



NEW BRUNSWICK
ENERGY & UTILITIES BOARD

COMMISSION DE L'ÉNERGIE ET DES SERVICES PUBLICS
NOUVEAU-BRUNSWICK

REQUEST FOR PROPOSAL

for

EXTERNAL AUDIT SERVICES

Issued: **September 4, 2019**

Submission Deadline: **September 30, 2019**

REQUEST FOR PROPOSAL EXTERNAL AUDIT SERVICES

BACKGROUND

The New Brunswick Energy and Utilities Board (Board) is an independent quasi-judicial tribunal. The Board's mandate and powers are contained in the *Energy and Utilities Board Act*, and other statutes.

Additional information can be found in the Annual Report section on the Board's website at www.nbeub.ca/annual.

1.0 INTRODUCTION

1.1 Purpose

1.1.1 The Board invites proposals (Proposals) from qualified accounting firms (Proponents) to provide **External Audit Services** (Services). The Board's selection is subject to the approval of the Auditor General of New Brunswick.

1.1.2 The Services will commence with auditing the fiscal year ending March 31, 2020 and be in effect for a period of five consecutive years.

2.0 SELECTION PROCESS

2.1 Request for Proposal Stage

2.1.1 Proposals must be submitted in accordance with the requirements of this Request for Proposal (RFP). Following the evaluation of the Proposals, the successful Proponent will be invited to enter into a contract for the Services.

2.2 Procurement Timeline

2.2.1 The following table outlines the expected milestones and timeline for the selection of the successful Proponent for this assignment.

Procurement Timeline	
Anticipated Milestones	Date
Issue of RFP for External Audit Services	September 4, 2019
Submission Deadline	September 30, 2019
Selection of the successful Proponent	October 11, 2019

3.0 SCOPE OF WORK

3.1 Role of Auditor

3.1.1 The scope of work for the Services is set out in Appendix A.

4.0 EVALUATION

4.1 Evaluation Criteria

4.1.1 The Evaluation Committee, as established by the Board (Committee), will evaluate the Proposals in accordance with Appendix B.

4.2 Evaluation Process

4.2.1 To assist in evaluating the Proposals, the Committee may, in its sole and absolute discretion:

- a) Conduct reference checks to verify information regarding a Proponent, and may conduct any background investigations that it considers necessary;
- b) Rely on and consider any information from such references;
- c) Consider information from other sources;
- d) Seek clarification or further information from Proponents in writing; and
- e) Consider any supplementary information in the evaluation.

5.0 CONTACT WITH PROPONENTS

5.1 Defects or Irregularity with RFP

5.1.1 If, in the opinion of the Committee, any Proposal contains a defect or irregularity, or fails to comply with any requirement of this RFP that, in the opinion of the Committee, can be remedied without providing an unfair advantage over other Proponents, the Board Contact may request clarification from the Proponent in writing.

5.2 Notification of Award

5.2.1 A written notice to the successful Proponent will be the only valid form of notification of award.

6.0 SUBMISSION INSTRUCTIONS

6.1 Submission Time and Location

6.1.1 Each Proponent shall deliver one (1) signed original copy and three (3) copies of the Technical Proposal and supporting information and three (3) copies of the Financial Proposal no later than **4:00 p.m. A.D.T. on September 30, 2019** (Submission Deadline) to the Board's address at:

New Brunswick Energy and Utilities Board
City Hall Building, 14th Floor
15 Market Square, Suite 1400
P.O. Box 5001
Saint John, N.B.
E2L 4Y9

Attention: Kathleen Mitchell, Chief Clerk (Board Contact)

- 6.1.2 Proposals sent by fax or e-mail will NOT be accepted.
- 6.1.3 Proposals received after the Submission Deadline will not be considered and will be returned unopened.
- 6.1.4 The Board assumes no responsibility for improperly addressed or delivered Proposals.
- 6.1.5 The Technical Proposal shall be sealed in an envelope, clearly indicating the Proponent's name and address and marked: **Technical Proposal: External Audit Services**.
- 6.1.6 The Financial Proposal shall be sealed in an envelope, clearly indicating the Proponent's name and address and marked: **Financial Proposal: External Audit Services**.

6.2 Mandatory Requirements

- 6.2.1 Each Proposal must comply with the following mandatory requirements. Each Proposal must:
 - a) Be in English *or* French;
 - b) Be received at the Board's address before the Submission Deadline;
 - c) Be addressed to the person named in subsection 6.1.1;
 - d) Adhere to content as required in this RFP;
 - e) Be for the entire scope of work; and
 - f) Specify personnel assigned to this RFP including their proposed role for the scope of work.
- 6.2.2 Incomplete Proposals will be rejected.

6.3 Enquiries

- 6.3.1 All enquiries (including notification of any discrepancies or errors or omissions) must be submitted by e-mail, no later than five business days prior to the Submission Deadline, to the Board Contact at: kathleen.mitchell@nbeub.ca.
- 6.3.2 The Board reserves the right not to respond to enquiries. If a change to the RFP or additional information is warranted, the Board's response will be communicated to all Proponents by means

of written Addenda. Orally-communicated information shall not be binding upon the Board. Enquiries made after the Submission Deadline will not receive a response.

6.3.3 The Board is not responsible for any error that may occur from a submission of an enquiry.

6.4 Addenda

6.4.1 Written addenda are the only means of amending or clarifying this RFP. Only the Board Contact is authorized to amend or clarify this RFP. Amendments or clarifications will be posted on the Board's website before the Submission Deadline.

6.5 Revisions Prior to the Submission Deadline

6.5.1 A Proponent may, by written notice to the Board Contact, amend or withdraw its Proposal prior to the Submission Deadline.

6.5.2 The Proponent will not be entitled to revise its Proposal after the Submission Deadline, except to the extent requested by the Board for purposes of clarification, pursuant to the enquiry process outlined in section 6.3.

6.5.3 At the Submission Deadline, all Proposals which have not been previously amended or withdrawn become irrevocable for a period of at least **ninety (90) days**.

7.0 RFP TERMS AND CONDITIONS

7.1 Cost of Preparing Proposals

7.1.1 Each Proponent is solely responsible for all costs it incurs in the preparation of its Proposal, including costs of providing information requested by the Board, attendance at meetings and conducting due diligence.

7.2 Limitation of Damages

7.2.1 Each Proponent, by submitting a Proposal, agrees that:

- a) In the event any or all Proposals are rejected, or the scope of work or the competitive selection process is modified, suspended or cancelled for any reason, neither the Board nor any of its employees will be liable, under any circumstances, for any claim or to reimburse or compensate the Proponent in any manner whatsoever, including but not limited to costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other matter; and
- b) The Proponent waives any and all claims whatsoever, including claims for loss of profits or loss of opportunity, in the event that the Proponent is rejected or disqualified in the competitive selection process or for any other reason.

7.3 Disclosure

7.3.1 The Board is committed to an open and transparent competitive selection process while understanding the Proponents' need for protection of confidential commercial information. To assist the Board in meeting this commitment, Proponents will cooperate and extend all reasonable accommodation to this endeavour.

7.4 Reservation of Rights

7.4.1 The Board reserves the right, in its sole and absolute discretion, to:

- a) Amend the scope of work, modify, cancel or suspend the RFP or the competitive selection process, at any time for any reason;
- b) Require Proponents to provide additional information after the Submission Deadline to support or clarify their Proposals;
- c) Require any or all Proponents to attend an interview with the Committee;
- d) Accept or reject any Proposal based on the evaluation criteria as determined in the sole and absolute discretion of the Committee;
- e) Not accept any or all Proposals;
- f) Reject any or all Proposals without any obligation, compensation or reimbursement to any Proponent or any of its team members;
- g) Withdraw this RFP and cancel or suspend the competitive selection process;
- h) Re-advertise for new submissions, call for tenders, or enter into negotiations for the Services or for work of a similar nature with any person or firm whether pursuant to a competitive procurement or tender process or otherwise; or
- i) Extend, from time to time, any date, any time period or deadline provided in this RFP, upon written notice to all Proponents.

7.4.2 The Board is not obligated to accept the lowest cost or any Proposal submitted. The Board further reserves the right to select the successful Proponent in any manner deemed (in its sole and absolute discretion) to be in the best interests of the Board.

7.5 Firm Pricing

7.5.1 Prices contained in the Proponent's Financial Proposal will be firm and not subject to change for the entire contract term unless otherwise expressly permitted in the contract.

7.6 Cancellation

- 7.6.1 The contract may be cancelled by either party for any reason without cause or penalty upon 30 days written notice and the auditor shall be compensated for services and deliverables provided up to the date of the notice.

7.7 Audits of Financial Statements

- 7.7.1 Once the successful Proponent has audited the accounts of the Board, he/she is required to provide the documents to the Auditor General and comply with the requirements as set out in subsection 9(4) of the *Auditor General Act*.

7.8 Agreement to Terms and Conditions

- 7.8.1 By submitting a Proposal, the Proponent is deemed to have acknowledged all the undertakings, terms and conditions contained in this RFP and to be bound by them. An authorized signing officer of the Proponent must sign the Proposal.

APPENDIX A

TERMS OF REFERENCE

This Appendix A will form the basis for the scope of work under the contract.

The successful Proponent will provide the Services for the External Audit Services as follows:

1. Undertake an independent annual audit of the Board's financial results as of March 31, 2020, in accordance with Canadian Generally Accepted Auditing Standards;
2. Provide an independent opinion as to whether the financial statements fairly present the financial position of the Board in accordance with Canadian Public Sector Accounting Standards;
3. Exercise professional judgement to identify and assess the risks of material misstatement in the financial statements;
4. Evaluate the appropriateness of the Board's accounting policies and internal controls and the reasonableness of any accounting estimates;
5. Evaluate the overall presentation, structure and content of the Board's financial statements and disclosures, and whether the statements correctly represent the underlying transactions and events;
6. Advise the Board of any new audit or reporting standards that may apply to the Board;
7. Provide the Board with a management letter that includes comments on the audit, identifies any discrepancies in the Board's reporting systems and suggestions for changes to reporting or governance;
8. Draft financial statements must be provided by June 3 and final audited statements, in both Official Languages must be provided by June 10 of each year of the term of the contract;
9. Prior to April 10, the successful Proponent will provide the Board's Director of Regulatory & Finance with a list of documents, files and schedules that are to be prepared by Board staff prior to the commencement of the audit;
10. The successful Proponent will also coordinate with Board staff during the month of April to request bank and revenue confirmations;
11. Respond to and discuss other issues arising throughout the fiscal year and be available to provide advice or assistance to the Board on other accounting or financial matters that may arise during the year; and
12. After completing the audit, provide all documents listed in subsection 9(4) of the *Auditor General Act* and respond to any enquires from the Auditor General.

APPENDIX B

PROPOSAL GUIDELINES AND EVALUATION CRITERIA

1. PROPOSAL GUIDELINES

1.1 Overview of Proposals

1.1.1 Proposals will include, in addition to the required number of copies specified in section 6.1 and the Mandatory Requirements identified in this RFP:

- a) All of the information requested in this appendix;
- b) Follow the format set out below; and
- c) Include sufficient information to enable appropriate evaluation of the Proposal, with reference to the Evaluation Criteria, while avoiding extraneous information.

1.2 Number of Copies and Packaging Requirements

1.2.1 The Proponent should provide all of the information requested below in an envelope, clearly marked and addressed in accordance with subsection 6.1.1 of this RFP.

1.3 Submission Format and Evaluation Criteria

1.3.1 Each Proposal must:

- a) Be no longer than 20 pages in length; and
- b) Include the name of the Proponent, a contact person, phone number, e-mail address and a return address.

The following is an overview of the categories and weighting of the rated criteria relevant to the evaluation of proposals under this RFP:

Item	Content	Evaluation Criteria	Scoring (Points)
Title Page		Not Applicable	
Introduction		Not Applicable	
Roles and Qualifications	<ul style="list-style-type: none"> • Experience and Success • Personnel • Resumes for key personnel 	<ul style="list-style-type: none"> • Experience and qualifications with a description and role of auditor's key personnel • Successful contracts with similar clients 	30
Availability	<ul style="list-style-type: none"> • Discuss availability of key personnel 	<ul style="list-style-type: none"> • Availability of key personnel for duration of the contract 	15
Methodology	<ul style="list-style-type: none"> • Approach to work 	<ul style="list-style-type: none"> • Confirm all tasks that would be provided that are necessary to complete the scope of work described in Appendix A • Schedule and timelines 	20
Quality	<ul style="list-style-type: none"> • Quality and completeness of submission 	<ul style="list-style-type: none"> • Evaluation Committee's assessment 	10
Value Added	<ul style="list-style-type: none"> • Additional information, specialized knowledge and options 	<ul style="list-style-type: none"> • Auditor's ability to provide additional services • Evaluation Committee's assessment 	5

Item	Content	Evaluation Criteria	Scoring (Points)
Auditor Costs and Remuneration	<ul style="list-style-type: none"> • Fixed fee for the described scope of work set out in Appendix A • Disbursements cost estimate • Terms and conditions under which the Auditor might request a variation in the fixed fee • Fee schedule for team including titles and hourly rates (if relevant to variation in fee proposals) 	<ul style="list-style-type: none"> • Fixed fee • Total estimated costs (fee plus disbursements) • Potential outcomes from variation in the terms and conditions 	20
Total Scoring (Points)			100