



**The Corporation of the Township of McNab/Braeside
Request for Proposal No. FIN-01-2019
External Audit Services
Commencing for the audit year 2019**

Issue Date: July 11, 2019

Sealed Proposals using the prescribed content and quotation form will be received until 3:00 p.m. local time on Thursday, August 8, 2019 at the Township office as follows:

Township of McNab/Braeside
2508 Russett Drive, R. R. #2,
Arnprior, Ontario. K7S 3G8
Attn.: Angela T. Lochtie, CPA, CMA/PFA
Treasurer, Township of McNab/Braeside
Re: Request for Proposal (RFP) – FIN-01-2019

Note: Faxed or emailed RFP submissions will not be accepted.

All queries related to this Request for Proposal shall be submitted **in writing** to the attention of:

Angela T. Lochtie, CPA, CMA/PFA
Treasurer
Fax: (613) 623-9138
Email: treasurer@mcnabbraeside.com

1. Introduction

The Township of McNab/Braeside invites proposals from qualified firms for external audit services and related accounting assistance. The appointment will commence with services for the fiscal year ending December 31, 2019.

The Township's 2018 audited Consolidated Financial Statements may be found on the Township's website at the following link <http://www.mcnabbraeside.com/municipal-information/municipal-office/finance/> under the section entitled "Audited Financial Statements". Additional accounting and financial information is as follows:

Township of McNab/Braeside	2013 Data (unless otherwise indicated)
Active GL Accounts	~980
Accounts Payable Cheques	~1613
Property Tax Accounts	~3,805
Payroll	Direct Deposit for permanent employees
Full-Time Employees	19
No. active bank accounts	6
Accounting Software	Vadim iCity Enterprise
2019 Capital/Operating Budget	\$8,925,629

2. Requirements and Scope of Service

2.1. Basic Requirements

2.1.1. Eligibility

Before preparing a proposal for external audit and accounting services, proponents are advised to ensure that they can meet the following mandatory eligibility criteria:

- The firm be licensed under the Public Accounting Act, 2004, as outlined in Section 296 of the Municipal Act, 2001, c.25;
- Have recent experience in providing audit and accounting services to other municipalities in Ontario and demonstrate comprehensive knowledge of provincial municipal financial reporting and legislation governing municipal operations;
- Have substantial resources/support services available to address the scope of the audit and accounting services required in a timely and efficient manner;
- Demonstrate a commitment to providing reasonable annual continuity of experienced and qualified personnel; and
- Demonstrate a commitment to meeting all reporting deadlines.

2.1.2. Term of Agreement

Subject to the performance of the audit firm, the term applicable shall be for a five year period (calendar fiscal years 2019 to 2023). The Township retains the

right to terminate the engagement should there be cause for dissatisfaction with the services provided.

2.2. Scope of Services

2.2.1. Audit

Examination, analysis and documentation of the Township's operating systems, control procedures, and financial records to the degree necessary to express an audit opinion on the financial statements of the Township and the preparation of the Township's annual Consolidated Financial Statements. This would include:

- A reasonable allowance for consultation connected with regular audit procedures.
- Proposing journal entries deemed necessary as a result of the audit process.
- Reviewing and testing internal controls and reporting on any areas of concern.
- Commenting on the operational effectiveness of the accounting systems employed by the Township and expressed in a Management Letter.
- Reporting any significant negligence, irregularity or deviation from prescribed accounting principles observed during the course of the audit.
- Meeting with Township management and Council as required to review the financial results for the year and to discuss management letters
- Support the annual Financial Information Report (FIR) reporting process
- All related audit and certification work required by various Provincial Ministries and Federal Government requiring audit opinions or certificates from the external auditors. The format of the financial information being disclosed to various Ministries requiring an audit opinion may differ from Ministry to Ministry and year to year.

The audit program must be in accordance with generally accepted auditing standards in order to express an opinion on the fair presentation of the financial statements and supplementary information, in conformity with generally accepted accounting principles.

It is expected that the Auditor will respond to and discuss with municipal staff accounting, auditing, and tax issues that arise during the contracted period of audit services with no additional charges incurred, within reason.

The Auditors are expected to prepare ten (10) bound paper copies and an electronic copy of the Consolidated Financial Statements.

2.2.2. Auxiliary Services

Occasionally, the Auditor may be called upon to give professional advice and provide additional assistance as requested by the Treasurer on non-routine accounting matters.

2.2.3. Annual Schedule

Before November 15th of each year, the Auditors shall meet with the Treasurer to discuss and agree upon a schedule of activities which will lead to the completion of the annual audit. The schedule of activities shall be finalized by November 30 and shall set out the key dates by which necessary information is to be assembled by both parties, a list of all the necessary schedules, working papers, analysis and other information relevant to statement preparation.

Work to be provided by Municipal Staff:

- Supporting working papers for significant asset and liability accounts
- Audit confirmations to banks, lawyers, and other entities as required upon receipt of forms from Auditors

It is expected that the audit fieldwork would be completed by the middle of March.

The financial report and Financial Information Return are to be audited and submitted by the end of April of the year following the year being audited, or as required by legislation. The Ministry of Municipal Affairs and Housing requires the Financial Information Return to be submitted by May 31.

Should a proponent be unable to meet any dates, they shall note any deviation in their submission document and where possible, provide alternate dates.

2.2.4. Qualified Statement

The Auditors shall immediately upon discovery of information or conditions, which would otherwise lead to the inclusion of a qualified opinion with respect to the financial statements, inform and fully discuss such matters with the Treasurer. In addition, the Auditors shall, as far as possible, allow a reasonable period of time for Municipal staff to make an investigation, analyze, report and take such corrective action as to avoid the inclusion of such qualification.

2.2.5. Management Letter

Not later than thirty (30) days following the completion of the audit, the Auditor shall communicate in a post audit management letter to the Treasurer any reportable conditions, as determined by the Auditor, found during the audit. The Auditor shall also provide appropriate beneficial suggestions to correct any areas of concerns and weaknesses arising as a result of the audit process.

2.2.6. Annual Engagement Letters

Adherence to the annual schedule will be an essential feature of satisfactory performance under the audit contract. The agreed year-end plan will be incorporated in the annual engagement letter which will be required under the audit contract.

Also included in the engagement letter will be the specific responsibilities to be discharged by each of the parties and a requirement that the Treasurer be consulted prior to any change in partner, manager, or senior staff assigned to the specific audits. It will also be expected that every effort will be made to assign the same audit personnel, particularly the senior auditor, to the Township in an effort to encourage positive auditor-staff relations and promote an effective working relationship.

2.2.7. Performance

During the term of the engagement, the auditor's performance will be evaluated based on the following criteria

a) Audit Deadlines

It is expected the audit will be completed within the time frames specified in this proposal call and as agreed to in the annual schedule.

b) Performance in the manner proposed

It is expected that the audit will be carried out in the manner proposed. Any changes in the audit program shall be discussed with the Treasurer.

c) On-site participation of audit senior

It is expected that the audit senior will be present or available for consultation throughout the audit.

d) Persons assigned to the audit

For the initial year of the audit, the persons assigned to the audit should be those originally proposed. Any subsequent changes to audit personnel must be provided in writing and be acceptable to the Treasurer.

2.2.8. Termination

The Township reserves the right to reduce the time period of the award if dissatisfied in any way with the performance, fee, or any other elements of service provided.

The appointment of the auditor may be terminated without penalty by the Township if the proponent fails to perform in accordance with the request for proposal and the proponent's proposal submission.

Any termination of the engagement by the Township, as aforesaid, shall be without prejudice to any other rights or remedies the Township may have.

3. Proposal Content**3.1. Eligibility**

A statement confirming that the proponent meets the eligibility criteria as detailed in section 2.1.1 above.

3.2. Audit Firm Profile**3.2.1. History of the firm**

Provide a brief history of the firm

3.2.2. Municipal Engagements

Outline the breadth and depth of the firm's existing municipal engagements. This would include a listing of the firm's current Ontario municipal clients, the number of years served for each, and the types of services performed.

3.2.3. References

Provide three Ontario municipal client references and their contact information.

3.2.4. Engagement Team Profile

Provide the location of the office to be assigned to this engagement as well as the names, positions and municipal experience of the partner(s) and other staff members to be assigned to this engagement.

3.3. Fees and Expenses

Proponents are requested to present their proposed fees, in a separate envelope clearly marked, using the chart in Annex A. Travel, out of pocket expenses and professional services (including IT) required to comply with existing generally accepted auditing standards or requirements of the Public Sector Accounting Board (PSAB) are to be included in the fees.

All fees quoted shall be exclusive of applicable taxes, although it is understood that HST shall be applied to any fees charged. Terms of payment shall also be provided.

For any future additional requirements dictated by MMAH, GAAS and PSAB, the successful proponent must inform the Treasurer of any resulting additional fees by November 30 of the year being audited.

3.4. Methodology

Provide the following:

- A statement of your understanding of the services to be performed and your ability and commitment to fulfil the responsibilities as described.
- Details for the proposed methodology for keeping the Township abreast of changes, in particular those related to anticipated PSAB requirements impacting financial reporting.

- Details for the proposed audit methodology, including the interim approach and the timing and duration of visits.

3.5. Signed Proposals

The proposal must be signed by the person(s) authorized to sign on behalf of the proponent and bind the proponent to statements made in response to this RFP.

4. Request for Proposal Process

4.1. Enquiries

Inquiries regarding this Request for Proposal must be received by email to the attention of:
Angela T. Lochtie, CPA, CMA/PFA
Treasurer, Township of McNab/Braeside
treasurer@mcnabbraeside.com

Responses to clarification requests will be provided to all proponents in writing. No clarification requests will be accepted by telephone.

4.2. Closing Date/Time

All proposals are to be submitted in a sealed envelope or package clearly marked **“Request for Proposal (RFP) –No. FIN-01-2019”**.

Proposals submitted by fax or other electronic media shall be rejected.

Proposals must be received by 3:00 PM (local time), Thursday, August 8, 2019 (the “Closing Time”) at the office of:

Angela T. Lochtie, CPA, CMA/PFA
Treasurer, Township of McNab/Braeside
2508 Russett Drive, R. R. #2,
Arnprior, Ontario. K7S 3G8

Proposals received after the Closing Time will not be accepted and will be returned unopened. The Township of McNab/Braeside reserves the right, at its sole discretion, to extend the closing date and time.

Prior to the Closing Time, proponents must not establish contact with anyone inside the organization regarding this Proposal without the permission of the Treasurer.

Received Proposals will be time and date stamped on the exterior of the unopened envelope. Once received, the Proposals become the property of the Township and shall be kept in safekeeping by the Treasurer. The number of bids received and the names of bidders shall not be divulged prior to the Proposal opening.

4.3. Evaluation and Selection

The proposals received shall be evaluated with consideration to the following:

- The firm's experience and qualifications (30%);
- Personnel experience and qualifications, with preference given to the performance of audits of Ontario municipalities and the ability to provide continuity of staff year to year (30%);
- Overall impression, including the quality of the proposal and/or presentation (5%);
- References (20%); and
- Proposed fees (15%)

The Township reserves the right to discuss any and all proposals, to request additional information from proponents and to accept or reject any and all proposals made. The lowest or any proposal will not necessarily be accepted. A presentation to Council may also be requested.

4.4. Purchasing Procedures

RFP's are required to comply with the Township's Purchasing Procedures, attached as Annex B. These procedures form part of the process of this RFP.

4.5. Rejection of Proposals

The following bids will be rejected:

- Late bid
- Bids received by facsimile or email
- Bid not completed in ink or by non-erasable medium
- Incomplete bid
- Bid form not signed
- Proposal form not used
- Envelope not identifying "Request for Proposal No. FIN-01-2019"
- Proposal requirements not being met
- Informal proposal

4.6. Award

The award, if any at all, will be made to the firm which, in the opinion of the Township, is best qualified and meets the needs of the Township.

The appointment of auditors for the Township will be formalized through a by-law enacted by Council.

The Township will not be liable for any costs incurred by the bidders in the preparation of their response to this proposal.

5. Additional Terms**5.1. Acceptance of Proposals**

This RFP should not be construed as an agreement to purchase goods or services. The Township is not bound to accept the lowest priced or any proposal of those submitted. Proposals will be assessed in light of the evaluation criteria.

Neither acceptance of a proposal nor execution of a Contract will constitute approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or bylaw.

5.2. Errors and Omissions

The Township shall not be held liable for any errors or omissions in any part of this RFP. While the Township has endeavored to ensure an accurate representation of information in this RFP, the information contained in the RFP is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate, nor is it necessarily comprehensive or exhaustive.

5.3. Agreement with Terms

By submitting a proposal, the Proponent agrees to all the terms and conditions of this RFP. Proponents who have obtained the RFP electronically must not alter any portion of the document, with the exception of adding the information requested. To do so will invalidate the proposal.

5.4. Modification of Terms

The Township reserves the right to modify the terms of the RFP at any time at its sole discretion.

5.5. Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)

In accordance with the Municipal Freedom of Information and Protection of Privacy Act, the information collected in response to the Request for Proposal is collected under the authority of the Corporation of the Township of McNab/Braeside and the Municipal Act, S.O. 2001, c.25, as amended. The information collected will be used solely for the purpose of evaluating the submissions for supplying external auditing services. All proposals submitted become the property of the Township. Because of MFIPPA, respondents are reminded to identify their proposal material for specific scientific, technical, commercial, proprietary, or similar confidential information, the disclosure of which could cause them injury. Complete proposals are not to be identified as confidential. Questions about the collection of information should be directed to the CAO/Clerk.

5.6. Conflict of Interest

The successful proponent will be required to indicate whether its firm or any member of the engagement team is currently employed or retained by a private or public sector client whose interests could be deemed to conflict with those of the Township with respect to

this engagement. Prior to accepting this engagement, all firms are required to disclose any potential conflict of interest to Council.

5.7. Confidentiality of Information

The successful proponent shall not at any time before, during or after the completion of the engagement, divulge any confidential information communicated to or acquired by the Auditor or disclosed by the Township in the course of carrying out the engagement. No such information shall be used by the Auditor on any other engagement without prior written approval.

6. Selected Contract Clauses

6.1. Business Registration

The successful Proponent will be required to register to conduct business in Ontario.

6.2. Laws of Ontario

Any contract resulting from this RFP will be governed by and will be construed and interpreted in accordance with the laws of the Province of Ontario.

6.3. Indemnity

The Proponent will indemnify and save harmless the Township, its employees and agents from and against all claims, demands, losses, damages, costs and expenses made against or incurred, suffered or sustained by the Township at any time or times (either before or after the expiration or sooner termination of this Contract) where the same or any of them are based upon or arise out of or from anything done or omitted to be done by the Proponent or by any servant, employee, officer, director or sub-Proponent of the Proponent pursuant to the Contract excepting always liability arising out of the independent acts of the Township.

6.4. Insurance

The successful Proponent shall maintain sufficient Public Liability Insurance and shall provide to the Township proof of such insurance in the form of a Certificate of Liability issued by an insurance company licensed to write property casualty insurance in the Province of Ontario and providing as a minimum requirement the following:

i) \$2,000,000 primary limits (or primary plus excess liability coverage equaling \$2,000,000 or greater) for both General Liability and owned Automobile Liability, coverage to include Bodily Injury, Property Damage and Products/Completed Operations; policies to be written on an occurrence basis.

ii) \$2,000,000 coverage for Professional Liability Insurance against Errors and Omissions.

iii) Certificates must provide for sixty (60) days' notice to the Township of McNab/Braeside in the event of cancellation or in the event of nonrenewal of an Insurance Policy or pertinent coverage.

iv) Certificates to name the Corporation of the Township of McNab/Braeside as additional insured with respect to the work being performed.

The successful Proponent is required to protect its employees with WSIB coverage and a valid Certificate of Clearance indicating the project involved must accompany the first invoice for payment.

The Proponent shall be responsible for ensuring the health and safety of all personnel at the site and may be requested to submit its health and safety policies and/or procedures.

The Proponent agrees that if the Proponent fails to take out or keep in force any such insurance and should the Proponent fail to rectify the situation within seventy-two (72) hours after written notice by the Township, the Township has the right, without assuming any obligation in connection herewith, to effect such insurance at the sole cost of the Proponent which cost shall be payable on demand as additional rent.

6.5. Compliance with Laws

The Proponent shall comply with the relevant Federal and Provincial Municipal statutes and regulations pertaining to the work and its performance. The firm shall be responsible for ensuring the similar compliance by its suppliers. The contract shall be governed by and interpreted in accordance with the laws of the Province of Ontario.

Annex A: Request for Proposal No. FIN-01-2019 External Audit Services

Form of Quotation

To be completed by Firm submitting a quote:

Quotation by:	
<i>Name of Firm</i>	
Address:	
Phone:	
Email:	

Having examined the scope, services, terms, contract clauses and other requirements as stipulated in the Request for Proposal No. FIN-01-2019 External Audit Services which forms part of this quotation, we do hereby offer and agree to furnish external audit services at the price(s) stated below:

Audit Year	Quoted Fee (excluding HST)
2019	\$
2020	\$
2021	\$
2022	\$
2023	\$
Payment Terms	

FO-23 Statement by Bidder

Bid Document Name: Request for Proposal No. FIN-01-2019 External Audit Services

- 1) I/We have reviewed all terms and conditions of all forms included as part of this RFP package.
- 2) I/We have read and understand all of the terms and conditions of the forms included as part of this package.
- 3) I/We understand that if our RFP bid is successful, all requirements of the successful bidder as outlined in the documents will be completed by the time and in the format required.

Dated at _____ this ____ day of _____, 2019.
City

Witness

Signature of Authorized Person

Position

Annex B: FO-24 - Purchasing Procedure

The following are the general purchasing procedures for the Township that are to be included as an attachment to all formal bid documents. All bidders must adhere to the following procedures.

1. The following procedures shall be followed explicitly. Changes to any of these procedures shall be done only in writing by the Department Head responsible for such bid document, to be given to all persons bidding. Copies of these procedures shall be given to every person intending to submit pricing for goods and services and a statement shall be signed and submitted with every bid submission that these procedures have been read and understood by the bidder.
2. All bid submissions must be properly signed and sealed or witnessed and placed in an envelope with the Submission Label affixed in the top left corner and submitted to the CAO/Clerk/designate to the location detailed in the bid document, as determined by the CAO/Clerk/designate as specified in the bid document.
3. All submitted bids shall have the date and time of receipt noted on the face of the envelope.
4. Bids received later than the time specified will not be accepted, regardless of any postal seal date and such bids will not be opened and will be returned by regular registered mail or picked up by the owner from the CAO/Clerk/designate.
5. All bids shall be submitted in one envelope, with the Submission Label attached in the top left corner and shall contain all of the bid documents required at time of closing as stated in the bid document. The Submission Label must be completed in full by bidder. Envelopes will not be supplied.
6. All bids will be opened at a time announced by the CAO/Clerk/designate as soon after the closing as is practical. Such bid opening shall be open to the public and the CAO/Clerk, Department Head and Committee Members of the appropriate Department shall attend at such opening. The names of those in attendance shall be recorded.
7. Upon opening, if the envelope does not contain the appropriate documentation as required, the bid will be declared as informal. The CAO/Clerk, Department Head and Committee Members will review the bids immediately after opening. If it is confirmed that the bid does not comply with the requirements at time of closing, the bid will be rejected. Written confirmation of the bids rejected will be forwarded to the bidder by the CAO/Clerk.
8. When the CAO/Clerk/designate checking bid compliance is satisfied that the bid submission contains the proper forms and information, the total price bid will be quoted publicly. All bid compliancy will again be reviewed by the using department.

9. No announcement concerning the successful bid will be made at the opening. A complete report and analysis shall be prepared by the appropriate Department Head or consultant as the case may be, to be submitted to Committee/ and/or Council for a decision.
10. Bidders shall carefully examine and study all of the bid documentation, drawings, specifications, site of work (if applicable) etc., in order to satisfy themselves by examination as to all conditions affecting the contract as the detailed requirements to fulfill the contract.
11. The Corporation of the Township of McNab/Braeside reserves the right to reject any or all bids for any reason whatsoever and to accept any bid considered best for its interest.
12. Any bidder will be permitted to withdraw his/her unopened submission after it has been deposited with the CAO/Clerk, provided such request is received in writing prior to the time appointed by the CAO/Clerk for the opening of such bids.
13. More than one bid submission from an individual firm, partnership, corporation or association under the same or different names will not be considered. Collusion between bidders will be sufficient cause for rejection of all bids so affected.
14. The bidder may submit alternative prices on any item for consideration. The Corporation reserves the right to waive informalities at its discretion. The Corporation shall be the sole judge of such matters.
15. Bids which are incomplete, conditional or obscure, or which contain additions not called for, erasures, alterations or irregularities of any kind, may be rejected as informal. The bidder may, however, submit alternative prices on any item for consideration. The Corporation reserves the right to waive informalities at its discretion.
16. Bids containing prices that are unbalanced and are likely to affect adversely the interest of the Corporation, may be rejected. The Corporation shall be the sole judge of such matters.
17. Should a bidder find discrepancies in, or omissions from the bid documents, or should he/she be in doubt as to meaning, he/she shall clarify them with the appropriate Department Head or Consultant as the case may be, who may send an addendum to all bidders. No oral explanation or interpretation.
18. All bids must be on the form supplied by the Township and be signed and sealed by the bidder. A bid submitted by a Corporation shall bear the Corporation Seal and the signature of a duly authorized officer or officers who may be required to present evidence of his/her or their authority to sign. Where a bid is a joint venture shall comply individually with this discretion.

19. Where sub-trades are to be used, a complete list showing sub-trade name, owners, phone numbers and addresses shall accompany the bid submission. The amount of indebtedness to the sub-trade for works to be performed shall be clearly shown on the list. Sub-trades may be changed by the main contractor but only on written approval by the appropriate Department Head or the Consultant of the Township.
20. The Contractor shall insert the firm's WSIB account number in the space provided on the Bid Form (as applicable). This number is required in order to verify the firm's standing with the Board at the time of the recommendation to award this contract.
21. Any contingency allowance to be included shall be stated by the Township and no bidder shall include any contingency in any bid.
22. The estimate of quantities as shown in the bid document shall be used as a basis of calculation upon which the award of the contract will be made. These quantities are not guaranteed to be accurate and are furnished without any liability on the part of the Corporation.
23. Whenever in a bid submission the amount bid for an item does not agree with the extension of the estimated quantity and the bid unit price, the unit price shall govern and the amount of the total bid price shall be corrected accordingly.
24. The unit price or lump sum for all items in the Schedule of Quantities and Unit Prices shall be deemed to be full compensation for all the works including all necessary labour, equipment and materials specified in the Special Provisions, standard specifications and supplemental specifications.
25. The CAO/Clerk/designate will notify the successful bidder of the contract award within two to five business days after the Council meeting that considers the bid.
26. When the bid deposits are a requirement of the bid document, they must be submitted in full compliance of the bid and in adherence with the following:
 - 26.1 It is noted that the bid deposit cheque, money order or bid bond is a guarantee that the contract or supplier will execute a contract agreement with the Township for the delivery of the services, material or equipment provided for in the applicable bid document. In the event that a bidder or contractor fails to execute a contract agreement or supply the requested documentation with the Township when requested to do so, the bidder shall be deemed to be in default and the Township will have full unencumbered right to cash any bid deposit cheque or money order or act upon a bid bond in its possession relating to the specific bid document for default of the bidder and the Township has full, unfettered rights to use the funds in its sole discretion and any bidder who has defaulted as herein shall have no claim whatsoever against the Township for such action to be taken by the Township.

- 26.2 All cheques, bonds, letters of credit or money orders shall be payable to the Corporation of the Township of McNab/Braeside. The Township, within ten (10) days after the close of the bids shall return all bid deposits except the lowest bid and the next lowest bid unless some anomalies are found in the analysis of the two lowest bids in which case the third lowest bid deposit will be retained. The bid deposits retained by the Township shall be released after execution of the contract agreement and submission to the Corporation of all documents required for the contract. If the bidder refuses or neglects to execute the contract agreement or to submit the required documents as specified by the Township in its bid documents within three weeks after the date of contract award, the Corporation at its sole discretion, may cash the deposit and such deposit shall be subject to forfeiture.
- 26.3 Bidders shall note that no interest will be paid on any deposit.
- 26.4 Agreement to Bond shall be in a form established by the Township if a format is provided in the bid document. If not, the format provided by the bonding company is sufficient.
27. After notification of award, the successful bidder will be responsible for adhering to the following as applicable to the bid document requirements.
- 27.1 The successful bidder shall be bound to execute the contract agreement and to file satisfactory bonds, insurance policies and WSIB clearance letter, as required herein, with the Corporation within three weeks of the date of contract award and shall be maintained until contract completion.
- 27.2 Failure to execute the contract or to file satisfactory bond, insurance policies and WSIB clearance letter as required by the bid document within the specified time period shall be just cause for the cancellation of the contract award and the forfeiture of the bid deposit to the Corporation, not as penalty, but in liquidation of damages sustained. The Corporation shall then have the right to award the contract to any other bidder or to reissue the bid document.
- 27.3 Upon award of the contract, and where required the Contractor must furnish the Corporation, at his/her cost, a Performance Bond in the amount specified in the bid documents. Such bond must be satisfactory to the Corporation.
- 27.4 The Performance Bond shall unconditionally guarantee that the work will be satisfactorily completed or materials supplied or both within the terms of the contract up to the face value of the bond. In other words, the bonding company will be liable whenever the Contractor is liable. Without limiting the generality of the foregoing, such bond shall cover extensions to the contract, modifications thereof, and twelve month maintenance guarantee. The bonding company shall

NOT replace a prime Contractor or Sub-Contractor without prior approval of the CAO/Clerk or Consultant of the Township.

- 27.5 Upon award of the contract, the Contractor must furnish to the Corporation, at his/her cost, a CERTIFIED copy of a liability insurance policy as detailed in the bid document. All minimum coverage is detailed below:

\$2 million - general liability and automobile liability policies

\$2 million - homeowners (e.g. for rental of facilities)

\$5 million - general liability and automobile liability policies - for contract work done all for Public Works and Environmental Services Department Projects.

\$2 million - professional errors and omissions liability

Builders Risk - the amount of the project cost

Such policy shall contain:

27.5.1 a "Cross Liability" clause or endorsement;

27.5.2 an endorsement certifying that the Township and (Insert bidder) is included as an additional named insured;

27.5.3 an endorsement to the effect that the policy or policies will not be altered, cancelled or allowed to lapse without thirty days prior written notice to the Corporation.

- 27.6 The Contractor's Liability Insurance Policy shall not contain any exclusions of liability for damage, etc. to property, building or land arising from:

27.6.1 the removal or weakening of support of any property, building or land whether such support be natural or otherwise;

27.6.2 the use of explosives

27.6.3 the vibration from pile driving or caisson work, provided that the minimum coverage for any such loss or damage shall be \$5,000,000.00.

- 27.7 The Liability Insurance Policy and/or endorsements shall be satisfactory to the Corporation.

- 27.8 If required upon award of contract, the Contractor shall maintain and pay for a Builder's all Risk Policy satisfactory to the Corporation in the joint names of the Corporation and the Contractor, in the amount of 100 percent of the total value of the contract. All monies paid under such insurance shall be received by the Corporation, which shall pay as much of it as may be required for the purpose of replacing, rebuilding, or repairing the work and all such material which has been damaged, or destroyed according to the CAO/Clerk or Consultants certificate and the balance, if any, shall be paid to the Contractor upon completion. Such replacing, rebuilding, repairing and completion shall be carried out in every way subject to the terms and conditions of the contract. The Builder's All Risk Policy

shall remain in the custody of the Corporation and shall be kept in force by the Contractor until the work has been completed and accepted in writing by the CAO/Clerk of the Township.

- 27.9 The CAO/Clerk will notify the successful bidder of the contract award within two to five business days after the Council meeting that considers the bid. The successful bidder must submit the necessary performance bond and certified copies of insurance policies in accordance with the contract requirements prior to any construction on site. No work is to commence until the required documentation is received and approved by the Township.
- 27.10 The Contractor shall provide and maintain the necessary first aid items and equipment as called for under the First Aid Regulations of the Worker's Compensation Act and Occupational Health and Safety Act as applicable to the scope of work.
- 27.11 The successful bidder shall deal with claims of any nature immediately including insurance claims, complaints from sub-trades, etc. If a claim is settled to the satisfaction of the claimant, the successful bidder shall submit to the CAO/Clerk, a copy of the claimant's release
- 27.12 The Contractor, by executing the contract, unequivocally acknowledges that he/she is the constructor within the meaning of the Occupational Health and Safety Act and amendments thereto.
- 27.13 Payments to the Contractor, hold backs and their release, and certificate of substantial performance and completion under this contract shall be in full compliance with the provisions of The Construction Lien Act, R.S.O. 1990.
- 27.14 In his/her bid price, the Contractor shall be deemed to have made due allowance for the publication of a copy of the certificate of substantial performance of the contract in the Daily Commercial News within seven days of receipt of the said certificate, in order to facilitate the hold back release under the substantial performance certificate.