHMENT II: CITY'S ADMINISTRATIVE REQUIREMENTS

- The City can only do business with Contractors that have fulfilled the City's requirements.
- The City highly recommends that Proposers/Respondents at the time of proposal/response submission fulfill the administrative requirements for doing business with the City.
- Fulfillment of the City's administrative requirements is defined as completion and approval by applicable City agencies of the attached Vendor Profile Application form, a completed and signed I.R.S. W-9 form; and a copy of required certificates of insurance.
- To help us help you, please send all of these forms directly to the Contact below. The Contact will inform your firm if it needs to complete documentation requirements directly with an agency.

### HOW TO RESPOND TO THIS ATTACHMENT

Completion and submission of the vendor requirements outlined in bullet point 3 above is recommended but not required to prevent delays to the overall project timeline. The City cannot do business with any vendor that by contract award, fails to meet all requirements. Even if your firm is selected for contract negotiations and completes the scope of work portion of negotiations, the City cannot execute a contract and begin work if there are outstanding compliance requirements such as the City's Livable Wage ordinance or the City's insurance requirements. We attempt to prevent those types of delays by providing as much advance notice of vendor requirements as possible.

A. **IRS Form W-9** – Establishes federal and state tax status. Form available at: <http://www.irs.gov/pub/irs-pdf/fw9.pdf>

B. **INSURANCE:** Fulfillment of the City's insurance requirements is **not required as part of your proposal/response**. However, fulfillment prior to contract award is required. The City is self-insured, so it will need to be added to a contractor's General Liability and Auto Liability policies as an additional insured. The City needs a formal endorsement showing that the primary insured's policies have been amended to specifically add "the City of Burlington, its officers, agents and employees" as an additional insured. The General and Auto Liability policy number(s) should appear on the endorsement. Additional insurance requirements will be defined in the Service Agreement with the Selected Auditor.

C. **LIVABLE WAGE ORDINANCE:** Defined in the Citywide Independent Audit RFP. For more information, see: [www.ci.burlington.vt.us/citycouncil/agendas/20091005/Livable%20Wage%20Calculation%20Review.pdf](http://www.ci.burlington.vt.us/citycouncil/agendas/20091005/Livable%20Wage%20Calculation%20Review.pdf)

**CONTACT:** Contact Rich Goodwin, Assistant Chief Administrative Officer for Finance and Administration [rgoodwin@ci.burlington.vt.us](mailto:rgoodwin@ci.burlington.vt.us) or at (802) 865-7013 for information and assistance on meeting these requirements.

# RFP ATTACHMENT II: CITY'S ADMINISTRATIVE REQUIREMENTS

## Vendor Profile Application (establishes basic vendor information)

Date: 6/15/2011

### 1. Vendor Information

Vendor Name: RHR Smith & Company

Website: www.rhrsmith.com

Primary Contact Name: Ron Smith

Contact's Title: Managing Partner

Phone Number: (207) 929-4606

Toll Free Number: (800) 300-7708

Fax Number: (207) 929-4609

Email Address: rsmith@rhrsmith.com

### 2. Vendor Business Address(es)

General Business Address (Street/City/State/ZIP) 3 Old Orchard Road, Buxton, ME 04093

Bid Address (if different from General) \_\_\_\_\_

Purchase Order Address (if different) \_\_\_\_\_

Payment/Remittance Address (if different) \_\_\_\_\_

### 3. You must attach a complete & signed IRS W-9 form.



# Carolina Casualty Insurance Company

4600 Touchton Road East, Building 100, Suite 400, Jacksonville, FL 32246

Declarations Page

## Accountants Professional Liability Insurance

### CLAIMS MADE WARNING FOR DECLARATIONS

**NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.**

**PLEASE READ AND REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

Whenever printed in this Declarations Page, the boldface type terms shall have the same meanings as indicated in the Policy.

- Item 1. Name and Address of **Named Insured**: Policy Number: 81036964  
RHR Smith & Company, Inc.  
3 Old Orchard Road  
Buxton, ME 04093
- Person designated to receive all correspondence from the **Insurer**:  
Ronald Smith  
Owner
- Item 2. **Policy Period**: From February 27, 2011 (inception date) to February 27, 2012 (expiration date)  
(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured**)
- Item 3. Limits of Liability for the **Policy Period** (inclusive of **Damages** and **Claims Expense**):  
A. \$1,000,000 each **Claim**, but in no event exceeding  
B. \$1,000,000 in the aggregate for all **Claims**
- Item 4. **Applicable Deductible**: \$2,500
- Item 5. **Premium**: \$8,187
- Item 6.A. **Extended Reporting Period**:  
Option 1: 12 months for 100.00 percent of the full annual premium  
Option 2: 24 months for 150.00 percent of the full annual premium  
Option 3: 36 months for 185.00 percent of the full annual premium  
Option 4: 60 months for 215.00 percent of the full annual premium
- Item 6.B. **Retirement Extended Reporting Period**: Option 1: 12 months for 100.00 percent of the full annual premium
- Item 7. **Forms and Endorsements attached**:  
Policy Form. APL 28000 (03-07)  
APL 280095 (rev. 03-10) Maine Accountants Professional Liability Amendatory Endorsement  
APL 280099 (03-07) Maine RIGHT TO CLAIM INFORMATION  
APL 284310 (03-07) Addition to Section IV. Past Acts Exclusion  
APL 285037 (rev. 03-10) Modification to Section V. Modified Limited Claims Expense in Addition to Limits of Liability
- Item 8. **Notice to the Insurer** as provided in sections VII. A. and VII. B. and any information furnished to the **Insurer** as provided in section VI. A. shall be sent to:  
Monitor Liability Managers, LLC, Claims Department  
Address: 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039  
Fax: (847) 806-4017  
Email: newclaim@monitorliability.com
- All other notices required to be given to the **Insurer** under this Policy shall be sent to:  
Monitor Liability Managers, LLC  
Address: 2850 West Golf Road, Suite 800, Rolling Meadows, IL 60008-4039  
Fax: (847) 806-6282

The Accountants Professional Liability Insurance Policy shall constitute the contract between the Insureds and the Insurer.

Authorized Representative: Sandra C. Nelson

Date Issued: March 18, 2011

**Request for Taxpayer  
 Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or type  
See Specific Instructions on page 2.

Name (as shown on your income tax return) <b>RHR Smith &amp; Company</b>	
Business name, if different from above	
Check appropriate box: <input type="checkbox"/> Individual/Sole proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited liability company Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ ..... <input type="checkbox"/> Exempt payee <input type="checkbox"/> Other (see instructions) ▶	
Address (number, street, and apt. or suite no.) <b>3 Old Orchard Road</b>	Requester's name and address (optional)
City, state, and ZIP code <b>Buxton, ME 04093</b>	
List account number(s) here (optional)	

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	
or	
Employer identification number	
04	3383155

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here**

Signature of U.S. person ▶

*Whipton Demay*

Date ▶

1/18/11

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Purpose of Form**

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,