



## REQUEST FOR PROPOSAL

NAME OF PROCUREMENT:

EXTERNAL AUDIT SERVICES

RFP No:

PS10197

Issue Date: SEPTEMBER 13, 2010

Issue By: City of Vancouver

**REQUEST FOR PROPOSAL NO. PS10197  
EXTERNAL AUDIT SERVICES  
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**INTRODUCTION**

**I-1 OVERVIEW**

This Request for Proposal (RFP) is presenting in three (3) parts:

- 1.1 PART 1 - Instruction to Proponents: This contains instructions and terms and conditions related to the conduct of this RFP;
- 1.2 PART 2 - Form of Proposal: This contains the format and information requested by the City to be contained and submitted in the Proponent's Proposal; and
- 1.3 PART 3 - Form of Contract: This contains the terms and conditions and related schedules (in form or template) that will form the Agreement that will be executed between the City and the successful Proponent.

**I-2 SUMMARY OF OPPORTUNITY**

This RFP is issued by the City to obtain proposals to provide External Audit Services to express an audit opinion on the City's annual Consolidated Financial Statements for the year ended December 31, 2011 and the subsequent 4 years.

Please see Part 3, Schedule 1 - Scope of Services and Requirements for full requirement details.

**I-3 CLOSING**

Proposals will be received in the City of Vancouver's ("City's") Purchasing Services Office, 3rd Floor, Suite #320, East Tower, 555 West 12th Avenue, Vancouver, British Columbia, Canada, V5Z 3X7 prior to the Closing Time: 2:00:00 P.M., Purchasing Services Office Clock Time (as defined in Note 2 below), Friday October 1, 2010 and publicly opened and registered at 3:00:00 P.M. Friday October 1, 2010.

**NOTES:**

1. Proposals are to be submitted in sealed envelopes or packages marked with the Proponent's Name, the RFP Title and Number.
2. Closing Time and Vancouver Time will be conclusively deemed to be the time shown on the clock used by the City's Purchasing Services Office for this purpose.
3. The City's Purchasing Services Office is open on Business Days from 8:30 am to 4:30 pm Vancouver Time and closed Saturdays, Sundays, and holidays.
4. DO NOT SUBMIT BY FAX OR E-MAIL.

All queries related to this RFP shall be submitted  
in writing to the attention of:

**Melodie Williams, Contracting Specialist**  
FAX: 604.873.7057 E-MAIL: [purchasing@vancouver.ca](mailto:purchasing@vancouver.ca)

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## PART 1 - INSTRUCTION TO PROPONENTS

*NOTE: The definitions set out in Section 18 - Legal Terms and Conditions below and in the Form of Agreement (PART 3) apply throughout this RFP, except where otherwise expressly stipulated or the context otherwise requires.*

### 1.0 Overview

This Request for Proposal ("RFP") identifies a business opportunity for the successful Proponent to provide external audit services to express an audit opinion on the City's annual Consolidated Financial Statements for the year ended December 31, 2011 and the subsequent 4 years, as more completely described in PART 3, Schedule 1, Scope of Services and Requirements. The City is requesting proposals from interested firms with expertise in auditing public sector and, in particular, local governments.

The successful Proponent will be the Proponent who offers the best value, which will be assessed as a combination of experience, pricing, scope, duration and level of services offered.

### 2.0 Background

#### 2.1 The City of Vancouver

The City of Vancouver, with a population of approximately 630,000 lies in a region of more than two million people. Vancouver is the largest city in the province of British Columbia and the third largest metropolitan area in Canada. As the main western terminus of Canada's transcontinental highway and rail routes, as well as home to the Port Metro Vancouver, Vancouver is the primary city of western Canada and one of the nation's largest industrial centres.

Vancouver is consistently rated as one of the most liveable cities in the world and was host city of the 2010 Olympic and Paralympic Winter Games.

The City of Vancouver was incorporated in 1886 and is governed by the Vancouver Charter; a private bill consented to by the Legislative Assembly of the Province of British Columbia.

The Consolidated Financial Statements for the City reflect the assets, liabilities, revenues and expenditures and changes in fund balances for all funds of the reporting entity. The reporting entity is comprised of all organizations that are accountable for the administration of their financial affairs and resources to Council and that are owned or controlled by the City. The entities included are as follows;

- a) Boards:
- Board of Parks and Recreation
  - Vancouver Public Library Board
  - Vancouver Police Board

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- Vancouver Civic Theatres Board
- b) Owned/Controlled Corporations:
- Harbour Park Development Ltd.
  - City of Vancouver Public Housing Corporation
  - Vancouver Civic Development Corporation
  - Hastings Institute Inc.
  - Parking Corporation of Vancouver
  - Pacific National Exhibition
- c) Also included in the statements are certain assets owned by the City that are under the control and management of the following organizations:
- Vancouver Art Gallery
  - Vancouver Museum
  - H.R. MacMillan Space Centre
  - Vancouver Maritime Museum

Other than the Vancouver Public Housing Corporation and the Pacific National Exhibition, separate audited financial statements are not required for the local boards and owned and controlled corporations. The Pacific National Exhibition audit is a separate engagement and is not included in this scope of services. All organizations outlined, except for the Parking Corporation of Vancouver and Pacific National Exhibition, use the City's financial accounting system.

The City accounts for its activities through 5 funds; Capital Fund, Revenue Fund, Property Endowment Fund, Capital Financing Fund and Sinking Fund.

The financial management of the City is the responsibility of the Director of Finance and related financial duties are the responsibility of the City Treasurer. Both of these positions are appointed by Council to carry out the statutory obligations under the Vancouver Charter Sections 210 to 219 and 226 to 229 (see Appendix A of Schedule 1).

City management is responsible for:

- Preparation of the consolidated financial statements and all other information in its annual financial report. The consolidated financial statements are prepared in accordance with generally accepted accounting principles for local governments established by the Canadian Institute of Chartered Accountants (CICA).



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- Using estimates and the application of judgment in arriving at certain amounts in the preparation of the annual consolidated statements. Documentation will be provided to the Auditor to support such amounts.
- Maintaining accounting, budget and other internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that the assets are properly accounted for and safeguarded.

Implemented in 1999, SAP is the City's ERP system used for the major financial processes including General Ledger, HR/Payroll, Accounts Payable, supply chain and inventory, work order and project costing, budgeting and reporting. The City is currently using version ECC5.0 and planning to upgrade to ECC6.0 in November 2010. A team of business analysts and technical staff support the SAP system. Currently transaction processing is decentralized at the City with time entry, purchase order issuance, invoice entry handled at the branch level of the various departments. The City has initiated a major review which envisions a shared services delivery model for many of its business processes including finance, facilities and IT.

The City also has several other major IT systems including Tempest for Tax and Utility billing, Autodesk/Hansen for GIS/Work order management for Engineering assets, Amanda/Prism for business licences and permits, Lagan for the 311 Centre, Dynix for Library book acquisition and a program registration system for the Vancouver Board of Parks and Recreation.

The City's senior financial managers in the Financial Services Group responsible for preparation of the annual consolidated financial statements all hold business degrees with the majority possessing professional accounting designations. The City's major service groups and boards also retain senior professional financial administrative staff to support their individual operations.

The City's Internal Audit function, reporting to an Internal Audit Management Team, is mandated to conduct City-wide audits and special reviews to evaluate the adequacy and effectiveness of systems of internal control and operational effectiveness and efficiency. The objectives are to ensure that the established policies and procedures and applicable laws and regulations are complied with, the City's assets are safeguarded, and the financial and operational information is reliable to support management's decision-making. A City-wide risk assessment is performed to identify and prioritize risk areas followed by in-depth assessment of risk and evaluation of business processes to determine the scope and approach of each audit. The Auditor will have access to the Internal Audit work plan and reports. The City's internal auditors do not provide direct financial statement audit assistance to the external auditors.

The City prepares audit working papers and draft financial statements including notes. The City will consult with the Auditor regarding financial statement presentation when complex new accounting standards or unusual situations are being incorporated.

Financial statements for prior years are available on the City's website at <http://vancouver.ca/fs/budgetServices/index>. Further information about the City is provided on the City's website at <http://vancouver.ca/fs/aboutus.htm>.

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## 2.2 Objectives

The purpose of this RFP is to select a Proponent(s) with the capability and experience to efficiently and cost-effectively supply the Scope of Services and Requirements as set out in PART 3. The Requirements stated in this RFP are as envisioned by the City at the time of writing, but may change or be refined in the course of the evaluation and award process.

## 3.0 Administrative Requirements

- 3.1 It is the sole responsibility of all Proponents to check the City's website at: <http://www.vancouver.ca/fs/bid/bidopp/openbid.htm> regularly for amendments, addenda, and questions and answers to this RFP.
- 3.2 Proponents are to submit their Proposal in accordance with instructions identified in the Introduction and as provided within this Part 1.

## 4.0 Conduct of RFP - Inquiries and Clarifications

- 4.1 The City's Director of Supply Management will have conduct of this RFP, and all communications are to be directed only to the contact person named in the Introduction.
- 4.2 It is the responsibility of all Proponents to thoroughly examine these documents and satisfy themselves as to the full requirements of this RFP. Inquiries are to be in written form only e-mailed to [purchasing@vancouver.ca](mailto:purchasing@vancouver.ca) or faxed to 604.873.7057 to the attention of the contact person shown on the cover page no less than seven (7) Business Days prior to the Closing Time. If required, an addendum will be issued and posted on the City's website as outlined in Section 3.1 above.

## 5.0 Contract Requirements

- 5.1 The City's Form of Agreement outlining the City's contractual requirements for payment, deliverables, professional liability, insurance, WorkSafeBC coverage and compliance, change orders, and all other relevant business issues and risk allocations is attached as PART 3. Proponents are requested to review and confirm as part of their proposal that they are agreeable to and can meet the requirements of all of the terms of the Agreement or if they consider any part of the Agreement to be inconsistent with their proposal, to suggest alternative contractual language in PART 2, Section 24 - Deviations and Variations.

The Contract will be for a five (5) year term. Proponents should note that despite the Contract term stated, the engagement is subject to the annual appointment of Council during the term of the Contract in accordance with Section 230(1) of the Vancouver Charter as set out in Part 3, Schedule 1, Appendix A - Excerpts of the Vancouver Charter.

While the City is not obligated to accept any alternatives, deviations or variations to the Form of Agreement, all suggested alternatives will be considered during the evaluation process, but may or may not be acceptable to the City.

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5.2 Where the head office of the successful Proponent is located within the City of Vancouver and/or where the successful Proponent is required to perform any work at a site located within the City of Vancouver, the successful Proponent is required to have a valid City of Vancouver business license prior to Contract execution.

**6.0 Pricing**

6.1 Prices quoted are to be exclusive of HST.

6.2 Prices are to be quoted as a lump-sum per year including but not limited to overhead, profit and all other costs included taxes but excluding HST.

6.3 Prices are to be quoted in Canadian currency.

**7.0 Consortium Proposals**

7.1 The City will consider a proposal from two (2) or more persons or companies having no formal corporate links who wish to form a joint venture or consortium solely for the purpose of submitting a proposal in response to this RFP, provided they disclose the names of all members of the joint venture or consortium and all members sign the Form of Proposal. While the City will consider such a consortium proposal, the City has a strong preference for proposals submitted by a single firm who would act as a prime contractor and then supplies any required specialist expertise via sub-contractors or sub-consultants, as the case may be.

7.2 A single person or company is to be identified as the Key Contact Person on the Form of Proposal (PART 2), and be prepared to represent the consortium to the City. The Key Contact Person will serve as the primary contact and take overall responsibility for all communications with the City during the proposal submission, evaluation, and any negotiation process.

7.3 Consortium proposals are to include proposed contract language describing each consortium member's roles and responsibilities and the proposed legal contract structure.

7.4 The City reserves the right to accept or reject any consortium as proposed or choose to negotiate a contract with individual consortium members separately, or to negotiate for the selection of one consortium member as a prime contractor with the other members acting as Sub-contractors or Sub-consultants. Each component of the consortium proposal should be priced out individually.

**8.0 Submission of Proposals**

8.1 Proponents are to submit six (6) hard copies of their Proposal in three-ring binders, with each section tabbed and including all accompanying schedules, appendices and addenda in each binder. Proponents should also submit one (1) electronic copy of their proposal in the same format described above on CD. All copies are to be submitted in a sealed envelope or package marked with the Proponent's name, the RFP title and number, prior to the Closing Time set out on the date and at the location shown on the title page of this RFP.

8.2 Only the English language may be used in responding to this RFP.

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- 8.3 Proposals received after the Closing Time or in locations other than the address indicated, may or may not be accepted and may or may not be returned.
- 8.4 Amendments to a Proposal are to be submitted in writing in a sealed envelope or package, marked with the Proponent's name and the RFP title and number.
- 8.5 Proposals may be withdrawn at any time before the Closing Time and are to be withdrawn by written notice delivered to the office of the Purchasing Office, #320-555 West 12<sup>th</sup> Ave., East Tower, V5Z 3X7 and signed by the authorized signatory for the Proponent.
- 8.6 All costs associated with the preparation and submission of the Proposal, including any costs incurred by the Proponent after the Closing Time, will be borne solely by the Proponent.
- 9.0 Proposal Format**
- 9.1 Unnecessarily elaborate Proposals, beyond that sufficient to present a complete and effective response, are not required and unless specifically requested, the inclusion of corporate brochures and narratives are discouraged.
- 9.2 Proponents are requested to provide their Proposal in the format and including the content described in PART 2 of this RFP.
- 10.0 Bid Security**
- None required.
- 11.0 Conflict of Interest**
- 11.1 Proponents' are to ensure that:
- a. any and all conflicts or potential conflicts;
  - b. any and all collusion, or appearance of collusion; and
  - c. any and all corporate, individual and other entities affiliated with the Proponent who are registered as lobbyists under any lobbyist legislation in any jurisdiction in Canada or the United States of America,
- are fully and properly disclosed in their Proposals, see PART 2.
- 11.2 Failure to disclose this information may result in the rejection of the Proposal, the associated entity's Proposal, and/or the immediate cancellation of any contract should one be awarded in reliance on the information contained in the submitted Proposal.
- 11.3 If any director, officer, employee, agent or other representative of a proponent makes any representation or solicitation to any officer, employee, agent or elected official of the City with respect to its Proposal, whether before or after the submission of the Proposal, the City will automatically disqualify such Proponent.

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**12.0 Opening of Proposals**

12.1 The City reserves the right to open all Proposals in a manner and at the time and place determined by the City.

**13.0 Evaluation of Proposals**

**13.1 Compliance/Non-Compliance**

Any proposal which contains an error, omission or misstatement, which contains qualifying conditions, which does not fully address all of the requirements or expectations of the RFP, or which otherwise fails to conform to the RFP may or may not be rejected by the City at the City's sole discretion.

**13.2 Reservation of Complete Control over Process**

The City reserves the right to retain complete control over the RFP and proposal process at all times until the execution and delivery of a Contract. Accordingly, the City is not legally obligated to review, consider or evaluate the proposals and need not necessarily review, consider or evaluate the proposals in accordance with the procedures set out in this RFP and the City reserves the right to continue, interrupt, cease or modify its review, evaluation and negotiation process on any or all proposals at any time without further explanation or notification to any of the proponents subject only to the express legal terms and conditions which bind the City, which terms and conditions are expressly limited to those set out in Section 21.3 - Limitation, Section 21.4 - Dispute Resolution, Section 22.2 - Proponent's Submission Confidential, and Section 22.5 - Declaration of Confidentiality.

**13.3 Discussions/Negotiations**

The City may, at any time prior to signing a Contract, discuss/negotiate changes to the scope of the RFP, or any of the terms or conditions of the RFP with any one or more of the proponents without having any duty or obligation to advise the Proponent or to allow the Proponent to vary its Proposal as a result of discussions or negotiations with other proponents or changes to the RFP, and, without limiting the general scope of Section 21.0 - Protection of City Against Lawsuits, and by way of example only, the City will have no liability to the Proponent as a result of such discussions, negotiations or changes.

**13.4 Best Value**

Proposals will be evaluated by representatives of the City on the basis of the overall best value to the City, based on quality, service, price and any other relevant criteria set out herein including, but not limited to:

- a. the Proponent's proven experience in delivering a similar scope of work;
- b. the Proponent's ability to meet the Requirements and the cost/expense for same;
- c. the Proponent's ability to deliver the Requirements when and where required;
- d. the proposed plan of approach and work schedule;
- e. compliance with the City's insurance requirements;

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- f. the Proponent's business and technical reputation and capabilities;
  - g. experience and where applicable, the experience of its personnel, financial stability, track record, and references of current and former customers;
  - h. quality of Proposal, including any innovative concepts; and
  - i. any other criteria set out in the RFP or otherwise reasonably considered relevant.
- 13.5 The City may elect to short list Proponents in stages as deemed necessary.
- 13.6 Short-listed Proponents may be asked to provide additional information or details for clarification, which may include attending interviews and making a presentation.
- 13.7 Prior to approval of a Proposal, the City must be satisfied as to the Proponent's financial stability. Proponents may be asked to provide annual financial reports covering the Proponent's last two (2) fiscal years.
- 13.8 The City may request that any or all Sub-contractors of the Proponent undergo the same evaluation process.
- 14.0 Proposal Approval**
- 14.1 Proposal approval is contingent upon the appropriate City representative(s). Only then may the successful Proponent and the City proceed to settle, draft and sign the necessary legal agreement.
- 14.2 The City will notify the successful Proponent in writing that its Proposal has been approved in principle and invite the Proponent to proceed with discussions to settle, draft and sign a legal agreement.
- 14.3 The City is not under any obligation to approve any Proposal and may elect to terminate this RFP at any time.
- 14.4 Notwithstanding any other provision in the RFP documents, the City has in its sole discretion, the unfettered right to:
- a. accept any Proposal;
  - b. reject any Proposal;
  - c. reject all Proposals;
  - d. accept a Proposal which is not the lowest Proposal;
  - e. accept a Proposal that deviates from the Special Conditions and Scope of Work and Requirements or the conditions specified in this RFP;
  - f. reject a Proposal even if it is the only Proposal received by the City;
  - g. accept all or any part of a Proposal; and

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h. split the Requirements between one or more Proposals.

#### 15.0 Selection Process and Timeline

15.1 Proposals will be evaluated by a team of senior City management staff. The City anticipates that it may require any or all of the short-listed Proponents, at the City's discretion, to make an oral presentation to the evaluation team. The structure of the session may be as follows:

- 45 minute oral presentation by Proponent delivered jointly by the partner, manager and senior staff member of the proposed service team (Note that use of presentation tools is discouraged.); and
- 45 minutes for evaluation team to ask questions of the proponent(s).

15.2 The anticipated timeline for the RFP process is as follows:

- RFP closes - October 1, 2010 (subject to any extensions as applicable);
- Presentations of short-listed Proponents (if applicable) - late October, 2010;
- Completion of evaluation process and award recommendation submitted to Council - mid to late November, 2010; and
- Council Meeting to appoint the Auditor - late November or early December, 2010 (Note: The auditor appointment must be made by Council on or before the first meeting of Council in 2011.).

#### 16.0 Freedom of Information and Protection of Privacy Act

Proponents should note that the City of Vancouver is subject to the Freedom of Information and Protection of Privacy Act (British Columbia), which imposes significant obligations on the City's Consultants or Contractors to protect all personal information acquired from the City in the course of providing any service to the City.

#### 17.0 Non-Resident Withholding Tax

Please note that the Income Tax Act (Canada) requires that payments to non-residents for any services performed in Canada are subject to a Non-resident Withholding Tax of a specified percentage (depending on residency of the contractor). Exemption from this withholding tax is available in some circumstances, but the non-resident must apply directly to the Canada Revenue Agency ("CRA") at least thirty (30) days before commencing the service.

#### 18.0 Legal Terms and Conditions for the RFP Process

##### 18.1 Application of These Terms and Conditions:

These legal terms and conditions set out the City's and Proponent's/Sub-contractors' legal rights and obligations only with respect to the proposal process. In no event will the legal terms and conditions of this Part 1 apply to the Contract formed between the City and the Contractor following the signing of the Contract (if any).

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## 19.0 Definitions

In this RFP, the following terms have the following meanings:

- a. "Agreement" means any legal agreement, if any, entered into between the City and the successful proponent following the conclusion of the RFP process, approval of the Contract by City Council, and the settlement, execution and delivery of same by each party to the Contract.
- b. "City" means the municipal corporation, generally known as the City of Vancouver, as described under the Vancouver Charter.
- c. "Losses" means in respect of any matter all
  - i) direct or indirect, as well as
  - ii) consequential,  
  
claims, demands, proceedings, losses, damages, liabilities, deficiencies, costs and expenses (including without limitation all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement whether from a third person or otherwise).
- d. "Project" means the RFP "No. PS10197 EXTERNAL AUDIT SERVICES".
- e. "Proponent" means the legal entity(ies) who has (have) signed and delivered this Proposal Form, and "proponent" means any proponent responding to the Instructions to Proponents, excluding or including the Proponent, depending on the context.
- f. "Proposal" means the package of documents consisting of the Form of Proposal, as well as all Schedules, once completed and submitted to the City by the Proponent, and "proposal" means any proposal submitted by any other proponent, excluding or including the Proponent, depending on the context.
- g. "RFP" means the documents issued by the City as **Request for Proposal No. PS10197** including all addenda.
- h. "Services" means the scope of services and requirements noted in Schedule 1 of the Form of Agreement, PART 3, that the Contractor will provide under the Agreement.
- i. "Sub-contractors" includes any or all third parties listed in the Form of Proposal.

All other terms (capitalized or not) have the meanings given to them in the RFP.

## 20.0 General Terms and Conditions for the RFP Process

### 20.1 No Legal Obligation Assumed by City

Despite any other term of this Proposal Form (except only (where applicable) Section 21.3 - Limitation, Section 21.4 - Dispute Resolution, Section 22.2 - Proponent's Submission Confidential, and Section 22.5 - Declaration of Confidentiality), the City



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assumes no legal duty or obligation in respect of this RFP or unless and until the City enters into a Contract. This RFP process is at all times contingent on funds being approved by the Vancouver City Council and a Contract being signed by the City.

## 20.2 Legal Rights and Obligations Suspended

Despite any other term of this Proposal Form (except only (where applicable) Section 22.2 - Proponent's Submission Confidential, and Section 22.5 - Declaration of Confidentiality), the City and Proponent agree that all of their respective rights and obligations at law and in equity, in contract and in tort, in all matters relating to the RFP and this Proposal will be absolutely and unconditionally subject to Section 21.0 - Protection of City Against Lawsuits, and the following:

### a. No Duty

The City has no legally enforceable duty or obligation to the Proponent unless and until the City signs a Contract with the Proponent.

### b. Proponent's Risk

The Proponent acknowledges that the City is a public body required by law to act in the public interest. Accordingly, in no event does the City owe to the Proponent (as opposed to the public):

- i. a contract or tort law duty of care, fairness, impartiality or procedural fairness in the proposal process; or
- ii. any contract or tort law duty to preserve the integrity of the RFP process,

and the Proponent now waives and releases the City from all such duties and expressly assumes the risk of all Losses arising from participating in the proposal process on this basis.

### c. Proponent's Cost

The Proponent now assumes and agrees to bear all costs and expenses incurred by the Proponent in preparing its Proposal and participating in the proposal process.

## 21.0 Protection of City Against Lawsuits

### 21.1 Release

Except only and to the extent that the City is in breach of Section 22.2 - Proponent's Submission Confidential, or Section 22.5 - Declaration of Confidentiality, the Proponent now releases the City from all liability for any Losses in respect of:

- a. any alleged (or judicially imposed) breach by the City of the RFP (it being acknowledged and agreed that to the best of the parties' knowledge, the City has no obligation or duty under the RFP which it could breach (other than wholly unanticipated obligations or duties merely alleged or actually imposed judicially));

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- b. any unintentional tort of the City occurring in the course of conducting this RFP process;
- c. the Proponent preparing and submitting its Proposal;
- d. the City accepting or rejecting its Proposal or any other submission;
- e. the manner in which the City:
- f. reviews, considers, evaluates or negotiates any proposal,
- g. deals with or fails to deal with any proposal or proposals, or
- h. decides to enter into a Contract or not enter into any Contract; and
- i. the proponent(s), if any, with whom the City enters a Contract.

### 21.2 Indemnity

Except only and to the extent that the City breaches Section 22.2 - Proponent's Submission Confidential or Section 22.5 - Declaration of Confidentiality, the Proponent now indemnifies and will protect and save the City harmless from and against all Losses, in respect of any claim or threatened claim by the Proponent or any of its Sub-contractors or agents alleging or pleading

- a. any alleged (or judicially imposed) breach by the City or its officials or employees of the RFP (it being agreed that, to the best of the parties' knowledge, the City has no obligation or duty under the RFP which it could breach (other than wholly unanticipated obligations or duties merely alleged or actually imposed judicially)),
- b. any unintentional tort of the City or its officials or employees occurring in the course of conducting this RFP process, or
- c. liability on any other basis related to this RFP or the proposal process.

### 21.3 Limitation

In the event that, with respect to anything relating to the RFP or this proposal process (except only and to the extent that the City breaches Section 21.3 - Limitation, Section 21.4 - Dispute Resolution, Section 22.2 - Proponent's Submission Confidential, or Section 22.5 - Declaration of Confidentiality), the City or its officials, officers, agents or employees are found to have breached (including fundamentally breached) any duty or obligation of any kind to the Proponent or its Sub-contractors or agents whether at law or in equity or in contract or in tort, or are found liable to the Proponent or its Sub-contractors or agents on any basis or legal principle of any kind, the City's liability is limited to a maximum of \$100, despite any other term or agreement to the contrary.

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**21.4 Dispute Resolution**

Any dispute relating in any manner to this RFP or the proposal process (except only and to the extent that the City breaches Section 21.3 - Limitation, Section 21.4 - Dispute Resolution, Section 22.2 - Proponent's Submission Confidential, or Section 22.5 - Declaration of Confidentiality, and also excepting any disputes arising between the City and any proponent with whom the City has entered a Contract) will be resolved by arbitration in accordance with the Commercial Arbitration Act (British Columbia), amended as follows:

- a. The arbitrator will be selected by the City's Director of Legal Services.
- b. This Section 21.4 - Protection of City against Lawsuits will:
  - i. bind the City, Proponent and the arbitrator; and
  - ii. survive any and all awards made by the arbitrator.
- c. The Proponent will bear all costs of the arbitration.

**22.0 Access/Ownership of Proposal Information**

**22.1 Proposal Documents Remain/Proposal Becomes - City's Property**

- a. All RFP packages and addenda provided to the Proponent by the City remain the property of the City and must be returned to the City upon request.
- b. The documentation containing the Proposal, once submitted to the City, becomes the property of the City, and the City is under no obligation to return the Proposal.

**22.2 Proponent's Submission Confidential**

Subject to the applicable provisions of the Freedom of Information and Protection of Privacy Act (British Columbia) and the City's full right to publicly disclose any and all aspects of the Proposal in the course of publicly reporting to the Vancouver City Council on the proposal results or announcing the results of the proposals to the proponent(s), the City will treat all material and information expressly submitted by the Proponent (and the City's evaluation of it) in confidence in substantially the same manner as it treats its own confidential material and information.

The Proponent now irrevocably waives all rights it may have by statute, at law or in equity, to obtain any records produced or kept by the City in evaluating its Proposal (and any other submissions) and now agrees that under no circumstances will it make any application to the City for disclosure of any records pertaining to the receipt, evaluation or selection of its Proposal (or any other submissions) including, without limitation, records relating only to the Proponent.

**22.3 All City Data/Information is Confidential**

The Proponent will not divulge or disclose to any third parties any information concerning the affairs of the City which may be communicated to the Proponent at any time (whether before or after the closing date and time of this RFP process). Recognizing the need for confidentiality of the City's data, files and other confidential information, the Proponent will not use, exploit or divulge or disclose to third parties any confidential or proprietary information of the City of which the Proponent may

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gain knowledge in connection with or in the course of discussions or negotiations with the City.

All material and information that has or will come into the Proponent's possession or knowledge in connection with this proposal process is confidential and may not be disclosed or utilized in any way except in accordance with the Instructions to PropONENTS and this Proposal Form.

#### **22.4 Disclosure Requires Prior Consent**

The Proponent may not divulge any information respecting the proposal process to any third party without the prior written consent of the City, which consent may be arbitrarily withheld unless it is information which the City has already made public or has been required to disclose pursuant to the Freedom of Information and Protection of Privacy Act (British Columbia).

#### **22.5 Declaration of Confidentiality**

The Proponent agrees that, except for the information disclosed by the City in the course of publicly reporting to the Vancouver City Council or any public proposal opening:

- a. the information supplied by the Proponent in response to the RFP is expressly provided in strict confidence;
- b. any records made of the evaluation of this Proposal and all other submissions will be the property of, and private to, the City and will not be disclosed to the Proponent nor anyone else;
- c. the disclosure of the information in items (a) and (b) above to anyone outside of the City's staff would reveal the Proponent's trade secrets or proprietary commercial information concerning its private business affairs; and
- d. the disclosure of the information in items (a) and (b) above, could reasonably be expected to harm the Proponent's competitive position, harm the City's ability to engage in competitive procurement of goods and services, and result in undue financial loss to the Proponent and/or the City.

#### **23.0 No Promotion**

The successful proponent must not disclose or promote its relationship with the City, including by means of any verbal declarations or announcements and by means of any sales, marketing or other literature, letters, client lists, press releases, brochures or other written materials, without the express prior written consent of the City (except as may be necessary for the successful Proponent to perform the successful proponent's obligations under the terms of the Agreement).

#### **24.0 Survival/Legal Effect of Proposal Contract**

All of the terms of this PART 1 - INSTRUCTIONS TO PROPONENTS which by their nature require performance or fulfilment following the conclusion of the proposal process will survive such issuance and will remain legally enforceable by and against the Proponent and City.

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PART 2 - FORM OF PROPOSAL

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**PART 2 - FORM OF PROPOSAL**

This PART 2, Form of Proposal, contains the format and information requested by the City to be contained and submitted in the Proponent's Proposal. As per PART 1, Section 13.1, Proposals which contain error, omission or misstatement, which contains qualifying conditions, which does not fully address all of the requirements or expectations of the RFP, or which fails to conform to the RFP may or may not be rejected by the City at the City's sole discretion.

To be presented on the Proponent's Company Letterhead.

*Attach additional pages immediately behind this page for Sub-contractors, if applicable.*

To the City of Vancouver Supply Management Department,

The Proponent, having carefully examined and read the RFP, including the Form of Agreement and its Schedules and Appendices, if any, (PART 3 of the RFP), now submits the following Proposal:

**1.0 Proposal**

Please find attached our Proposal in response to the City's Request for Proposal No. PS10197.

**2.0 Required Documents**

If the documents listed below do not accompany the Proposal at the time of opening, the Proposal may or may not be put aside and given no further consideration.

Description	Required	Received
Certificate of Existing Insurance	Yes	
Certificate of Professional Liability	Yes	

**3.0 Price Validity**

The pricing contained within this Proposal shall remain valid for 90 days from the Closing Date for this RFP.

**4.0 Proponent's Declaration and Acknowledgment**

The undersigned Proponent confirms that:

- a. it has read and agrees to all conditions as stated in PART 1 - INSTRUCTION TO PROPONENTS of this RFP and agrees to be bound by the same; and

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- b. its Proposal as attached to this letter is, to the best of its knowledge, true and correct.

IN WITNESS TO THE ABOVE, the Proponent has executed this Proposal Form and submits same with the attached Proposal:

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Authorized Signatory for the Proponent

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Date

---

Name and Title (*please print*)

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The following describes the format and information to be provided by the Proponent's in their Proposals. Paragraph titling and number should be maintained.

**1.0 Company Profile**

1.1 Provide the following information:

Proponent's Name: \_\_\_\_\_  
"Proponent"

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Cheque Payable/Remit to Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Key Contact Person: \_\_\_\_\_ E-mail: \_\_\_\_\_

HST Registration No.: \_\_\_\_\_ Incorporation Date: \_\_\_\_\_

City of Vancouver Business License Number: \_\_\_\_\_  
*(If your office is located in Vancouver or N/A if not applicable)*

WorkSafeBC Account Number: \_\_\_\_\_

Dunn and Bradstreet Number: \_\_\_\_\_  
*( or N/A if not applicable)*

1.2 Provide a description of the proponent's company, purpose and history of successes including number of years in business, major projects, and what is most responsible for the proponent's success to date. State the size of the firm, number of partners and staff employed. Identify the office from which the work is to be performed, size of the office, number of partners and staff employed at that office. Include a company brochure or resume for each member of any consortium as well as each key personnel employed by any named proposed Sub-contractor to the proponent.

**2.0 Key Personnel**

2.1 Identify key personnel to be assigned to this Contract, setting out their names, responsibilities, qualifications, and relevant experience in;



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- a) auditing public sector organizations, in particular local governments;
- b) in the development and application of PSAB;
- c) in planning and conduction of field work in a large organization with major decentralized departments, separately governed boards, each supported by independent finance and administrative support divisions; and
- d) in auditing an ERP system in a local government environment with multiple interfaces and independent financial systems.

2.2 Include an organization chart for the Proponent’s proposed Project team, identifying the team leader or project manager, and all roles and areas of responsibility.

**3.0 References**

3.1 Provide a description of your company experience related to the services required under this proposed contract.

3.2 Provide the number and size of local government clients.

Name and Address of Company	Contact Name and Telephone Number	Brief Description of Type of Engagement and Date Performed

3.3 The Proponent is to provide a minimum of five (5) local government engagements completed within the last five years by type of engagement (i.e. audit, management advisory, other special services) by completing the table below. Indicate the scope of the work, date, engagement partners, the location of the firm’s office from which the engagement was performed and the name and phone number of the principal client contact. The Proponent may, at its own discretion, expand on the number of references and information that it deems necessary to support its Proposal. By submitting a Proposal, the Proponent consents to the City contacting these references, and consents to the City also contacting any other organization for the purposes of evaluating the Proponent’s company and Proposal.

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**4.0 Sub-contractors**

- 4.1 The Sub-contractors shown below are the Sub-contractors that the Proponent proposes to use to carry out the Requirements. The City expects that the Proponent will engage the listed Sub-contractors and no others in their stead without prior written authorization of the City. (For contractual requirements, Proponents are to note the relevant sections of the Form of Agreement.)
- 4.2 The City reserves the right to object to any of the Sub-contractors listed in a Proposal. If the City objects to a listed Sub-contractor then the City will permit a Proponent to, within seven (7) calendar days, propose a substitute Subcontractor acceptable to the City. A Proponent will not be required to make such a substitution and, if the City objects to a listed Sub-contractor, the Proponent may, rather than propose a substitute Sub-contractor, consider its Proposal rejected by the City and by written notice withdraw its Proposal.
- 4.3 If no Sub-contractors will be used, indicate "Not Applicable".

Company Name, Address	Contact Name and Telephone Number	Area of Responsibility

**5.0 Work Plan**

- 5.1 Describe, in comprehensive detail, the work plan outlining planning, communications and audit methodology to perform the services required. The work plan should include the following:
- a) proposed segmentation of the audit including timelines in order to provide the reports prior to April 30;
  - b) level of staff and number of hours assigned for each segment of the audit;
  - c) extent to which statistical sampling is to be used, approach and assistance required from the City staff in drawing audit samples for compliance testing;

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- d) use of computer-assisted auditing tools and assistance that will be required to apply it to the City's financial information system;
- e) type and extent of analytical procedures to be used;
- f) approach to be taken to gain an understanding of and document the City's major processes and related internal control structures;
- g) approach to be taken to determine compliance with legislation and regulations;
- h) approach to communication of progress, significant findings, and other audit issues with administration during and after audit field work is completed; and
- i) approach to dealing with the City's decentralized finance and administrative support structure spread across major City departments and independently governed boards.

**6.0 Information Technology Auditing**

6.1 Describe approach to information technology auditing.

**7.0 Vancouver Public Housing Corporation**

7.1 Describe approach to the audit of the non-profit Vancouver Public Housing Corporation and familiarity with the Province of B.C.'s requirements.

**8.0 Development and Support**

8.1 Describe approach to development and support of public sector clients in general and local governments in particular.

8.2 Describe specific efforts in relation to research and education of staff and clients in the development and application of generally accepted accounting principles for local governments (PSAB).

**9.0 Staff Education and Succession**

9.1 Provide information on how the quality and continuity of the Proponent's field staff assigned to complete the audit will be assured during the Contract. Specifically deal with the professional development, training and education of the field staff and the planning for succession of the Proponent's staff.

**10.0 Anticipated Audit Issues**

10.1 Identify and describe any significant anticipated audit problems or issues with this project, and approach to validating, confirming and resolving them.

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**11.0 City Assistance**

- 11.1 Describe any special assistance or facilities that will be requested from the City.
- 11.2 Describe the format and substance of working paper requirements required from the City.

**12.0 Risk Assessment**

- 12.1 Describe approach to risk assessment.

**13.0 Internal Audit Co-ordination**

- 13.1 Describe approach to be taken to co-ordinate external audit work with the City's Internal Audit division to avoid duplication of effort.

**14.0 Value Added Services**

- 14.1 Describe the value added services, if any, the audit would provide in areas of:
  - a. Taxation
  - b. Financial management
  - c. Other public sector management related to Risk, IT or general management

Specifying what services are included in the maximum fee or the approach to charging for the services.

**15.0 Transition Plan**

- 15.1 Provide a work plan detailing the transition work involved should the City appoint an auditor that is different from the incumbent. The work plan should document assistance and resources required from the City in making the transition.

**16.0 Requirements Overview**

- 16.1 Scope of Services and Requirements: PART 3, Schedule 1, provides details on the scope related to the work to be completed by the successful Proponent.
- 16.2 Although it is necessary that the Proponent submit a detailed response to the Requirements, the City is interested in proposals that will add value to the Project. Innovative ideas will be favourably considered in evaluating all proposals.

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## 17.0 Pricing

17.1 The Proponent should provide the following information:

- a) a total maximum fee per year for the Services, inclusive of all disbursements and taxes (except HST, which is to be shown separately), showing all costs associated with the Services and deliverables as outlined in the Form of Agreement, Schedule 1.
- b) the hourly charge out rates for Project team members;
- c) a breakdown of the total maximum yearly fee into the costs associated with each team member, inclusive of fees, disbursements and taxes (except HST);
- d) a description of all disbursements, including a maximum amount for each;
- e) a description of all costs associated with Sub-contractors, if applicable; and
- f) a description of all costs, organized as above, for any additional proposed scope of work related to this Project. For example, where additional meetings are requested by the City, describe how these would be charged to the City.

17.2 The Proponent should provide its pricing as indicated in the Form, of Agreement, Schedule 2 - Fee Structure and Basis for Payment.

### 17.3 Terms of Payment

The City's standard payment terms are Net 30 days after receipt of approved invoice, however any discounts or more favourable terms offered by the Proponent will be taken into consideration in the financial evaluation. Please indicate in your response if other than Net 30.

Describe if Electronic Fund Transfer (EFT) is available.

### 17.4 Alternative Pricing Solutions

Proponents may offer alternative pricing options.

## 18.0 Environmental Responsibility

18.1 The City is committed to preserving the environment. Proponents are to provide environmentally sensitive products or services wherever possible. Where there is a requirement that the Consultant supplies materials, and where such materials may cause adverse effects, the Proponent is to indicate the nature of the hazard in its Proposal.

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18.2 The Proponent is to advise the City of any known alternatives or substitutes for such materials that would mitigate the effects of any adverse conditions on the environment.

**19.0 General Conditions**

The Form of Agreement contains a number of specific tasks/requirements to which the Proponents must specifically address in their Proposals:

**19.1 Insurance Requirements**

- a. Proponents are to submit with their Proposals a Certificate of Existing Insurance duly completed and signed by their insurance agent or broker as evidence of their existing insurance, along with a letter from their insurance broker or agent indicating whether or not (and if not then to what extent) they will be able to comply with the insurance requirements as set out in PART 3, Form of Agreement, should they be selected as the successful Proponent.
- b. The successful Proponent will be required to file certificates of insurance with the City showing proof of all insurance requirements described utilizing the "Certificate of Professional Liability Insurance" attached as Schedule 4 and "Certificate of Insurance" attached as Schedule 5, of the Form of Agreement. These certificates must be received and reviewed and approved by the City prior to or concurrently with the City entering into any Contract with the successful Proponent.

**19.2 WorkSafeBC Requirements**

Proponents are to submit with their Proposals proof of valid WorkSafeBC registration. Such registration shall be maintained as specified in PART 3, Form of Agreement.

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NOTE: For Sections 20-23 below, Proponents shall include same in their Proposals; completed as appropriate and initial each as being correct.

**20.0 Declaration - No Conflict of Interest in RFP Process**

The Proponent now confirms and warrants that there is no officer, director, shareholder, partner or employee or other person related to the Proponent's or Sub-contractor's organizations (a "person having an interest") or any spouse, business associate, friend or relative of a person having an interest who is:

- a. an elected official or employee of the City; or
- b. related to or has any business or family relationship with any elected official or employee of the City, such that there would be any conflict of interest or any appearance of conflict of interest in the evaluation or consideration of this Proposal by the City,

except as set out below:

*[The Proponent is conclusively deemed to have declared "none" unless the Proponent deletes this note and describes any or all relationships which might give rise to a conflict of interest or an appearance of a conflict of interest].*

\_\_\_\_\_  
Init

**21.0 Declaration - No Conflict of Interest Respecting Proposed Services**

The Proponent now confirms and warrants that neither the Proponent nor its proposed Sub-contractors

- a. are currently engaged in providing (or are proposing to provide) External Audit Services of any kind to the Federal Government, Provincial Government, the Greater Vancouver Regional District (aka Metro Vancouver), or any member local governments of Metro Vancouver;
- b. such that entering into the Form of Agreement pursuant to this RFP would create a conflict of interest or the appearance of conflict of interest between the Proponent's duties to the City and the Proponent's or its Sub-Contractors' duties of loyalty to the organizations noted in (a) above,

except as set out below:

*[The Proponent is conclusively deemed to have declared "none" unless the Proponent deletes this note and describes any or all relationships which might give rise to a conflict of interest or an appearance of a conflict of interest].*

\_\_\_\_\_  
Init

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**22.0 Declaration - No Collusion**

The Proponent now confirms and warrants that:

- a. the Proponent has no affiliation, whether legal or financial, with any other entity which is in the business of providing the same type of goods or services which are the subject of this RFP; and
- b. the Proponent is not competing within this RFP process with any entity which it is legally or financially associated or affiliated,

except as set out below:

*[The Proponent is conclusively deemed to have declared "none" unless the Proponent deletes this note and describes any and all affiliations or relationships which might give rise to collusion or an appearance of collusion].*

\_\_\_\_\_  
Init

**23.0 Declaration - No Lobby Status**

The Proponent now confirms and warrants that neither it nor any officer, director, shareholder, partner, or employee of the Proponent or any of its proposed Sub-Contractors is registered as a lobbyist under any lobbyist legislation in any jurisdiction in Canada or in the United States of America, except as set out below:

*[The Proponent is conclusively deemed to have declared "none" unless the Proponent deletes this note and describes any or all lobbyist registrations of the type described above]*

\_\_\_\_\_  
Init

**24.0 Deviations and Variations**

- 24.1 Proponent(s) shall detail any deviations and/or variations from the terms and conditions set out in this RFP and if applicable, detail proposed amendments.
- 24.2 Where the Proponent is proposing the use of contract language or clauses other than those set out in the Form of Agreement, Part 3, including any and all Schedules, such revised language must be outlined in its Proposal. The City will assume such clauses are in addition to those in the Form of Agreement unless otherwise indicated by the Proponent.



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PART 3 - FORM OF AGREEMENT

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RFP NO. PS10197

PART 3 - FORM OF AGREEMENT

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PART 3 - FORM OF AGREEMENT**

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**PART 3 - FORM OF AGREEMENT**

This PART 3 contains the terms and conditions and related schedules (in form or template) that will form the Agreement that will be executed between the City and the successful Proponent:

- a. Form of Agreement
- b. Schedule 1 - Scope of Services and Requirements
  - i. Appendix A - Excerpts from Vancouver Charter
  - ii. Appendix B - Statistics
- c. Schedule 2 - Fee Structure and Basis for Payment
- d. Schedule 3 - Auditor's Performance Evaluation Guidelines
- e. Schedule 4 - Certificate of Professional Liability Insurance
- f. Schedule 5 - Certificate of Insurance
- g. Schedule 6 - Proponent's Proposal

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PART 3 - FORM OF AGREEMENT

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FORM OF AGREEMENT

THIS AGREEMENT is dated this day \_\_\_\_\_ of \_\_\_\_\_, 20\_\_\_\_.

BETWEEN:

CITY OF VANCOUVER, a municipal corporation continued under the *Vancouver Charter* and having an office at 453 West 12<sup>th</sup> Avenue, Vancouver, British Columbia, V5Y 1V4 (the "City")

OF THE FIRST PART

AND:

*[insert proponent's legal entity]*

(herein called the "Auditor")

OF THE SECOND PART

**BACKGROUND**

- A. Pursuant to the request for Proposals No. RFP PS10197 (the "RFP") the City invited proposals from qualified Proponents for the supply of external audit services of its annual financial statements that meet the Requirements (as defined below) set out in the RFP.
- B. In response to the RFP, the Auditor submitted the Auditor's Proposal proposing to perform the Requirements on the terms and conditions of the RFP as supplemented by the Auditor's Proposal.
- C. The City has agreed to retain the Auditor for the performance of the Requirements on the terms as set out in this Agreement and the RFP, as supplemented by the Auditor's Proposal, and the Auditor has agreed to perform the Requirements on those same terms.

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THE CITY AND THE AUDITOR NOW AGREE as follows:

**1.0 DEFINITIONS**

The following words and terms, unless the context otherwise requires, have the meanings set out below:

- (a) **"Agreement"** means the agreement between the City and the Auditor as set out in the Contract Documents;
- (b) **"Affiliates"** has the following meaning:
  - (i) an entity or person is an Affiliate of the Auditor if that entity or person is an "affiliate" of the Auditor as defined by the *Company Act* (British Columbia);
  - (ii) a corporation is an Affiliate of the City if:
    - (A) it is controlled by:
      - (1) the City;
      - (2) the City and one or more corporations, each of which is controlled by the City; or
      - (3) two or more corporations, each of which is controlled by the City;
    - (B) it is a subsidiary of a subsidiary of the City.

For the purpose of this definition, a corporation is controlled by the City if:

- (C) shares of the corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the City; and
- (D) the votes carried by the shares mentioned in paragraph (C) above are sufficient, if exercised, to elect a majority of the directors of the corporation.

For the purpose of this definition, shares are held for the benefit of the City if they are beneficially owned by a corporation controlled by the City or by an Affiliate of that corporation;

- (c) **"Affiliated Organizations"** means any legal entity or unincorporated association falling within any of the following categories:
  - (i) non-profit corporations or unincorporated associations to whom substantial funding or subsidies are provided by the City;

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- (ii) any Affiliate of the City which provides services authorized or required by the *Vancouver Charter*;
- (iii) governmental authorities to whom the City is required to provide administrative services as a result of provincial legislation mandating or authorizing the provision of such services,
- (d) **"Auditor"** means *[insert proponent's legal entity]*;
- (e) **"Auditor's Proposal"** means the proposal submitted in response to the RFP by the Auditor;
- (f) **"Base Fee Amount"** means the amount payable to the Auditor for the core audit services provided to the City as per Schedule 2 - Fee Structure and Basis for Payment;
- (g) **"Base Services"** are the core audit services to be provided by the Auditor to the City as outlined in Schedule 1 - Scope of Services and Requirements;
- (h) **"Business Day"** means any day that is not a Saturday, Sunday or "holiday" (as defined in the *Interpretation Act* (British Columbia));
- (i) **"City"** means the municipal corporation, generally known as the City of Vancouver, as described under the Vancouver Charter;
- (j) **"City's Designated Representatives"** means the City's employees or representatives who are authorized in writing to deal with the Auditor on behalf of the City in connection with the Services or to make decisions in connection with this Agreement;
- (k) **"Contract Documents"** means this Form of Agreement, the Auditor's Proposal, the RFP and such other documents as listed in this Form of Agreement, including all amendments or addenda agreed to in writing between the parties;
- (l) **"Effective Date"** means the date on which this Agreement takes legal force and effect and is the date set out on the first page of these Contract Documents;
- (m) **"HST"** means the tax payable and imposed pursuant to Part IX of the Excise Tax Act (Canada) as amended, including any provincial component collected by Canada on behalf of British Columbia, and any successor legislation thereto;
- (n) **"Key Personnel"** means those persons utilized by the Auditor from time to time pursuant to this Agreement in order to perform the Services;
- (o) **"Management"** means the Director of Finance or designate as identified from time to time in written notice to the Auditor;
- (p) **"Requirements"** means all of the specifications, and other requirements set out in the RFP as supplemented by the Auditor's Proposal, that describe the requirements that the Services must meet and the Auditor must provide, all as

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more particularly described (with respect to the Base Services) in Schedule 1 - Scope of Services and Requirements;

- (q) "RFP" means Request for Proposal No. PS10197 including, but not limited to: Part 1 - *Instructions to Proponents*, Part 2 - *Form of Proposal*, Part 3 - *Form of Agreement* and any additional amendments, addenda, and/or clarifications pertaining to the RFP;
- (r) "Security Clearance" means the security clearance level required by the City from time to time for personnel being allowed access to City's sites;
- (s) "Services" means the supply of all audit and related services (including without limitation, the Base Services) all in accordance with the Requirements;
- (t) "Sub-Contractor" means all sub-contractors, suppliers and agents of the Auditor;
- (u) "Term" has the meaning set out in section 7.0 - *Term*;
- (v) "Unavoidable Delay" has the meaning set out in Section 9.0 - *Unavoidable Delay*;
- (w) "WorkSafeBC Legislation" means the *Workers Compensation Act* and all regulations enacted pursuant to the *Workers Compensation Act*, all as amended and re-enacted from time to time;
- (x) "Work Site" means the site(s) where the Services are to be performed.

## 2.0 CONTRACT DOCUMENTS

The terms and conditions of the Contract Documents, whether or not actually attached to this Form of Agreement will govern the terms of this Agreement. The Contract Documents are complementary and what is called for by anyone will be as binding as if called for by all. In the event of any inconsistency or conflict between any of the terms and conditions within these Contract Documents, the provisions of the Contract Documents will take precedence and govern in the following descending order of priority:

- (a) this Agreement;
- (b) Schedule 1 - Scope of Services and Requirements;
- (c) Schedule 2 - Fee Structure and Basis for Payment;
- (d) Schedule 3 - Auditor's Performance Evaluation Guidelines;
- (e) Schedule 4 - Certificate of Professional Liability Insurance;
- (f) Schedule 5 - Certificate of Insurance;
- (g) the Auditor's Proposal; and

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(h) the RFP.

**3.0 NOTICES**

Any notice required to be given under this Agreement will be given in writing and delivered or mailed by registered mail to the following addresses:

*to the City:*

Attention: \_\_\_\_\_

General Manager of Financial Services and Director of Finance

*to the Auditor:*

Attention: \_\_\_\_\_

and in each case to the addresses set out on the first page of this Form of Agreement.

**4.0 CONDUCT OF THE CONTRACT**

\_\_\_\_\_, Director of Financial Services, and \_\_\_\_\_, Director of Supply Management, will have the conduct of the Agreement on behalf of the City and therefore will be the City's Designated Representatives.

**5.0 REQUIREMENTS**

5.1 The Auditor will perform the Base Services without prior request. The Auditor will perform any Services other than Base Services only with the prior written request and authorization of the City's Designated Representatives.

5.2 The Auditor will perform the Services in accordance with the Requirements and anything and everything else necessary for or incidental to the Requirements including supplying all labour, supervision, management, overhead, and all other things necessary for or incidental to the Requirements and will perform the Services with care, skill, due diligence and efficiency.

5.3 The Requirements as set out in the RFP and Schedule 1 - Scope of Services and Requirements, have been prepared by the City to describe in general terms the criteria that the Services must satisfy. However, if there is any discrepancy in the description of the Requirements or any omission of criteria which would be detrimental to the benefits intended to be provided to the City by the Requirements, the Auditor will rectify such a discrepancy or omission to the satisfaction of the City without further compensation.

**6.0 FEES**

6.1 The City now agrees to pay the Auditor:

(a) for the Base Services, the Base Fee Amount set out in Schedule 2 - Fee Structure and Basis for Payment; and

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- (b) for all Services (other than Base Services), the hourly fees and rates (other than the Base Fee Amount) set out in Schedule 2 - Fee Structure and Basis for Payment.
- 6.2 Despite any other term of this Agreement, the maximum total of the fees and disbursements to be paid by the City to the Auditor for Base Services will not exceed the Base Fee Amount. Where additional fees are to be paid by the City to the Auditor for additional Services or for increases in Base Services provided by the Auditor, they shall not exceed the amount mutually agreed upon in writing pursuant to section 10.0 - Changes in Scope of Services of this Agreement. This limit on the fees to be paid by the City to the Auditor shall in no way diminish the duties and obligations of the Auditor to provide the Base Services covered by this Agreement.
- 6.3 Despite any other term of this Agreement, the maximum liability of the City for each fiscal year of Base Services will be \$\_\_\_\_\_, plus HST as applicable, (the "Base Fee Amount") for a total of \$\_\_\_\_\_ over five fiscal year cycles. The Base Fee Amount is fixed for the term of this Agreement and may not be changed except in accordance with section 6.0 - Fees of this Agreement.
- 6.4 If the Auditor has engaged a Sub-Contractor(s), then the Auditor shall make full payment to said Sub-Contractor(s) for work performed in relation to the Service.
- 6.5 The Auditor shall submit invoices to the City's Designated Representative. Invoices may be issued no more often than once every 30 days and only in respect of Services previously performed. In no event will the City be invoiced for any amount greater than the percentage of completion of the Services. Each invoice shall show separately the amount of HST applicable. Attached to each invoice shall be copies of invoices for all disbursements claimed; confirmation of payments made to Sub-Contractor(s) for the previous month; and a brief report detailing work completed during the period covered by the invoice.
- 6.6 If the City does not approve of or wishes to further review, audit or otherwise seek clarification concerning the Auditor's invoices, for whatever reason, the City shall not be liable for interest charges in respect of that invoice for the period from the date the invoice is submitted until the date that the invoice is paid. The City shall, if it approves the amount of such invoices, cause such invoices to be paid Net 30 days from receipt of invoice.
- 6.7 The Auditor shall keep proper accounts and records of all costs and expenditures forming the basis of any billing to the City, including but not limited to hours worked, details of all disbursements and percentage amounts of work completed. The City shall be entitled to verify the accuracy and validity of all billings and payments made by auditing and taking extracts from the books and records of the Auditor and by such other means as shall be reasonably necessary or advisable.
- 6.8 This Agreement is considered a local office engagement and the City will not reimburse the Auditor for any travel and accommodations costs. A reasonable amount of parking will be provided without charge to the Auditor's field staff when required to be on-site during the conduct of the audit.



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6.9 If it should become necessary for the Auditor to render additional professional services to supplement the Base Services set out in this the Agreement, or to perform additional work as a result of the engagement, or to perform additional or unforeseen special services not included within the Base Services, such work will not be performed by the Auditor unless and until a written order is given by the City's Designated Representative in accordance with section 10 - *Changes in Scope of Services* or as determined under section 11 - *Disputes as to Requirements* of this Agreement.

**7.0 TERM**

7.1 Subject to the other terms of this Agreement, this Agreement takes effect on the Effective Date and expires on the completion of the Base Services (the "Term").

7.2 Despite any other term of this Agreement, the RFP or the Proposal, nothing in this Agreement is intended to grant the Auditor any rights of exclusivity or any other right to be the sole supplier to the City of the Requirements, to supply a specified or minimum quantity of the Requirements to the City or any other similar right and the Auditor now acknowledges and agrees to same.

**8.0 CANCELLATION OF CONTRACT**

**8.1 Cancellation by the Auditor**

The Auditor may only cancel this Agreement without cause after giving the City at least 180 days' prior written notice.

**8.2 Cancellation by City Council**

(a) Pursuant to section 230(1) of the *Vancouver Charter*, the City's Council shall, not later than the first Council meeting in each year, appoint a firm of chartered accountants or certified general accountants to audit the accounts and transactions of the City and of every administrative body. Nothing in this Agreement binds or fetters Council's statutory rights, duties or powers under section 230(1) in any way and by way of example only and without limitation, nothing in the Agreement obligates the City or its Council to appoint the Auditor as its auditor in any given year nor for all years covered by the Term of this Agreement.

(b) Pursuant to section 230(3) of the *Vancouver Charter*, the City's Council may terminate the auditors at any time for cause upon a vote of two-thirds of all the members of Council. Nothing in this Agreement binds or fetters Council's statutory rights to terminate this Agreement for cause at any time. However, in addition to Council's statutory rights under section 230(3) of the *Vancouver Charter*, the Auditor now agrees that the City's Council may at any time:

(i) with or without cause, cancel this Agreement with respect to any Future Base Services (as defined below) effective immediately on the passing of Council's resolution to this effect; and

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- (ii) pursuant to section 30.0 - *Cancellation*, cancel this Agreement with respect to any or all Services.
  - (c) For the purposes of section (b), "Future Base Services" means any and all Base Services required to be supplied by the Auditor over the then remainder of the Term, except for and expressly excluding the Base Services for the fiscal year in respect to which the Auditor has been appointed by Council.
- 8.3 Management will give the Auditor at least 30 days' prior written notice of any Council meeting at which the City's Council will be receiving or considering any report or submission to the City's Council in which Management is recommending termination for cause, cancellation with or without cause or appointment of an auditor other than the Auditor during the Term of this Agreement.
- 8.4 With respect to all Services other than Base Services, Management may cancel same with or without cause at any time upon giving ten days' prior written notice.
- 8.5 As of the effective date of cancellation, this Agreement will be cancelled as to all or those specified Services and the parties will have no further obligations to each other in respect to same except that the City will remain liable to pay for those Services duly performed prior to the effective date of the cancellation, and except for those obligations which by their nature are intended to survive the expiry or sooner cancellation of this Agreement.
- 9.0 UNAVOIDABLE DELAY**
- 9.1 Subject to section 9.2, except for the performance of obligations to pay money, time periods for the City's and the Auditor's performance under this Agreement will be extended for periods of time during which their performance is delayed or prevented due to an Unavoidable Delay. For the purposes of this section, an "Unavoidable Delay" means any circumstances beyond the reasonable control of the party trying to perform (such as, for example, strikes/lockouts, acts of God, war or other strife or governmental action) but expressly excludes any and all delays caused by the Auditor's lack of financial resources or insolvency, strikes, lockouts or labour affiliations of the Auditor's employees or Sub-Contractors' employees, or governmental action taken in the enforcement of law specifically against the Auditor.
- 9.2 Despite section 9.1, nothing in this section 9.0 will release the Auditor from the obligation to pay the City concessions or rebates for Services interrupted or delayed by an Unavoidable Delay.
- 10.0 CHANGES IN SCOPE OF SERVICES**
- 10.1 The City may, by giving written notice to the Auditor, request amendments to the Requirements relating to the Base Services. Upon receipt of such notice, the Auditor will, as soon as practicable and in no event later than five (5) Business Days after receipt of such notice, inform the City's Designated Representative of any adjustments to the Base Fee Amount, either increasing or decreasing the Base Fee Amount, that would be necessitated by such change in the Requirements, or alternatively, will notify the City's Designated Representative that no adjustment is necessary. If

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adjustments to the Base Fee Amount are necessary and the City's Designated Representative confirms in writing that such adjustments are acceptable to it, the Requirements and the Base Fee Amount will then be deemed to be amended as agreed by the City's Designated Representative. If the City determines that such adjustments, or no adjustments, to the Base Fee Amount are unacceptable and the City's Designated Representative and the Auditor are unable to agree on an acceptable price, the City may elect to proceed with the proposed changes and refer such issue to arbitration (pursuant to section 29.0 - *Dispute Resolution*) to determine the price for such amendments to the Requirements or it may elect to proceed without the proposed change or it may elect to cancel this Agreement upon written notice without further liability, or recourse, except to pay the Auditor for all Services duly performed prior to the effective date of cancellation.

- 10.2 If Canadian generally accepted auditing standards change from those in effect on the Effective Date of this Agreement, the Auditor will advise the City in writing of the change and the change will be deemed to be a change in the Requirements and section 10.1 will apply to the same extent as though the City had requested the change. For further certainty:
- (a) any change in Canadian generally accepted auditing standards or other professional requirements relating to the Base Services shall be appropriately incorporated into this Agreement by way of amendment to Schedule 2 - Fee Structure and Basis for Payment; and
  - (b) any changes in tax legislation will be deemed not to be a change in Requirements relating to the Base Services and no change in the Base Fee Amount will be authorized in this regard.

**11.0 DISPUTES AS TO REQUIREMENTS**

All orders or instructions with respect to the Requirements issued by the City's Designated Representative to the Auditor will be obeyed, performed and complied with by the Auditor promptly, efficiently and to the satisfaction of the City's Designated Representative. However, if the Auditor is of the opinion that such orders or instructions are not authorized under the provisions of the Contract Documents or involve a change in the Requirements or would constitute an actual or perceived impairment of the Auditor's independence, it must promptly notify the City in writing before proceeding to carry them out and, in any event, within two Business Days of the receipt of such orders or instructions. The giving of such notice to and receipt by the City will not constitute an acknowledgement by the City as to the validity of the Auditor's claim, and the City now reserves all rights to contest or dispute the Auditor's claim. If the Auditor does not so notify the City within the time so limited, it will not be entitled to later claim that the orders or instructions were not so authorized or involved a change in the Requirements. In any event, the giving of such notice to the City will not relieve the Auditor of its obligation to carry out and to obey such orders or instructions.

**12.0 SUB-CONTRACTORS/STAFF**

- 12.1 All Sub-Contractors are the responsibility of the Auditor.

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- 12.2 The Auditor will be held as fully responsible to the City for the acts and omissions of its Sub-Contractors and of persons directly or indirectly employed by the Auditor, as for the acts and omissions of persons directly employed by it.
- 12.3 Nothing contained in any of the Contract Documents will create any contractual relationship between the Sub-Contractors and the City.
- 12.4 The Auditor agrees to ensure compliance by every Sub-Contractor with the terms and requirements of the Contract Documents.

**13.0 NAMED SUB-CONTRACTORS/STAFF**

**13.1 Consent Required**

In the event that it may become necessary to utilize Sub-Contractors, the Auditor will engage no others in their stead without prior written authorization of the City, which authorization may be arbitrarily withheld.

**13.2 Auditor Key Personnel**

- (a) Subject to the other provisions of this section 13.2, the Auditor now agrees that, in performing the Base Services, it will only utilize those Key Personnel named in the Auditor's Proposal.
- (b) Except for substitutions required by circumstances not within its reasonable control, the Auditor may not make substitutions of its Key Personnel without the prior written consent of the City's Designated Representative, whose consent will not be unreasonably withheld, delayed or conditioned.
- (c) For the purposes of this section, "substitutions required by circumstances not within its reasonable control" mean substitutions required by virtue of illness, death, injury, pregnancy, medical leave, or termination of employment or contract but expressly exclude situations where Key Personnel are called upon to perform services for another client of the Auditor.
- (d) The City may, with stated reasons and acting reasonably, request that the Auditor replace a Key Personnel individual. The Auditor will, subject to scheduling and staffing considerations, make commercially reasonable efforts to replace the individual with someone of substantially similar competency and experience.
- (e) Regardless of whether or not the City consents to a substitution, or requests a substitution, the City will not be liable to pay compensation of any kind for any replacement of any Key Personnel individual.

**14.0 INDEPENDENT CONTRACTOR**

The Auditor, its Sub-Contractors, the officers, directors, shareholders, partners, personnel, affiliates and agents of the Auditor and its Sub-Contractors are not, nor are they to be deemed to be, partners, appointees, employees or agents of the City.

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**15.0 ASSIGNMENT**

The Auditor, and its appointed Sub-Contractors, may not assign, sublet or let out as task work any part of the Services, and will not assign any interest or any right to payment under this Agreement without first having had and obtained the consent in writing of the City, which consent the City may arbitrarily elect to withhold. If the City consents to any such assignment, subletting or letting out as task work of all or any part of the Services, the Auditor will in no way be relieved from its responsibility for the fulfillment of the Services, but will continue to be responsible for the same in the same manner as if all Services had been performed by the Auditor.

**16.0 TIME OF THE ESSENCE**

For all obligations of the Auditor pursuant to this Agreement, time is of the essence. The acceptance of a late performance, with or without objections or reservations by the City, will not waive the City's right to claim damages for such breach nor constitute a waiver of the City of the requirement of timely performance of any obligation remaining to be performed.

**17.0 COMPLIANCE WITH LAWS, PERMITS AND REGULATIONS**

In carrying out its obligations, the Auditor will familiarize itself and comply with all applicable laws, bylaws, regulations, ordinances, codes, specifications and requirements of all regulatory authorities, and will obtain all necessary licenses, permits and registrations as may be required by law.

**18.0 CITY APPROVALS**

18.1 No reviews, approvals or inspections carried out or information supplied by the City or its employees or sub-contractors shall derogate from the duties and obligations of the Auditor, and all responsibility related to the Services will be and remain with the Auditor.

18.2 In the event that the Services or any portion of the Services do not comply with the Requirements of this Agreement or the Auditor's warranty pursuant to section 20.0 - *Warranty*, the City will have the right either to reject the Services or to require correction and the Auditor will reimburse the City any costs incurred as a result of the non-compliant Services.

18.3 Acceptance or rejection of the Services must be made as promptly as practical, but failure to inspect and accept or reject the Services will not relieve the Auditor from responsibility for such Services that are not in accordance with the Requirements.

18.4 The City will be the final judge of the Services in respect of both quality and quantity and its decisions of all questions in dispute will be final.

18.5 Under no circumstances will the City be deemed to have accepted the Services by virtue of a partial or full payment for them.

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**19.0 QUALITY OF SERVICES**

The Auditor shall perform the Services with the degree of care, skill and diligence normally applied in the performance of Services of a similar nature and magnitude to those contemplated by this Agreement at the time and place the Services are rendered; and in accordance with sound current professional practices, including without limitation and by way of example only, Canadian generally accepted auditing standards and accounting and reporting guidelines published by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**20.0 WARRANTY**

The Auditor warrants that the Services will be delivered in accordance with the Requirements.

**21.0 NON-EXCLUSIVITY - ALTERNATIVE SOURCING**

21.1 The Auditor acknowledges that this Agreement is not an exclusive services contract nor a guaranteed quantity contract. The City is not obligated to obtain any services nor any minimum requirements, regardless of the estimates and anticipated demand amounts set out in the RFP.

21.2 The City reserves the right to obtain services of the same type as those required to be provided under this Agreement from other sources whether or not it deems that the Services offered by the Auditor do not meet the quality standards; or are deemed to be inferior or unacceptable; or that the Auditor cannot provide them as specified.

**22.0 PROTECTION OF PERSON AND PROPERTY**

The Auditor will use due care that no persons are injured, no property damaged or lost, and no rights are infringed in the performance of the Services, and the Auditor will be solely responsible for all loss, damages, costs and expenses in respect of any injury to persons, damage of property, or infringement of the rights of others incurred in the performance of the Services or caused in any other manner by the Auditor, or its employees or Sub-Contractors.

**23.0 CONFIDENTIAL AND PROPRIETARY INFORMATION**

**23.1 Auditor's Proprietary Information - Defined**

The City now recognizes that for the purposes of this Agreement, "Proprietary Information" means, with respect to the Auditor, any software owned or licensed by the Auditor and used in the delivery of the Services including any related documentation and source code.

**23.2 City's Proprietary Information - Defined**

The Auditor now recognizes that for the purposes of this Agreement, "Proprietary Information" means, with respect to the City:

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- (a) all reports, documents, and other materials delivered to the City by the Auditor as part of the Services proprietary information including the concepts, techniques, ideas, know-how embodied or expressed in any Services;
- (b) all software owned or licensed by the City, including all related documentation and source code;
- (c) any and all information obtained by the Auditor from the City or the City's Affiliated Organizations through the course of carrying out the Services under this Agreement, including compilations of otherwise public information;
- (d) any and all information the disclosure of which is restricted by the *Freedom of Information Protection of Privacy Act* (British Columbia); and
- (e) any other information reasonably identifiable in writing as the confidential or proprietary information of the City.

**23.3 Restrictions/Limitations on What is Proprietary Information**

For further certainty, "Proprietary Information" excludes any part of such information which:

- (a) is or becomes publicly available through no act or failure of the recipient party; or
- (b) was or is rightfully acquired by the recipient party from a source other than the disclosing party prior to receipt from the disclosing party; or
- (c) becomes independently available to the recipient party as a matter of right (and such right is recorded in writing and is exercisable without any obligation of confidentiality); or
- (d) is compelled to be disclosed pursuant to law, provided that the party potentially prejudiced by such process is promptly notified by the recipient party and given any available opportunity to obtain a protection order or other remedy against disclosure and that if so compelled, the recipient party being ordered to disclose shall only furnish that portion of the Proprietary Information that it is legally required to furnish.

**23.4 Obligations of Recipient Party**

- (a) The Auditor and the City now confirm and agree not to make use or permit any other party to make any use of the Proprietary Information except for the limited purposes contemplated by this Agreement.
- (b) The City and the Auditor now agree to limit disclosure of the Proprietary information to only those of its employees, officers, directors, or third parties, whose access is necessary to carry out the intent of this Agreement. Prior to disclosing any Proprietary information to any third party, the City and the Auditor will obtain from that third party a written acknowledgement that the

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third party will be bound by this section 23.0 with respect to the Proprietary Information. The Auditor and the City will take all reasonable steps and the same protective precautions to protect the other's Proprietary Information from disclosure to third parties as it does with its own proprietary and confidential information provided that the standard of care utilized will not in any case be less than that which would be taken by a reasonable persons to safeguard information of like commercial, personal, or public interest value.

**24.0 INDEMNITY AND RELEASE**

24.1 The Auditor will indemnify, hold and save harmless the City from and against all claims, losses, damages, costs, actions and other proceedings made, sustained, brought or prosecuted in any manner based upon, occasioned by or attributable to:

- (a) any injury, including death, property loss or damage arising from any:
  - (i) defect in the Services; or
  - (ii) act or omission of the Auditor, its employees, officers, volunteers, Sub-Contractors, or any other persons for whom the Auditor has assumed responsibility in the performance or purported performance of the Services; or
  - (iii) any breach of this Agreement, or
- (b) the Auditor's failure to pay all royalties and license fees or on account of suits or claims of infringement by the Auditor, its Sub-Contractors, or the services of trademarks, patents, copyright, or any other infringement of third party intellectual property rights.

24.2 This indemnity shall not affect or prejudice the City from exercising any other rights that may be available to it at law or in equity.

24.3 The Auditor hereby releases the City, its officers, employees and agents from all costs, losses, damages and expenses, including those caused by personal injury, death, property damage, loss and economic loss arising out of, suffered or experienced by the Auditor, its officers, employees and agents in connection with their performance of the Services under this Agreement.

24.4 In undertaking the Services, the Auditor acknowledges that it has inspected the work site, agrees to accept the work site "as-is" and undertakes to take all precautions necessary to ensure its safety and the safety of all persons employed or contracted by the Auditor to perform the Services.

**25.0 INSURANCE REQUIREMENTS**

25.1 Without limiting any of its obligations or liabilities under this Agreement, the Auditor and its Sub-Contractors will obtain and continuously carry during the Term (and for two years afterward) at their own expense and cost, the following insurance coverage



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with minimum limits of not less than those shown in the respective items set out below:

- (a) ***Commercial General Liability Insurance*** in sufficient amounts and description to protect the Auditor, its Sub-Contractors, the City and their respective officers, officials, employees, and agents against claims for damages, personal injury including death, bodily injury and property damage which may arise under this Agreement.

The limit of commercial general liability insurance will be not less than \$5,000,000 per occurrence inclusive for personal injury, death, bodily injury or property damage and in the aggregate with respect to products and completed operations. The deductible per occurrence will not exceed \$5,000 per occurrence.

The policy of insurance will:

- (i) be on an occurrence form;
  - (ii) add the City of Vancouver and its officials, officers, employees and agents as additional insured's;
  - (iii) contain a cross-liability or severability of interest clause;
  - (iv) extend to cover non-owned automobile, contingent employer's liability, blanket contractual liability, contractor's protective liability, broad-form property damage, broad form completed operations and operations of attached machinery.
- (b) ***Third Party Legal Liability Insurance*** in an amount not less than \$2,000,000 per occurrence for all vehicles owned and/or operated by the Auditor in connection with this Agreement.
- (c) ***Professional Liability Insurance*** coverage in an amount of not less than \$2,000,000 per claim, and \$5,000,000 annual aggregate insuring against loss or damage arising out of the services rendered by the Auditor, the Auditor's Sub-Contractors and their directing officers, employees including personnel on loan to the Auditor and personnel who perform normal services of the Auditor under this Agreement. The Professional Liability Insurance (Errors and Omissions) shall be in the form of a Single Project Professional Liability Policy. The maximum deductible amount is \$250,000.

25.2 All insurance policies will be in a form and in amounts satisfactory from time to time and with insurers acceptable to the City's Director of Risk and Emergency Management and will provide the City's Director of Risk and Emergency Management with 60 days prior written notice of material change, lapse or cancellation. Notice must identify the Contract title, number, policy holder, and scope of services.

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- 25.3 Payment of all deductibles shall be the responsibility of the Auditor. The Auditor and each of its Sub-Contractors will provide at its own cost any additional insurance which it is required by law to provide or which it considers necessary.
- 25.4 Neither the providing of insurance by the Auditor in accordance with this Agreement, nor the insolvency, bankruptcy or the failure of any insurance company to pay any claim accruing will be held to relieve the Auditor from any other provisions of the Contract Documents with respect to liability of the Auditor or otherwise.
- 25.5 The insurance coverage will be primary insurance as respects the City. Any insurance or self-insurance maintained by or on behalf of the City, its officers, officials, employees, or agents will be excess of the Auditor's insurance and will not contribute with it.
- 25.6 Prior to the Effective Date, the Auditor will provide the City with evidence of all required insurance to be taken out in the form of the Schedule 4 - Certificate of Professional Liability Insurance and Schedule 5 - Certificate of Insurance supported by a certified copy(ies) of the policy(ies). The Certificate of Insurance will identify the Contract title, number, policyholder and scope of work and must not contain any qualifications or disclaimers. Proof of insurance, in the form of a Certificate of Insurance or certified copies of all insurance policies must be made available to the City's Director of Risk and Emergency Management at any time during the term of the Term.
- 25.7 The Auditor will provide in its agreements with its Sub-Contractors clauses in the same form as in this Agreement. Upon request, the Auditor will deposit with the City's Director of Risk and Emergency Management detailed certificates of insurance for the policies it has obtained from its Sub-Contractors and a copy of the applicable insurance clauses from its sub-contract agreements.
- 25.8 The Auditor will ensure that all required insurance is provided only by companies duly registered and authorized to conduct insurance business in the Province of British Columbia.
- 26.0 WORKERS' COMPENSATION**
- 26.1 Prior to commencing any Services on the Work Site, the Auditor must provide evidence that it is in good standing with the Workers' Compensation Board of British Columbia ("WorkSafeBC").
- 26.2 With respect to any and all Services performed by the Auditor on the Work Site, the Auditor is now appointed and now accepts appointment as the Prime Contractor for the purpose of this Agreement and as such, has the responsibility to:
- (a) ensure the Services are done in a safe manner that complies with the WorkSafeBC Legislation requirements;
  - (b) direct and co-ordinate the work activities related to the health and safety of all the Auditor's employees, Sub-Contractors, Sub-Auditors and any other workers performing the Services; and

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- (c) obtain from the City written information on hazards and conditions at the Work Site and the methods to address the hazards and conditions, and will circulate this information.
- 26.3 Prior to starting any Services at the Work Site the Auditor must:
- (a) have its own safety program and have written safe work procedures specific to the Services being performed available at the Work Site, and
  - (b) ensure the safety program meets all of the requirements of the WorkSafeBC Legislation.
- 26.4 The Auditor will:
- (a) advise the City of any accidents or incidents at the Work Site that must be reported to the WorkSafeBC; and
  - (b) inform all persons working to perform Services on the Work Site of the health and safety requirements at the Work Site.
- 26.5 At all times the Auditor will ensure that its workers, and all other workers coming onto the Work Site to perform Services will comply with;
- (a) the WorkSafeBC Legislation;
  - (b) the Auditor's safety program; and
  - (c) all Work Site safety requirements.
- 27.0 CHARACTER OF WORKERS**
- 27.1 On the written request of the City, the Auditor will remove any employee, Sub-Contractor or agent for any valid reason including but not limited to the following:
- (a) Intoxication;
  - (b) use of foul, profane, vulgar or obscene language or gestures;
  - (c) solicitation of gratuities or tips from any person for services performed under the Contract;
  - (d) willful, negligent or reckless action in disregard of safety or sanitary requirements or regulations; or
  - (e) any action which may constitute a public nuisance or disorderly conduct.
- 27.2 The Auditor will immediately comply with each such request and will then provide the City with all requested documentation verifying that the employee, Sub-Contractor, or agent has been removed from further involvement with this Agreement.

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**28.0 CITY'S RIGHT TO REMEDY**

Should the Auditor neglect to execute the Services properly or fail to perform any provision of this Agreement, the City may, without prejudice to any other right or remedy it may have, make good such deficiencies and may deduct the cost of doing so from the payment due to the Auditor.

**29.0 DISPUTE RESOLUTION**

29.1 All claims, disputes or issues in dispute between the City and the Auditor will be decided by mediation or arbitration, if the parties agree, or failing agreement, in a Court of competent jurisdiction within British Columbia and be governed by the laws of British Columbia.

29.2 In the event that:

- (a) the parties agree to arbitration pursuant to the above; or
- (b) the matter is referred to arbitration by City's Designated Representative, pursuant to section 10.0 - *Changes in Scope of Services*, the arbitration will be conducted pursuant to the *Commercial Arbitration Act* (British Columbia) and will be governed by the rules of the British Columbia International Commercial Arbitration Centre, except that the arbitrator or arbitrators shall be agreed upon by the parties, and failing agreement by the parties, shall be appointed by a court of competent jurisdiction within the British Columbia.

29.3 In the event that the parties agree to arbitration, the arbitration shall take place in the City of Vancouver, British Columbia and will be governed by the laws of British Columbia.

29.4 The procedure set out in this section is not meant to preclude or discourage informal resolution of disagreements between the City and the Auditor.

29.5 Despite section 30.1, the laws of British Columbia will govern this Agreement and the courts of British Columbia will have exclusive jurisdiction over all disputes arising under this Agreement unless and until (and then only to the extent that) the parties agree in writing to mediate or arbitrate any specific dispute.

29.6 All provisions of the International *Sale of Goods Act* (British Columbia) are specifically excluded from application to this Agreement.

**30.0 CANCELLATION**

30.1 The City may, by written notice to the Auditor, immediately cancel the whole or any part of this Agreement in anyone of the following circumstances:

- (a) pursuant to section 10.0 - *Changes in Scope of Services*;

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- (b) if the Auditor fails to perform the Services within the time specified, or fails to perform any other provisions, terms or conditions of this Agreement within the time specified, or within a reasonable time if no time is specified;
  - (c) if the Auditor performs any act or does anything which causes the City to incur any legal liability whatsoever;
  - (d) if the Auditor fails to meet the safety requirements of this Agreement;
  - (e) if any creditor of the Auditor causes a writ of execution or similar writ or court order to be served upon the City requiring the City to pay any portion due to the Auditor under this Agreement;
  - (f) if the Auditor is adjudged bankrupt or if it makes a general assignment for the benefit of creditors or if it becomes insolvent or if it should take the benefit of any Act that may be in force for bankrupt or insolvent debtors; or
  - (g) if the Auditor breaches any other term of this Agreement.
- 30.2 Upon cancellation of this Agreement, the City will have no obligation to the Auditor except to pay for such Services properly performed prior to the date of the cancellation of this Agreement.
- 30.3 Upon cancellation of this Agreement, in whole or in part, the City may procure similar goods and/or services and the Auditor will be liable to the City for any excess costs for such similar goods and/or services. The Auditor will not be liable for any excess costs where the cancellation is effected pursuant to paragraph 30.1(a) and section 10.0 - *Changes in Scope of Services*.
- 31.0 PAYMENTS**
- The basis for payments to the Auditor is as outlined within Schedule 2 - Fee Structure and Basis for Payment.
- 32.0 TAXES**
- 32.1 Unless otherwise provided herein, the City will pay the HST on the Base Fee Amount to the Auditor, provided that any increase or decrease (as prescribed by legislation) in such HST will proportionately increase or decrease the amount due under this Agreement.
- 32.2 Prices agreed upon are to be exclusive of HST, with all costs relating to overhead, profit and any and all other costs included as negotiated within this Agreement.
- 32.3 Invoices must separately show the appropriate amounts for HST.
- 32.4 For further certainty, any changes in tax legislation will be deemed not to be a change in the Base Fee Amount.

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**33.0 CONTRACT MANAGEMENT AND REPRESENTATION**

33.1 The Auditor's overall performance and the quality of its Services will be assessed by the City. Performance will be judged on such factors as service levels including the continuity of staff assigned to complete the Services from year to year, the level of competency and training of staff assigned to complete the service, abilities to meet the deadlines established, and such other issues that the City determines are key performance indicators including by way of further examples and without limitation, the factors criteria set out in Schedule 3 - *Auditor's Performance Evaluation Guidelines*. Where the Auditor's performance or personnel does not meet the experience, knowledge, skills and abilities necessary for the fulfillment of this Agreement, the City's Designated Representative may, but is not obligated to, provide the Auditor with reasonable written particulars of same, so as to afford the Auditor a reasonable opportunity to improve and correct performance.

33.2 Nothing in this 33.0 modifies or limits the Auditor's or the City's legal rights and remedies under section 30.0 - *Cancellation*, nor any other provision of this Agreement nor at law or in equity.

**34.0 SET-OFF**

The City may at its option, withhold and set-off against any amount owing to the Auditor (whether under this Agreement or otherwise) the amount of any damages suffered or claims made or to be made by the City as a result of any other claim it may have against the Auditor, whether such claim is at law or in equity, in contract, or tort, or on any other basis.

**35.0 JOINT VENTURE OR PARTNERSHIP**

35.1 The Auditor represents and warrants that the legal structure of the joint venture or partnership is as indicated on the execution page of this Agreement and has duly executed same. The obligations and liabilities of the members of a joint venture or partnership executing this Agreement as the Auditor will be joint and several.

35.2 The City acknowledges that, although the Auditor is a partnership, its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the Auditor that arise from a negligent act or omission by another partner or by any person under that other partner's direct supervision or control. The legislation does not, however, reduce or limit the liability of the Auditor. The Auditor's insurance exceeds the mandatory professional indemnity insurance requirements established by various Institutes/Order of Chartered Accountants in Canada. All partners of the Auditor remain personally liable for their own actions and the actions of those who they directly supervise or control.

**36.0 ENTIRE AGREEMENT**

The Contract Documents constitute the entire agreement between the parties and supersede all previous communications, representations and agreements whether verbal or written between the parties with respect to their subject matter. The

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Auditor now acknowledges that it is not relying on any representations of the City as to the performance of the Requirements, except as expressly stated in the RFP.

**37.0 FAILURE TO ENFORCE**

Any failure by the City to enforce or require the strict keeping and performance of any of the terms and conditions contained in this Agreement will not constitute a waiver of such terms and conditions, and will not affect or impair such terms and conditions in any way or the City's right at any time to avail itself of such remedies as the City may have for any breach or breaches of such terms and conditions.

**38.0 SUCCESSORS AND ASSIGNS**

This Agreement will benefit and bind each party and its successors and permitted assigns.

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AS EVIDENCE OF THE CITY'S AND AUDITOR'S agreement to be legally bound by the terms of the Contract Documents, the City and Auditor have signed and delivered this Form of Agreement effective as the Effective Date.

**CITY OF VANCOUVER**  
by its authorized signatory:

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General Manager of Financial Services  
And Director of Finance

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Director of Legal Services

*[insert legal entity of proponent]*  
by its authorized signatories:

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Signature

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Print Name and Title

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Signature

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Print Name and Title



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SCHEDULE 1 - SCOPE OF SERVICES AND REQUIREMENTS

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1.0 OVERVIEW OF AUDIT SERVICE REQUIREMENTS

Pursuant to and subject always to section 5.0 of the Form of Agreement, the scope of these Base Services means the following:

- (a) Auditing the City's annual financial statements for the year ending December 31, 2011 and the subsequent four years in accordance with Canadian generally accepted auditing standards;
- (b) Auditing the Vancouver Public Housing Corporation's annual financial statements for the year ending December 31, 2011 and the subsequent four years in accordance with Canadian generally accepted auditing standards,
- (c) Commencing with the calendar year 2012 and in the subsequent four calendar years reporting to Council on or before April 30, an opinion on whether or not the financial statements which include all City boards as well as all owned and controlled corporations, fairly present the City's financial position in accordance with accounting principles generally accepted for local government in British Columbia, which are determined to be those prescribed by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants;
- (d) Delivery of the Auditor's draft management letter for comment and response by Management to the City's Designated Representative within 30 days on the completion of the audit of the financial statements which date shall be the date of the Auditor's report to Council;
- (e) Providing as part of the annual audit, advice and recommendations on management and internal control procedures such advice and recommendations to be included in the Auditor's management letter;
- (f) Attending meetings with City officials as required for the planning and review of the external audit process and the financial statements;
- (g) responding to requirements and duties of the auditors as outlined in the provisions of the Vancouver Charter in Sections 230 to 235 (see Appendix A for relevant sections). The full Vancouver Charter may be viewed at [www.qp.gov.bc.ca/statreg/stat/V/vanch\\_00.htm](http://www.qp.gov.bc.ca/statreg/stat/V/vanch_00.htm); and
- (h) The Auditor will on or before April 30 in each calendar year, deliver a statement as to the independence of the Auditor particularly as it relates to section 230(2) of the *Vancouver Charter*. The statement will also confirm the independence of the Auditor as it relates to other audits and other services or project work performed for other levels of government or public agencies that may compromise the independence of the Auditor in conducting the City's audit. Any issues which could reasonably be perceived as conflicts of interest must be identified and fully and fairly disclosed in the statement.

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**2.0 AUDITOR'S OBLIGATIONS**

- 2.1 The Auditor's statutory function as auditors of the City is to report to Council by expressing an opinion on the City's consolidated annual financial statements. The Auditor will also express an opinion on the required provincial reporting forms (Local Government Data Entry forms - Schedule C3 - Home Owner Grant, Schedule C3 - Part 8 of the *School Act* and Project Data Report for Vancouver Public Housing Corporation). The Auditor will conduct its audit in accordance with Canadian generally accepted auditing standards. The Auditor's audit is not planned or conducted in contemplation of reliance by any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a specific third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.
- 2.2 For further certainty, nothing in this Agreement will be interpreted as requiring the Auditor to perform the Services in such a way as to put the Auditor into breach of its statutory and professional obligations under Canadian generally accepted auditing standards and the *Vancouver Charter*.

**3.0 TERMS OF ENGAGEMENT**

**3.1 Auditor's Responsibility**

The Auditor will conduct its audit in accordance with Canadian generally accepted auditing standards with the objective of expressing an opinion whether the City's financial statements and forms present fairly, in all material respects, the financial position, results of operations, and cash flows of the City in accordance with Canadian generally accepted accounting principles. However, nothing in this Agreement shall be interpreted to provide assurance that an opinion without reservation will be rendered. If circumstances arise in which it is necessary for the Auditor to modify the audit report or withdraw from the audit engagement, the Auditor's findings or reasons for withdrawal will be communicated to Management and Council.

**3.1.1 *Level of Audit Assurance***

Canadian generally accepted auditing standards require the Auditor to plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements and forms taken as a whole are not materially misstated whether caused by fraud or error. Absolute assurance in auditing is not attainable because of such factors as: the nature of audit evidence which is based on the use of testing and where much of the evidence available to auditors is persuasive, rather than conclusive; the inherent limitations of internal control; and the characteristics of fraud. Because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit planned and performed in accordance with Canadian generally accepted auditing standards may not detect fraud. Further, while effective internal control reduces the likelihood that errors, fraud, or illegal acts will occur and remain undetected, it does not eliminate that possibility.

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Accordingly, there is a risk that material errors, fraud and other illegal acts may exist and not be detected by an audit performed in accordance with Canadian generally accepted auditing standards. Also, an audit is not designed to detect matters that are immaterial to the financial statements and forms.

**3.1.2 *Reliance on Internal Control***

In planning and performing its audit, the Auditor will consider the City's internal control in order to determine the nature, extent and timing of the Auditor's audit procedures for the purpose of expressing an opinion on the financial statements and forms and not to provide assurances on internal control. While the Auditor is not engaged to report on the City's internal control and is not obligated to search for weaknesses in internal control, the Auditor will communicate to the City any significant weaknesses in the City's internal control structure that it notes during the audit. A weakness in internal control is a deficiency in the design or effective operation of internal control. Weaknesses in the design or operations of internal control are significant when the deficiency is such that a material misstatement is not likely to be prevented or detected in the financial statements and forms being audited. The definition of significant weaknesses does not include potential future internal control problems (i.e., control problems coming to our attention that do not affect the preparation of the financial statements and forms for the period under audit). Under Canadian generally accepted auditing standards the Auditor has no statutory obligation or responsibility to make an examination of internal controls beyond that which they make in determining the nature, extent and timing of its other audit procedures.

**3.1.3 *Tests and Other Procedures***

In carrying out the Base Services, the Auditor will perform tests of the accounting records and such other procedures as it considers necessary in the circumstances to provide a reasonable basis for its opinion on the financial statements and forms. The Auditor will examine, on a test basis, evidence supporting the amounts and disclosures in the financial statements and forms. The Auditor also will assess the accounting principles used and their application and significant estimates made by the Management, as well as evaluate the overall financial statement presentation. As required by Canadian generally accepted auditing standards, the Auditor will make specific enquiries of Management and obtain a supporting representation letter concerning the effectiveness of internal control and the representations embodied in the financial statements and forms, including the notes thereto. The results of audit tests, the responses to their enquiries, and the written representations from Management, among other things, comprise the audit evidence that will be relied upon in forming an opinion on the financial statements and forms.

**3.1.4 *Errors, Fraud, Illegal Acts and Related Party Transactions***

To the extent that they come to the Auditor's attention during the audit, the Auditor will inform Management about any non-trivial errors and any instances

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of fraud or illegal acts as well as suspected fraud and possibly illegal acts. The nature, magnitude, and frequency of these matters will determine to whom these matters are communicated, whether to Management as defined or to the City Manager. Further, to the extent that these matters come to the Auditor's attention during the audit, the Auditor will inform Council about any material errors, whether or not corrected, any instances of fraud or suspected fraud, any instances of illegal acts or possibly illegal acts, unless clearly inconsequential, related party transactions which are not in the normal course of operations and involve significant judgments made by the Management concerning measurement or disclosure: and uncorrected financial statement misstatements aggregated by the Auditor during the audit and represented by Management to be immaterial, both individually and in the aggregate to the financial statements taken as a whole.

3.1.5 *Auditor's Communication to City Council*

In addition to the communications noted above, the Auditor will attend meetings as requested by City management. The meetings will include but are not limited to Council and Committee meetings where the Auditor would communicate the following:

- (a) a description of the audit including a summary of the audit approach, audit-related and non-audit services the Auditor is providing to the City;
- (b) the Auditor's professional judgment on the qualitative aspects of the accounting principles used in the City's consolidated financial statement reporting including but not limited to: a discussion of the selection and application of significant accounting policies; the processes used, the issues involved and the related judgments made by Management in formulating particularly sensitive accounting estimates and disclosures; and our conclusions regarding the reasonableness of Management's estimates in the context of the City's consolidated financial statements taken as a whole;
- (c) a schedule of unadjusted financial statement misstatements, determined by Management to be immaterial, individually and in the aggregate to the financial statements taken as a whole;
- (d) other matters that may arise during the audit that are important and relevant to Council such as,
  - any disagreements with Management about matters that individually or in the aggregate could be significant to the City's consolidated financial statements or the audit report, whether or not subsequently resolved;
  - the Auditor's views about any matters that were the subject of Management's consultation with other accountants about accounting and auditing matters;

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- any major issues discussed with Management in connection with the Auditor's reappointment as auditors including, among other matters, any discussions regarding the application of accounting principles and auditing standards and fees;
- any serious difficulties that were encountered by the Auditor in dealing with Management while performing the audit;
- in a written letter to Council, disclosure of all relationships between the Auditor and the City (including related entities) which in the Auditor's professional judgment may reasonably be thought to bear on its independence, and confirmation of the Auditor's independence from the City (including related entities); and
- other matters as Council may ask the Auditor to comment on.

### 3.2 The City's Responsibility

#### 3.2.1 *City's Assistance and Cooperation*

Since the Auditor intends to issue its audit report on the financial statements of the City on a mutually agreed upon date, the City now confirms and agrees that the Auditor's obligations to issue its audit report by the date set out in section 1.0(c) of this Schedule 1 are contingent on the City doing the following:

- (a) all records and documentation of the City will be made available to the Auditor;
- (b) all material information will be disclosed to the Auditor;
- (c) providing the full cooperation of the City's personnel; and
- (d) Management's cooperation in providing the Auditor with records, documentation and information and agreed upon assistance on a timely basis.

#### 3.2.2 *Management Responsibility*

Management is responsible to prepare the financial statements and forms including the accompanying notes and all representations contained therein in accordance with Canadian generally accepted accounting principles. Management is responsible for: identifying and ensuring that the City complies with laws and regulations applicable to its activities; safeguarding assets; adopting and applying sound accounting principles; applying sound judgment in preparing accounting estimates and disclosures contained in the financial statements and forms; and designing, implementing and maintaining effective internal control over financial reporting to maintain the reliability of the financial statements and forms, to provide reasonable assurance against the

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possibility of misstatements that are material to the financial statements and forms, and to prevent and detect fraud and error. The audit of the financial statements and forms does not relieve Management of this responsibility.

**3.2.3 *Disclosure to the Auditor***

To the extent that they have come to Management's attention, Management is responsible for disclosing to the Auditor all significant facts relating to: any fraud or suspected fraud that may have an effect on the City, whether or not it results in a material misstatement in the financial statements; Management's awareness of any allegations of fraud or suspected fraud affecting the City; the results of their assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud; any known (by Management) violations or possible violations of laws or regulations that may have an effect on the City; and any known (by Management) illegal acts or possibly illegal acts attributable to the City or its management or employees acting on its behalf; and any significant weaknesses in the effectiveness of the design or operation of internal controls over financial reporting.

**3.2.4 *Fairness on Representations***

The transactions and estimates reflected in the accounts and in the financial statements and forms are within the direct control of Management. Accordingly, the fairness of the representations made through the financial statements and forms is an implicit and integral part of Management's responsibility. Management is responsible for disclosing to the Auditor all known related parties and related party transactions, and making specific representations that these transactions, to the best of Management's knowledge, have been measured and disclosed in the consolidated financial statements in accordance with Canadian generally accepted accounting principles.

**3.2.5 *Investigations and Allegations***

To the extent that they have come to Management's attention:

- (a) Management is responsible for informing the Auditor on a timely basis of any communications from or investigations by regulatory, police or governmental authorities concerning known or possible non-compliance with, or deficiencies in, or questions about, financial reporting or other business practices that may have an effect on the City's financial statements and forms; and
- (b) Management is responsible for disclosing to the Auditor allegations, if any, whether written or oral, of misstatements or other misapplication of accounting principles that could have a material impact on the City's financial statements or forms.

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**3.2.6 *Adjustments for Material Misstatements***

To the extent that they have come to Management's attention, Management is responsible for adjusting the financial statements and forms to correct all material misstatements. Management is also responsible for affirming, to the extent such is the case in Management's opinion, to the Auditor in the representation letter that the impact of any uncorrected financial statement misstatements identified by the Auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements and forms being reported upon taken as a whole. Management understands that materiality is assessed giving consideration to both qualitative and quantitative factors that are likely to change or influence the decisions of persons relying on the financial statements.

**3.2.7 *Distribution of Management Letter***

Management acknowledges that if the Auditor issues a management letter (i.e., a letter of observations and recommendations on internal control), that this letter is a by-product of the financial statement audit and does not constitute an opinion on the effectiveness of internal control over financial reporting. Accordingly, Management understands that such a management letter, if applicable, will be prepared solely for the use of Management and the City's Council and is not intended for any other purpose. Management agrees and understands that such a letter is not to be distributed to others outside the City without the Auditor's prior written consent. Management also agrees that prior to the Auditor consenting to providing copies of such a letter outside the City, the Auditor will request release of liability letter from the third party requesting such letter. Management acknowledges that the Auditor disclaims any liability to any third party who may rely on such a management letter.

**3.2.8 *Assistance by the City***

In order that the Auditor may meet its reporting obligations under section 1.0(c) of this Schedule 1, Management agrees that: all records and documentation of the City will be made available to the Auditor; all material information will be disclosed to the Auditor; and the Auditor will have the full cooperation of the City's personnel. The Auditor will provide Management with a list of requested working papers and assistance, such list to be agreed in advance of the audit between Management and the Auditor.

**3.3 Confidentiality**

The Auditor will not provide any third party with information related to the City without the City's permission, unless required to do so by legal authority or the auditor's Rules of Professional Conduct/Code of Ethics or information that is in or enters the public domain.

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Management acknowledges the requirement of the Auditor to comply with the *Personal Information Protection and Electronic Documents Act* ("PIPEDA") and confirms the City's requirement to comply with the *Freedom of Information and Protection of Privacy Act*. In order to enable the Auditor to comply with PIPEDA, Management consents to the receipt, use and retention by the Auditor of any personal information provided by the City to the Auditor in the course of performing the Services. All personal information will be treated as confidential by the Auditor as though it were retained by the City.

**3.4 Auditor's Working Papers**

All working papers, files and other internal materials created or produced by the Auditor during the audit engagement and all copyright and intellectual property rights in the Auditor's working papers are the property of the Auditor. In the event the Auditor is requested, pursuant to subpoena or other legal process, to produce its documents relating to this engagement for the City in judicial or administrative proceedings to which the Auditor is not a party, the City shall reimburse the Auditor at billing rates consistent with Schedule 2 of this Agreement for its professional time and expenses, including reasonable legal fees, incurred in dealing with such requests.

**3.5 Electronic Distribution and Communications**

**3.5.1 *Electronic Distribution of City's Financial Statements***

It is agreed that for any electronic distribution of the City's financial statements and the Auditor's audit report thereon, for example on the City's web site, Management is solely responsible for the accurate and complete reproduction of the financial statements and the Auditor's audit report thereon. The Auditor accepts no responsibility for any claim or damages resulting from any inaccurate or incomplete reproduction of such financial statements or the Auditor's audit opinion thereon.

**3.5.2 *Electronic Audit Report***

While the audit report may be sent to the City electronically by the Auditor's engagement partner/associate partner for the City's convenience, only the signed (electronically or manually) audit report constitutes the City's record copy.

**3.5.3 *Communication by Internet***

The City recognizes and accepts the risks associated with communicating by Internet (e-mail) including the lack of security, unreliability of delivery and possible loss of confidentiality and legal privilege.



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3.6 The Annual Financial Report

3.6.1 *Review of Annual Financial Report Before Distribution*

Management agrees to provide the Auditor with copies of the City's annual financial report with sufficient time prior to its release to review and provide comment, if any, to the City. Such review will be for the purpose of determining that, in accordance with Canadian generally accepted auditing standards, the financial statements and the Auditor's audit report have been accurately reproduced therein.

3.6.2 *Posting of Annual Report on City's Website*

If the City posts the annual financial report on the City's website, Management is solely responsible for the accurate and complete reproduction of the financial statements and the Auditor's audit report thereon. However, the Auditor will read the financial statements and its audit report that are to be posted on the Internet and compare the information therein to the version(s) ultimately posted to determine whether this information has been accurately reproduced from the original.

3.6.3 *Amendments to Information on City's Website*

Management acknowledges that the Auditor has no obligation to monitor subsequent amendments to the information on the City's website or information posted on other electronic sites unless it is separately engaged to do so. The Auditor accepts no responsibility for any claim or damages resulting from any subsequent amendments that result in inaccurate or incomplete reproduction of such financial statements or the Auditor's audit opinion thereon.

3.6.4 *Other Information in Annual Financial Report*

The Auditor is also required to read the other information contained in the annual financial report and consider whether such information, or the manner of its presentation; is materially inconsistent with information appearing in the financial statements upon which the Auditor has reported. However, the Auditor's audit does not include the performance of procedures to corroborate such other information (including forward-looking statements). Accordingly, the Auditor will not provide any assurance, positive or negative, on the other information contained in the annual financial report.

3.6.5 *Inconsistent Information in Annual Financial Report*

When reading the annual financial report, if the Auditor becomes aware of other information that, although not inconsistent with the financial statements, appears to be a material misstatement of fact, it will discuss its concerns with Management.

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**3.6.6 *Resolution of Errors, Inconsistencies or Material Misstatements in Annual Financial Report***

If the Auditor is unable to resolve satisfactorily the treatment in the annual financial report of any error in the reproduction of the financial statements and its audit report thereon, any inconsistency between the other information and the financial statements when the other information and/or the financial statements require revision or an apparent material misstatement of fact, the Auditor will inform Council of the unresolved matter and notify them that the Auditor does not consent to the use of its name in the annual financial report.

**3.6.7 *Auditor Involvement in Other Public Documents***

Management acknowledges and confirms its understanding that the Auditor is not responsible for reading any other public document issued by the City unless written agreement is reached in advance as to the procedures the Auditor will perform and the form that its report will take. Management acknowledges and confirms that where the Auditor's audit reports are reproduced in any medium, the complete financial statements, including notes, must also be presented.

**4.0 PROPOSAL REQUIREMENTS INCLUDED IN BASE FEE AMOUNT**

For further certainty, the Auditor now confirms that the above requirements and the Auditor's Proposal are deemed to be part of the Base Services and are deemed to be included in the Base Fee Amount.

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APPENDIX A - EXCERPTS FROM VANCOUVER CHARTER

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Director of Finance

Director of Finance

210. There shall be a Director of Finance appointed by the Council who shall have such duties and powers in addition to those provided by this Act as the Council may from time to time prescribe.

1953-55-210; 1965-68-29.

Duty to advise Council

211. The Director of Finance may, whenever he thinks fit, and shall, whenever required by the Council so to do, advise the Council on the financial position of the city or any phase thereof and make recommendations with respect to the administration, co-ordination, and efficiency of the city's affairs and the systems under which they are carried on.

1953-55-211; 1965-68-29.

To have control

212. The Director of Finance shall exercise a general control and supervision over revenue

(a) over the collection and application of the revenues of the city of every description, and over the lawful expenditure thereof;

Debentures and sinking fund

(b) over the sale, realization, and redemption of debentures of the city, and over the sinking funds of the city;

(c) [Repealed 1985-89-2.]

All financial matters

(d) over all other financial affairs of the city.

1953-55-212; 1965-68-29; 1985-89-2.

How money disbursed

213. No money shall be disbursed by the city except on the warrant of the Director of Finance, to be drawn upon the Treasurer, specifying the fund out of which payment is to be made. Such warrant need not be signed by the Director of Finance if it is initialed by him, or by some person authorized by him for the purpose.

1953-55-213; 1958-72-15; 1965-68-29.

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Examination of accounts before warrant issued

214. It shall be the duty of the Director of Finance to cause all accounts and claims against the city to be examined and verified before he draws a warrant for their payment.

1953-55-214; 1965-68-29.

Council to authorize disbursements

215. With the exception of small amounts necessary, in the opinion of the Director of Finance, to meet an emergency, he shall not draw his warrant for payment unless such payment has been authorized by the Council.

1953-55-215; 1965-68-29.

Provision for advance authorization

216. The Council may, for periods of not more than twelve months at a time, give the authorization referred to in section 215 in advance, but every warrant for a payment so authorized in advance shall be reported in writing by the Director of Finance to the City Clerk, for the information of the Council, within fifteen days after the end of the month in which the warrant is drawn.

1953-55-216; 1965-68-29.

Deduction where payee indebted to city

217. In drawing a warrant in favour of any person indebted to the city, or the assignee of such person, the Director of Finance may require the deduction of the amount of such person's indebtedness to the city.

1953-55-217; 1965-68-29.

Fund to be adequate

218. No warrant for payment shall be drawn unless there is sufficient money in the fund out of which the payment is to be made to meet the warrant.

1953-55-218.

Director of Finance to report on revenue and expenditure

219. (1) As soon as practicable in each year and in any event by April 30, the Director of Finance must prepare and submit to the Council a report setting out the Director of Finance's estimates in detail of the anticipated revenues and expenditures of the city for that year.

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(2) In the report under subsection (1), or in another report or reports submitted to the Council by April 30, the Director of Finance must set out objectives and policies for that year in relation to the following:

(a) for each revenue source identified under subsection (1), the proportion of total revenue that is proposed to come from that revenue source;

(b) the distribution of rates of levy among the property classes that may be subject to taxes under section 373 [annual rating by-law];

(c) the use of tax exemptions under sections 396A [exemptions for heritage property], 396C [exemptions for riparian property], 396E [revitalization tax exemptions] and 396F [exemptions for not for profit property].

2007-24-46; 2010-21-37.

**City Treasurer**

City Treasurer

226. There shall be a City Treasurer appointed by the Council who shall have such duties and powers in addition to those provided by this or any other Act as the Council may from time to time prescribe.

1953-55-226.

Receives and disburses all moneys

227. He shall receive all moneys paid to the city from whatever source, and shall pay out the same only on the warrant of the Director of Finance.

1953-55-227; 1965-68-29.

To keep complete accounts

228. He shall keep a complete and accurate account of all moneys by him received and by him disbursed.

1953-55-228.

To hold sinking fund securities

229. He shall, together with the Director of Finance, have the custody of all securities held by the city for sinking fund purposes otherwise than those in a bank.

1953-55-229; 1965-68-29.

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**Auditors**

Appointment of Auditor

230. (1) The Council shall, not later than the first Council meeting in each year, appoint a firm of chartered accountants or certified general accountants to audit the accounts and transactions of the city and of every other administrative body.

Limitations of appointment

- (2) No firm of chartered accountants or certified general accountants shall be appointed as auditors, any member of which is or was, during the year previous to the appointment, employed by, or is or was a party to, any contract with the city or other administrative body other than as auditor or as a consultant in respect of any of the affairs of the city.

Removal of auditors

- (3) The auditors' appointment may be terminated at any time for cause upon a vote of two-thirds of all the members of the Council.

Remuneration to be paid auditors

- (4) The auditors so appointed shall be paid such fee as shall be agreed upon.

1974-104-31; 1993-74-2.

Duties and powers of auditors

231. The duties and powers of the auditors are as follows:

- (a) the auditors shall make such examination as is consistent with good auditing practice of the records, including the books, documents, accounts, vouchers, receipts, investment securities, debentures, and matured debentures paid, of the city (including those of any sinking fund provided for under this Act) or relating to any matter or thing under the jurisdiction or control of the Council or of any other administrative body;
- (b) the auditors shall make a report to the Council on or before the thirtieth day of April in the next following year on the balance sheets and statements of revenue and expenditure of the city and of any other administrative body, and such report shall state whether in their opinion the balance sheets and statements of revenue and expenditure of the city or other administrative body referred to in the report present fairly the financial position of the city or other administrative body as at the thirty-first day of December and the results of the operations of the city for the year then ended in accordance with accounting principles generally accepted for municipal financial reporting, applied on a basis consistent with that of the preceding year;

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- (c) the auditors shall further report to the best of their knowledge and ability
  - (i) in what respect they find the books, documents, accounts, or vouchers incorrect, or lacking proper authority under this Act, or under any by-law or resolution adopted or passed hereunder;
  - (ii) in what respect any disbursement, expenditure, liability or transaction is without apparent authority.

1974-104-31.

Duty to report in certain cases

232. The auditors shall, without delay, report in writing with particulars to the Mayor and the Board of Administration if, in their opinion,

- (a) any payment made or authorized by the city or other administrative body is without apparent authority;
- (b) any sum which ought to have been brought into account by any person or persons has not been brought into account;
- (c) any loss or deficiency has been incurred owing to the negligence or misconduct of any person;

and the Mayor shall cause such investigation to be made as he thinks necessary.

1974-104-31.

Added duties

233. The duties of the auditors shall include

- (a) the examination, upon request of the Council, of the accounting arrangements and methods of the city or other administrative body, or of any proposed amendment thereof, and the submission of their recommendations as a result of such examination;
- (b) such other duties not inconsistent with those required of them by this Act as may from time to time be included in the terms of their appointment.

1974-104-31.

Duty of Council and officers to assist auditors

234. Every member of Council, and every officer or employee of the city, and every member and servant of any other administrative body, shall make available all records, books, and

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documents necessary for the audit or required by the auditors, and shall give the auditors every reasonable facility and furnish full information and explanation concerning the affairs of the city or other administrative body necessary for the performance of their duties as auditors.

1974-104-31.

Powers of auditors, call for books and documents

235. (1) For the purpose of, and in connection with, any audit under this Act, the auditors may, by summons in writing, require

(a) the production before them of all records, books, deeds, contracts, accounts, vouchers, receipts, and other documents and papers;

(b) the production before them of all moneys and securities;

(c) any person holding or accountable for any such records, books, deeds, contracts, accounts, vouchers, receipts, documents, papers, money, or securities to appear before them at any such audit, and to make and sign a declaration as to the correctness of the same.

(2) A person who neglects or refuses to comply in any respect with a summons issued under subsection (1) is liable for each neglect or refusal, on summary conviction, to a penalty not exceeding one hundred dollars.

(3) A person who falsely or corruptly makes or signs any such declaration as aforesaid, knowing the same to be untrue in any material particular, is liable, on summary conviction, to a penalty not exceeding five hundred dollars.

1974-104-31.

Restriction on removal of records, books, and other documents from city office

235A. (1) The auditors shall not, without the sanction of the Council or without an order of a Judge of the Supreme Court, remove or cause to be removed any records, books, deeds, contracts, accounts, vouchers, receipts, documents, papers, money, or securities from the office of the city or other place where the same may repose for safe-keeping.

(2) Nothing in this section prohibits the auditors from transferring records, books, deeds, contracts, accounts, vouchers, documents, or papers from one office of the city to another for the convenience of the audit.

1974-104-31.



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Rights of electors

- 235B. (1) Any elector of the city may, in writing, lodge with the auditors an objection to any item of account or other matter relating to an audit then in process.
- (2) Upon receipt of any objection as provided for in subsection (1), the auditors shall appoint a time and place for dealing with the objection, and shall give notice thereof to such elector.
- (3) The auditors shall consider the matters before them, and if in their opinion the objection comes within the scope of section 232, they shall forthwith proceed in the manner set out therein.
- (4) Nothing in this Part shall be construed to prevent an elector, or a group of electors, from exercising any right to take action for recovery on behalf of the city.

1974-104-31

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Revenue - Taxes and Utilities Billing and Receivable

Number of Tax Accounts	185,300
Metered Utility Accounts	15,000
Sanitation Accounts	500
Bylaw Tickets Issued	420,000

Financial Information System (SAP)

Accounts

Balance Sheet	800
Revenue Expense	3,200
Cost Centres	1,300
Orders	500,000
Accounts Payable Vendors	28,000
Employees	9,500

Annual transaction Volumes

Vendor Cheques	42,000
Accounts Payable Invoices	115,000
Accounts Receivable accounts ( Sundry Third Party)	12,000
General Ledger journal entries	35,000
Payroll Postings	600
Automated interface entries from other subsystems	10,000
Goods issues	75,000
Good receipts	55,000

There are several subsystems for billing business licences, permits, which are not included above.

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 PART 3 - FORM OF AGREEMENT  
 SCHEDULE 2 - FEE STRUCTURE AND BASIS FOR PAYMENT

---

1.0 Pricing for 2011 Audit Services

1.1. State the total all-inclusive fee which shall include any out of pocket expenses, e.g. courier, for the year 2011 audit for the City and the Vancouver Public Housing Corporation (show each fee separately).

CITY

Staff	No. of Hours	Rates	Total
<i>e.g. Bob Burns, Partner</i>	<i>400</i>	<i>\$100</i>	<i>\$4,000</i>
<i>Out of Pocket Expenses (state types):</i>			
<b>TOTAL:</b>			

PUBLIC HOUSING CORPORATION

Staff	No. of Hours	Rates	Total
<i>e.g. Bob Burns, Partner</i>	<i>400</i>	<i>\$100</i>	<i>\$4,000</i>
<i>Out of Pocket Expenses (state types):</i>			
<b>TOTAL:</b>			

2.0 Pricing for Subsequent Years

2.1. State either the all-inclusive fee for each of the City and the Vancouver Public Housing Corporation for each subsequent year, if applicable, of the Contract or stipulate the escalation formula that will be used to calculate the price for each of the subsequent four (4) years.

3.0 Payment Schedule

3.1. State proposed schedule for progress payments and terms of payment.

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SCHEDULE 2 - FEE STRUCTURE AND BASIS FOR PAYMENT

---

4.0 Fees for Additional Professional Services

4.1. State fees/rates (and escalation formula, if applicable) for additional services if required to supplement the Services set out in the Contract or to perform additional work as a result of the engagement, but outside of the scope of the Contract if different than rates shown above.

Auditor's Staff/Key Personnel	Hourly Rates

**REQUEST FOR PROPOSAL PS10197  
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SCHEDULE 3 - AUDITOR'S PERFORMANCE EVALUATION GUIDELINES**

<b>Critical Performance Indicator</b>	<b>Factors to be Considered</b>
Comprehensive audit plan developed on timely basis prior to the commencement of audit	<ul style="list-style-type: none"> <li>• Review previous years audit experience held between City staff and auditors on timely basis</li> <li>• Mutually agreed upon time lines for completion of audit field work, completion of audit working papers</li> <li>• Discussion with senior administrative staff on audit program (risk areas, timing of audit, areas of focus, etc.)</li> <li>• Audit plan includes segmentation of audit with timelines, hours, staffing level, City assistance required, etc.</li> </ul>
Strength of client service team in municipal auditing and accounting	<ul style="list-style-type: none"> <li>• Experience and training of audit staff</li> <li>• Continuity of Audit staff from period to period</li> <li>• Depth of audit staff assigned to audit (appropriate mix of senior and junior staff)</li> <li>• Audit staff conversant (according to level of involvement in audit) with emerging local government issues, both from a technical perspective (accounting and auditing issues) and general challenges facing local governments (local and national)</li> </ul>
Audit Approach	<ul style="list-style-type: none"> <li>• Risk based approach</li> <li>• Use of computer assisted audit tools</li> <li>• Reliance on business process, manual and automated system controls</li> <li>• Coordinated with Internal Audit</li> <li>• Audit work focused on critical business processes</li> <li>• Utilization of sample testing</li> <li>• Reliance on performance measures/critical success factors</li> </ul>
Conduct of the Audit	<ul style="list-style-type: none"> <li>• Adequate supervision of field audit staff at appropriate level in the client service team (appropriate level of involvement of audit senior, manager and principle to guide and direct field staff, resolve issues, train less senior staff, impart knowledge gained on previous audits about the City systems/municipal accounting and auditing)</li> <li>• Regular meetings between senior audit staff and City staff during the audit to discuss emerging issues</li> <li>• Timely notification of problems encountered by audit field staff</li> </ul>
Availability for periodic consultation	<ul style="list-style-type: none"> <li>• Proactive in raising developing trends in accounting and reporting issues facing municipalities</li> <li>• Able to respond to questions quickly</li> <li>• Provides assistance to staff in analyzing impacts of changes in accounting practices not only on City operations but also on audit engagement</li> </ul>

REQUEST FOR PROPOSAL NO. PS10197  
EXTERNAL AUDIT SERVICES  
PART 3 - FORM OF AGREEMENT  
SCHEDULE 4 - CERTIFICATE OF PROFESSIONAL LIABILITY INSURANCE

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This Schedule 4 forms part of the RFP Documents and is attached separately.

## PROFESSIONAL LIABILITY INSURANCE CERTIFICATE

Section 4 – City staff to select the required # of days Written Notice before sending out for completion  
Section 2, 3 & 4– to be completed and executed by the Insurer or its Authorized Representative

1. **THIS CERTIFICATE IS ISSUED TO:** City of Vancouver, 453 W 12<sup>th</sup> Avenue, Vancouver, BC, V5Y 1V4  
*and certifies that the insurance policy as listed herein has been issued to the Named Insured(s) and is in full force and effect as of the effective date of the agreement described below.*
2. **NAMED INSURED:** *[must be the same name as the Permittee/Licensee or Party(ies) to Contract and is/are either an individual(s) or a legally incorporated company(ies)]*

MAILING ADDRESS:

LOCATION ADDRESS:

DESCRIPTION OF OPERATION/CONTRACT:

### 3. PROFESSIONAL LIABILITY INSURANCE

**LIMITS OF LIABILITY:**

INSURER: \_\_\_\_\_ Per occurrence/claim: \$ \_\_\_\_\_  
POLICY NUMBER: \_\_\_\_\_ Aggregate: \$ \_\_\_\_\_  
POLICY PERIOD: From \_\_\_\_\_ to \_\_\_\_\_ Deductible per occurrence/claim: \$ \_\_\_\_\_

*If the policy is in a "CLAIMS MADE" form, please specify the applicable Retroactive Date:* \_\_\_\_\_

### 4. POLICY PROVISIONS:

*Where required by the governing contract, agreement, permit or license, it is understood and agreed that SIXTY (60) days written notice of cancellation or material change resulting in reduction of coverage with respect to the policy listed herein, either in part or in whole, will be given by the Insurer to the Holder of this Certificate. The exception is cancellation for non-payment of premiums in which case the applicable statutory conditions will apply.*

SIGNED BY THE INSURER OR ITS AUTHORIZED REPRESENTATIVE

Dated: \_\_\_\_\_

PRINT NAME OF INSURER OR ITS AUTHORIZED REPRESENTATIVE, ADDRESS AND PHONE NUMBER

REQUEST FOR PROPOSAL NO. PS10197  
EXTERNAL AUDIT SERVICES  
PART 3 - FORM OF AGREEMENT  
SCHEDULE 5 - CERTIFICATE OF INSURANCE

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This Schedule 5 forms part of the RFP Documents and is attached separately.



## GENERAL CERTIFICATE OF INSURANCE

Section 8 b) – City staff to select the required # of days Written Notice before sending the certificate out for completion  
 Section 2 through 8 – to be completed and executed by the Insurer or its Authorized Representative

1. **THIS CERTIFICATE IS ISSUED TO:** City of Vancouver, 453 W 12<sup>th</sup> Avenue, Vancouver, BC, V5Y 1V4  
*and certifies that the insurance policies as listed herein have been issued to the Named Insured(s) and are in full force and effect as of the effective date of the agreement described below.*
  
2. **NAMED INSURED:** *[must be the same name as the Permittee/Licensee or Party(ies) to Contract and is/are either an individual(s) or a legally incorporated company(ies)]*

**MAILING ADDRESS:** \_\_\_\_\_

**LOCATION ADDRESS:** \_\_\_\_\_

**DESCRIPTION OF OPERATION, CONTRACT, AGREEMENT, LEASE, PERMIT OR LICENSE:** \_\_\_\_\_

3. **PROPERTY INSURANCE** naming the City of Vancouver as a Named Insured and/or Loss Payee with respect to its interests and shall contain a waiver clause in favour of the City of Vancouver.  
**(All Risks Coverage including Earthquake and Flood)**
- |   |  |
|---|--|
| INSURER: _____<br>TYPE OF COVERAGE: _____<br>POLICY NUMBER: _____<br>POLICY PERIOD: From _____ to _____ | <b>INSURED VALUES: (Replacement Cost)</b><br>Building and Tenants' Improvements: \$ _____<br>Contents and Equipment: \$ _____<br>Deductible Per Loss: \$ _____ |
|---|--|

4. **COMMERCIAL GENERAL LIABILITY INSURANCE (Occurrence Form)**  
 Including the following extensions:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Personal Injury<br><input checked="" type="checkbox"/> Products and Completed Operations<br><input checked="" type="checkbox"/> Cross Liability or Severability of Interest<br><input checked="" type="checkbox"/> Employees as Additional Insureds<br><input checked="" type="checkbox"/> Blanket Contractual Liability<br><input checked="" type="checkbox"/> Non-Owned Auto Liability<br>INSURER: _____<br>POLICY NUMBER: _____<br>POLICY PERIOD: From _____ to _____ | <b>LIMITS OF LIABILITY: (Bodily Injury and Property Damage Inclusive)</b><br>Per Occurrence: \$ _____<br>Aggregate: \$ _____<br>All Risk Tenants' Legal Liability: \$ _____<br>Deductible Per Occurrence: \$ _____ |
|--|--|

5. **AUTOMOBILE LIABILITY INSURANCE** for operation of owned and/or leased vehicles
- |  |   |
|--|---|
| INSURER: _____<br>POLICY NUMBER: _____<br>POLICY PERIOD: From _____ to _____ | <b>LIMITS OF LIABILITY:</b><br>Combined Single Limit: \$ _____<br><i>If vehicles are insured by ICBC, complete and provide Form APV-47.</i> |
|--|---|

6.  **UMBRELLA OR**  **EXCESS LIABILITY INSURANCE**
- |  |  |
|--|--|
| INSURER: _____<br>POLICY NUMBER: _____<br>POLICY PERIOD: From _____ to _____ | <b>LIMITS OF LIABILITY: (Bodily Injury and Property Damage Inclusive)</b><br>Per Occurrence: \$ _____<br>Aggregate: \$ _____<br>Self-Insured Retention: \$ _____ |
|--|--|

7. **OTHER INSURANCE** (e.g. Boiler & Machinery, Business Interruption, Crime, etc.) – Please specify Name of Insurer(s), Policy Number, Policy Period, and Limit

8. **POLICY PROVISIONS:**  
*Where required by the governing contract, agreement, lease, permit or license, it is understood and agreed that:*
  - a) *The City of Vancouver, its officials, officers, employees, servants and agents have been added as Additional Insureds with respect to liability arising out of the operation of the Named Insured pursuant to the governing contract, agreement, lease, permit or license;*
  - b) *SIXTY (60) days written notice of cancellation or material change resulting in reduction of coverage with respect to any of the policies listed herein, either in part or in whole, will be given by the Insurer(s) to the Holder of this Certificate; the exception is cancellation for non-payment of premiums in which case the applicable statutory conditions will apply;*
  - c) *The insurance policy (policies) listed herein shall be primary with respect to all claims arising out of the operation of the Named Insured. Any insurance or self-insurance maintained by the City of Vancouver shall be in excess of this insurance and shall not contribute to it.*

**SIGNED BY THE INSURER OR ITS AUTHORIZED REPRESENTATIVE** \_\_\_\_\_

PRINT NAME OF INSURER OR ITS AUTHORIZED REPRESENTATIVE, ADDRESS AND PHONE NUMBER \_\_\_\_\_ Dated: \_\_\_\_\_

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PART 3 - FORM OF AGREEMENT  
SCHEDULE 6 - PROPONENT'S RFP PROPOSAL

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PROPONENT'S RFP PROPOSAL