



Request for Proposal

External Audit Services

Issued by:

Resource Productivity and Recovery Authority

[June 1st, 2020]

Intent to Respond:

[5:00 p.m. on June 10th, 2020]

Response Deadline:

[2:00 p.m. on July 6th, 2020]

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1.0 Introduction

Resource Productivity and Recovery Authority (the Authority or RPRA) is seeking proposals from qualified CPA firms to audit its financial statements for the fiscal year ending December 31, 2021, with the possibility of reappointment for subsequent years through December 31, 2024. These audits are to be performed in accordance with generally accepted auditing standards and the financial statements are to be prepared in accordance with Canadian Generally Accepted Accounting Principles applicable to not-for-profit organizations. RPRA is not a government organization and is not a registered charity. It is a non-crown, not-for-profit regulatory authority.

2.0 Background

The Resource Productivity and Recovery Authority is a regulatory body that implements waste diversion regulatory programs in Ontario. The Authority was established through provincial legislation on November 30, 2016 and mandated to play a key role in reducing waste and litter in the province through resource recovery. The Authority is committed to carrying out all of its activities in accordance with its Values and Code of Conduct, which can be found on the Authority's website.

The Authority is accountable to the Ontario Ministry of the Environment, Conservation and Parks. The Authority is mandated to administer the requirements of the [Resource Recovery and Circular Economy Act, 2016](#) (RRCEA) and the [Waste Diversion Transition Act, 2016](#) (WDTA), and their associated regulations.

Under the WDTA, the Authority oversees existing waste diversion programs and their eventual wind up. Under the RRCEA, the Authority enforces individual producer responsibility (IPR) requirements for collecting and managing waste associated with products and packaging. The Authority also operates an electronic Registry to provide information and assist with the enforcement of laws relating to resource recovery and waste in Ontario.

The Authority's website – www.rpra.ca – is a source of additional information.

3.0 Project Objective

The objective of the audit is to express an opinion, as to whether the financial statements of RPRA present fairly, in all material respects, the financial position, results of operations and changes in cash flow in accordance with generally accepted accounting principles. Management will prepare the financial statements that will be subject to audit, segregated by the RRCEA and WDTA, and these statements will be available to the auditor. The auditor should advise RPRA on the extra cost if the Auditor is requested to prepare the financial statements on RPRA's behalf.

During the engagement, the Auditor should be watchful of and report:

- Any significant or unusual transactions entered into by RPRA that Management and/or the Board of Directors should be made aware of;
- Any deficiencies in internal controls that are of sufficient importance to merit the attention of Management and/or the Board of Directors;
- Any disagreements with Management about matters which are significant to the organization's financial statements;

- Any lack of compliance with the Financial Management and Controls Policy;
- Any lack of compliance with financial or other relevant legislation; and/or
- Any lack of accountability in the use and management of RPRA’s assets.

Any such instances should be reported in the management letter.

This RFP is for one year with options, in favour of the Authority, to extend annually for up to three more years. Subject to changes in dates, the expected deliverables will be the same each year.

4.0 Expected Deliverables

The Vendor will adhere to all guidelines, timelines and requests specified in this RFP. Deliverables include but are not limited to:

- Prepare an auditor’s report and management letters in a format consistent with generally accepted auditing standards;
- Discuss the auditor’s report and management letters with Management and the Audit and Risk Committee prior to their distribution;
- Meet audit or reporting requirement dates as set out below;
- Provide a management letter that identifies areas of concern or weaknesses found, recommendations for improvement, and management’s response on any concerns identified;
- Complete scope of work;
- Schedule in-person meetings with RPRA; and
- Provide required reporting to RPRA (weekly updates, project milestone reports).

The expected key dates and key deliverables for the year ending December 31, 2021 and timing relating to the audit are as follows. This RFP is for one year with options, in favour of the Authority, to extend annually for up to three more years. Subject to changes in dates, the expected deliverables will be the same each year This timing should be considered indicative only:

<u>Event (Auditor attendance required)</u>	<u>Key Dates/Timing</u>
Audit plan presentation to Audit and Risk Committee	Late November/Early December, 2021
Completion of interim audit work	Early December, 2021
Completion of year-end audit work	Early/Middle February, 2022
Completion and presentation of draft financial statements and management letter to the Audit and Risk Committee	Middle/Late February, 2022
Audit and Risk Committee meeting to review financial statements and the management letter	Late February/ Early March, 2022

Board meeting to review and approve final audited financial statements and management letter	Late March, 2022
Annual Public Meeting	June, 2022
Completion of the CRA not-for-profit return	June, 2022

The Auditor is expected to provide a management letter that identifies areas of concern or weaknesses found, recommendations for improvement, and management’s response on any concerns identified.

5.0 RFP Guidelines

5.1 Key RPRA Contact

Sajee Ranasinghe will be the sole RPRA contact for this project. Direct all inquiries related to this RFP to Sajee Ranasinghe. Contact information is as follows:

Sajee Ranasinghe:

Email: SRanasinghe@rpra.ca
cc:procurement@rpra.ca

Tel: 416-730-2304

5.2 Announcement of Intent to Respond

All vendors must indicate their intent to respond to RPRA by returning Appendix A: Announcement of Intent to Respond. This form must state whether you will or will not be responding to the RFP. Please complete and submit this form via e-mail to the key RPRA contact as noted above by 5.00 p.m. (EST) on June 10th, 2020.

Should you choose not to participate, please delete all electronic copies you have received.



APPENDIX A. Intent to Respond.pdf

5.3 RFP Timeline

All timelines shown are Eastern Standard Time (EST).

Milestone	Scheduled Date	Time
RFP Issuance	June 1st, 2020	11:00 a.m. EST

Milestone	Scheduled Date	Time
Intent to Respond Due	June 10th, 2020	No later than 5:00 p.m. EST
Final Date to Submit Vendor Questions via Email	June 19th, 2020	No later than 5:00 p.m. EST
RFP Response Due	July 6th, 2020	2.00 p.m. EST
Short List Vendors By	July 27 th , 2020	TBD
Vendor Presentations	Week of August 17 th , 2020	TBD
Selection of Firm	September 22 nd , 2020	TBD
Completion - Appointment of Audit Firm at Annual Meeting of the Board	Mid-Late June, 2021	TBD

RPRA reserves the right to modify the schedule as circumstances may warrant.

5.4 Complete Proposals

The requirements that each proponent must follow and include in its proposal submission are summarized in this document. The Authority reserves the right to determine, in its sole and unfettered discretion, whether any proposal meets the requirements. Proposals shall address all the requirements as outlined in this RFP in addition to any perceived or anticipated requirements determined by the Vendor.

Please note that any documents embedded within this RFP will also be provided as separate attachments within a zipped folder titled “External Audit RFP Attachments” for your reference.

5.5 Negotiation

RPRA reserves the right to negotiate with any or all Vendors, including those Vendors that have submitted a proposal that does not fully comply, either in material or non-material ways, with the RFP requirements.

5.6 RFP Questions and Answers

Each Vendor is solely responsible for ensuring that it has all information necessary to prepare its proposal and for independently verifying and informing itself with respect to any terms or conditions that may affect this proposal. All inquiries related to the RFP shall be directed to the contact(s) listed in section 5.1.

Vendors are given a specific timeline during the overall process for submitting questions regarding the RFP content and requirements. Vendors must complete the attached spreadsheet

(**QuestionLogTemplate.xls**) with any questions they have and submit the document by the deadline outlined in section 5.3.

Answers will be shared with all respondents to this RFP.

***Note: Please, do not call with questions, as they will not be answered by phone.**



Question Log
Template.xlsx

5.7 Acceptance of Proposal

RPRA reserves the right to reject any or all proposals or to accept the proposal(s) deemed most favourable to RPRA. All proposals must include a statement of authorization to submit a proposal signed by a principal of the Vendor.

Following the evaluation of the submitted proposals, RPRA may consider entering into negotiations for a contract with any prospective Vendor it believes best meets the needs and expectations and offers the best overall content and value. The solicitation of proposals does not in any way commit RPRA to accept any proposal or to commence negotiations with any Vendor, and the submission of a proposal does not constitute a legally binding agreement between the Authority and any Vendor.

RPRA reaffirms its right to make any selection it deems prudent and responding firms or individual participants acknowledge through their participation that such selection is not subject to protest or contest. The Authority is not bound to negotiate with the lowest cost or any Vendor.

RPRA reserves the right to:

- not award a contract as a result of this RFP;
- award contracts to one or more Vendors;
- modify the tasks based on negotiation with Vendors and/or reduce scope based on proposed costs or any other reason;
- award a contract to the same Vendor(s) or different Vendor(s) for multiple years.

6.0 Proposal Requirements

6.1 Declaration of No Conflict of Interest

The Vendor must declare any real, potential or apparent conflict on interest related to working on this project in their submission.

6.2 RFP Submissions

Submit an electronic copy of your proposal to the contact as indicated in section 5.1. All responses must be received on or before 2:00 p.m. EST on July 6th, 2020.

The Vendor's proposal **must** include and address the following:

- a) **An Executive Summary**

The Vendor shall provide an executive summary with its proposal. The executive summary shall briefly summarize the key aspects of the proposal and the primary contact person for the prospective Vendor.

b) Separate Submission of Technical and Cost Information

The Vendor must submit their proposal in two separate and distinct PDF electronic documents. One electronic document, to be marked "Technical", and the second electronic document, to be marked "Financial".

i. Technical Proposal:

The Technical proposal must include the following:

- Introduce the Audit firm and audit team, including the capability of the firm and team.
- Provide a statement declaring the Vendor has no conflict of interest.
- Provide a description of the Vendor's history, experience and recent relevant audits, ideally noting experience in not-for-profit, agencies and/or administrative authorities.
- Demonstrate understanding of the scope and complexity of the required work.
- Provide a description of Vendor's abilities related to audit services. Clearly outline if any services will be outsourced.
- Identify the person(s) who would be involved in the audit, their proposed role on the audit, and their experience and qualifications to fulfill that role.
- Describe any professional and technical services that will be called upon to assist in the audit.
- Indicate the Vendor's ability to meet the timelines as set out herein.
- Provide a detailed description of the Vendor's proposed audit strategy, its processes and deliverables.
- Provide a proposed timeline for each component of the audit services to be provided.
- Outline the methodology and approaches that would be used in carrying out the audit.
- Include a minimum of two (2) client references (names, phone numbers and email addresses) who may be contacted to confirm the satisfactory delivery of service by key team member(s) on previous assignments.
- Provide a description of any value-added services.

ii. Financial Proposal:

The financial proposal must include all Vendor costs associated with meeting all deliverables and requirements. Based on scope of work contained within the submitted proposal, the successful Vendor(s) will be expected to submit a detailed breakdown of all fees relative to the specific project components as well as related expenses for 2021. A tally of all costs will be provided as a total lump sum fee for 2021 and for years 2022-2024, if reappointed. Separate lump sum prices will be required for each of the four years.

Respondents may propose to invoice on an interim or final cost basis. Regardless of the method used, invoices must clearly identify the costs associated.

Mandatory Requirements Check

Submissions that do not include the mandatory information below may not be scored and can be rejected:

Mandatory Requirements	Requirement Met
1. Audit proposed work plan and timeline	
2. Audit methodology proposed to complete the audit	
3. A cost quotation that has all-inclusive costs for the proposed audit work which will be performed for the first fiscal year and for each of the subsequent three (3) years	
4. Costs identified in the proposal that clearly establish the basis of remuneration identifying both the hours of work and hourly rates for appropriate categories of audit staff and appropriate out-of-pocket expenses	
5. The extra cost if the Vendor is requested to prepare the financial statements on RPRA's behalf	

7.0 Evaluation Process and Criteria

The evaluation process to determine the successful Vendor(s) will involve both qualitative and quantitative elements. As a general framework, all proposals presented by Vendors will be evaluated in the context of the overall value that it brings to the initiative. While cost is a significant part of the evaluation criteria, it will not be the sole determinant. Proposals will be reviewed and ranked on the following criteria and scored out of a 100 point total as follows:

7.1 Technical and Financial Criteria

The Proposal will be reviewed and ranked on the following criteria as follows:

Technical Criteria:

The Technical criteria will be evaluated first. Vendors must achieve a rating of 75% or more (a score of 60 out of 80) on the Technical Criteria before the Authority will consider their Financial Criteria.

Technical Ranking Criteria	Percentage
Demonstrated understanding of project goals	10%
Approach and methodology	10%
Innovation and creativity in approach	15%
Qualifications of project team and firm's relevant experience	25%
Value added services	5%
Project timelines	15%
Total Technical	80%

Financial Criteria:

Only those proposals that have achieved a rating of 75% or over (a score of 60 out of 80) on their Technical Criteria will have their Financial Criteria evaluated.

Financial Ranking Criteria	Percentage
Total cost for audit services fiscal year 2021	10%
Total cost for audit services fiscal year 2022, 2023, 2024	10%
Total Financial	20%

Calculating the Total Cost Score

The lowest responsive financial offer will receive 20 full awarded points and other financial offers will be allocated points pro-rata to the extent they exceed the lowest responsive financial offer.

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