



REQUEST FOR PROPOSALS
FOR
EXTERNAL AUDIT SERVICES

Date Issued: April 30, 2010

Proposal Submission Deadline: 4:00 p.m. (Toronto time) on May 28, 2010

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PART 1– INTRODUCTION

1.1 Invitation to Proponents

This Request for Proposals ("**RFP**") is an invitation to prospective Proponents to submit Proposals for the provision of external financial audit services, as further described in Part 2 - The Deliverables (the "**Deliverables**"). This RFP is issued by the Ontario Power Authority (the "**OPA**").

1.2 RFP Not Tender

This RFP is not a tender call. This RFP does not commit the OPA in any way to select a Preferred Proponent, or to proceed to negotiations for an Agreement, or to award any Agreement, and the OPA reserves the complete right to, at any time reject all Proposals, and to terminate this RFP process. This RFP is not intended to create, and should not be construed as creating, contractual relations between the OPA and any Proponent.

1.3 Definitions

Unless otherwise specified in this RFP, capitalized words and phrases have the following meaning in this RFP.

"Agreement" means a formal written contract between the OPA and a Preferred Proponent for the delivery of the Deliverables.

"Conflict of Interest" includes, but is not limited to, any situation or circumstance where:

- (a) in relation to the RFP process, the Proponent has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage, including but not limited to (i) having or having access to information in the preparation of its Proposal that is confidential to the OPA and not available to other Proponents; (ii) communicating with any person with a view to influencing preferred treatment in the RFP process; or (iii) engaging in conduct that compromises or could be seen to compromise the integrity of the open and competitive RFP process and render that process non-competitive and unfair; or
- (b) in relation to the performance of its contractual obligations in an OPA contract, the Proponent's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of its contractual obligations.

"Deadline for Issuing Addenda" means the date specified as such in Section 5.1.1.

"Deliverables" has the meaning specified in Section 1.1.

"Delivery Address" means the address specified in Section 5.1.1.

"OPA" has the meaning specified in Section 1.1.

"OPA Contact" means the OPA representative identified in Section 1.4.

"Personal Information" means recorded information about an identifiable individual or that may identify an individual.

"Preferred Proponent" means the Proponent selected by the OPA to enter into negotiations for an Agreement.

"Proponent" means an entity that submits a Proposal.

"Proponent's Deadline for Questions" means the date specified as such in Section 5.1.1.

"Proposal" means a proposal submitted in response to this RFP.

"Proposal Submission Deadline" means the date specified as such in Section 5.1.1.

"Reference Form" means the Reference Form attached as Appendix B.

"Registration Form" means the Registration Form attached as Appendix A.

"RFP" has the meaning specified in Section 1.1.

"External Auditor" means the Preferred Proponent which ultimately executes an Agreement.

1.4 OPA Contact

Name: OPA Procurement Services

E-mail: opa.procurement@powerauthority.on.ca

[End of Part 1]

PART 2 - THE DELIVERABLES

2.1 Overview

This RFP is an invitation to prospective Proponents to submit Proposals for the provision of external financial audit services starting with the fiscal year ending December 31, 2010.. The OPA seeks to retain the Service Provider for a five-year period.

2.2 Description of Deliverables

The OPA expects that the external auditor would plan and execute the financial audit to obtain reasonable assurance about whether the annual financial statements present fairly the financial position of the OPA in accordance with the applicable financial reporting framework.

The successful proponent would be required to perform the following services:

1. conduct the audit on the OPA's annual financial statements in accordance with Canadian generally accepted auditing standards and/or Canadian Auditing Standards; the terms of the audit should be outlined in a formal Audit Engagement Letter before the commencement of the audit to help avoid misunderstanding with respect to the audit;
2. express an opinion on the financial statements; this should be communicated through the issuance of an Auditors' Report, due within 90 days after the December 31st year-end;
3. plan and perform the audit to obtain reasonable assurance the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with the financial reporting framework; audit field work should be completed within 60 days after the December 31st year-end.;
4. obtain knowledge of the OPA's current accounting system, identifying process improvements, and reporting inconsistencies due to or connected with the implementation of the new financial accounting system in January 2010 and to improve internal controls and the efficiency of the financial reporting process;
5. obtain an understanding of the OPA's internal control over financial reporting to identify types of potential misstatements, consider factors that affect the risks of material misstatements, and design the nature, timing and extent of further audit procedures;
6. examine, on a test basis, evidence supporting the amount and disclosures in the annual financial statements;
7. assess the accounting principles used and the application and significant estimates made by management, as well as evaluate the overall financial statements presentation;
8. maintain independence with respect to the OPA within the meaning of the Code of Ethics under which the OPA is governed;
9. communicate matters required by professional standards to the appropriate level of management including any misstatements resulting from error, other than trivial errors; any evidence obtained

that indicates an illegal act or possibly illegal act, other than one considered inconsequential, may have occurred; any material weaknesses in the OPA's internal control over financial reporting; and any fraud or any information obtained that indicates that a fraud may exist; this should be communicated through a formal Audit Findings Report;

10. communicate a summary of the audit approach as well as other matters required by professional standards to those with oversight responsibility for the financial reporting process; this should be communicated through a formal Audit Planning Report;
11. communicate ongoing changes to professional standards to the Audit Committee;
12. review the OPA's annual report (both English and French versions);
13. prepare federal and provincial income and other tax returns and supporting schedules for the OPA.

All of the work will take place at the OPA offices in Toronto.

2.3 Background

2.3.1 The Ontario Power Authority (OPA)

The OPA was established under the Electricity Act, 1998, S.O. 1998, c.15, Sched. A and began operations in January 2005. A not-for-profit corporation without share capital, the OPA reports to the Ontario Legislative Assembly through the Minister of Energy and is licensed and regulated by the Ontario Energy Board. The OPA's mandate is to ensure an adequate, long-term supply of electricity for Ontario.

The OPA currently reports under GAAP for the financial reporting period ending December 31, 2010. However, future reporting periods beginning January 1, 2011 would be reported under PSA Standards.

[End of Part 2]

PART 3 – PROPOSAL SUBMISSION REQUIREMENTS

3.1 Proposal Contents

Proponents are encouraged to submit Proposals that conform to the following section headings and requirements. Failure to conform may impair the Proposal review process, possibly to the detriment of the Proponent.

3.1.1 An "Introduction" giving a brief description of the Proponent's relevant experience, comments on the proposed scope of work, overall approach to the work and identification of any sub-consultants.

3.1.2 A "Project Management" section showing how the required Deliverables will be provided.

3.1.3 A "Fees and Costs" section showing fee arrangements and cost reimbursements, including, where appropriate, the person-hours and corresponding charge-out rate for each member of the team plus cost of disbursements such as travel, accommodations, printing of reports and long distance calls. The OPA will not pay or reimburse consultants for hospitality, food and incidental expenses and such items should not be included in submissions.

3.1.4 A "Subcontractor Section", if the Proponent is proposing to employ a sub-contractor, describing the Proponent's arrangements with the subcontractor and including a copy of the sub-contractor's Proposal to perform that portion of the work.

3.1.5 An "Experience Section" describing the Proponent's relevant experience, supported by illustrative material relating to past projects.

3.1.6 An "Appendix" showing the *curricula vitae* of professional staff of the Proponent and any sub-contractor.

3.1.7 A Registration Form (Appendix A), separate from the Proposal, signed by an authorized officer.

3.1.8 A Reference Form (Appendix B), separate from the Proposal, listing three persons for whom the Proponent has provided goods and/or services similar to the Deliverables within the past five years.

[End of Part 3]

PART 4 – EVALUATION OF PROPOSALS AND SELECTION

4.1 Stage I – Compliance with Submission Criteria

Stage I of the evaluation process will consist of a review to determine which Proposals comply with all of the submission criteria of this RFP. Proposals which do not comply with all of the submission criteria, may, subject to the express and implied rights of the OPA, be disqualified and not evaluated further.

Submission requirements, which Proponent are requested to provide in their Proposal, are listed below.

4.1.1 Registration Form (Appendix A)

Each Proposal should include a Registration Form completed and signed by the Proponent.

In addition to the other information and representations made by each Proponent in the Registration Form, each Proponent must declare whether it has an actual or potential Conflict of Interest.

If, at the sole and absolute discretion of the OPA, the Proponent is found to be in a Conflict of Interest, the OPA may disqualify the Proposal submitted by the Proponent.

The Proponent, by submitting the Proposal, warrants that to its best knowledge and belief no actual or potential Conflict of Interest exists with respect to the submission of the Proposal or performance of the contemplated Agreement other than those disclosed in the Registration Form. Where the OPA discovers a Proponent's failure to disclose all actual or potential Conflicts of Interest, the OPA may disqualify the Proponent or terminate any contract awarded to that Proponent pursuant to this procurement process.

4.1.2 Reference Form (Appendix B)

Each Proposal should include a Reference Form completed by the Proponent according to the instructions contained in that form. The name and telephone number of a contact person for each reference and a brief outline of the nature of the goods and/or services provided should be included.

The OPA, in its sole discretion, may confirm the Proponent's experience and/or ability to provide the Deliverables by checking the Proponent's references.

4.2 Stage II – General Criteria

Stage II of the evaluation process will consist of evaluating Proposals based on the following general criteria:

	CATEGORY
4.2.1	Experience, Skills and Qualifications: Experience, satisfactory performance on similar completed projects within Ontario's energy sector, including number, qualifications and relevant experience of personnel to be assigned to the proposed team.
4.2.2	Proposal: The depth and detail of the Proposal which indicates an understanding of the scope, size and complexity of the Deliverables.
4.2.3	Project Management: The proposed schedule for delivery of the Deliverables, management of the work, delegation of responsibility, work plans, cost control, reporting and quality control and subcontracting arrangements.
4.2.4	Fees and Costs: The Proponent's proposed fees and terms of payment. This should include a comprehensive and detailed line-item budget showing costs of the sample services, as well as the hourly rates of personnel to be involved. All assumptions made in preparing the budget, should be listed.
4.2.5	Sector Experience: Experience with the electricity sector and/or energy sector in Ontario and/or in other jurisdictions. Experience serving public-sector clients.

The OPA will not be limited to the criteria referred to above, and the OPA may consider other criteria that the OPA identifies as relevant during the evaluation process. The OPA may apply the evaluation criteria on a comparative basis, evaluating the Proposals by comparing one Proponent's Proposal to another Proponent's Proposal. All criteria considered will be applied evenly and fairly to all Proposals.

The OPA reserves the right and discretion to divide up the Deliverables, either by scope, geographic area, or other basis as the OPA may decide, and to select one or more Preferred Proponents to enter into discussion with the OPA for one or more Agreements to perform a portion or portions of the Deliverables. If the OPA exercises its discretion to divide up the Deliverables, the OPA will do so reasonably having regard for the RFP and the basis of Proposals.

In addition to any other provision of this RFP, Proposals may be evaluated on the basis of advantages and disadvantages to the OPA that might result or be achieved from the OPA dividing up the Deliverables and entering into one or more Agreements with one or more Proponents.

4.3 Stage III – Short List and Further Evaluation

The OPA may, in its sole and absolute discretion, short list one or more Proponents for further evaluation, including by way of interview, presentation and/or demonstration.

4.4 Stage IV – Selection of Preferred Proponent

At the conclusion of Stage III, a Preferred Proponent or Preferred Proponents may be selected.

4.5 Stage V – Negotiation of Agreement(s) and Award

If the OPA selects a Preferred Proponent or Preferred Proponents, then it may:

- (a) enter into an Agreement with the Preferred Proponent(s); or
- (b) enter into discussions with the Preferred Proponent(s) to clarify any outstanding issues and attempt to finalize the terms of the Agreement(s), including financial terms. If discussions are successful, the OPA and the Preferred Proponent(s) will finalize the Agreement(s); or
- (c) if at any time the OPA reasonably forms the opinion that a mutually acceptable Agreement is not likely to be reached within a reasonable time, give the Preferred Proponent(s) written notice to terminate discussions, in which event the OPA may then either open discussions with another Proponent or terminate the RFP and retain or obtain the Deliverables in some other manner.

[End of Part 4]

PART 5- TERMS AND CONDITIONS OF THE RFP PROCESS

5.1 General Information and Instructions

5.1.1 Timetable

The following is the schedule for this RFP:

Issue Date of RFP	April 30, 2010
Proponents' Deadline for Questions	4:00 p.m. (Toronto Time) on May 14, 2010
Posting of responses to Questions	May 21, 2010
Deadline for Issuing Addenda	May 21, 2010
Proposal Submission Deadline	4:00 p.m. (Toronto time) on May 28, 2010

The RFP timetable is tentative only and may be changed by the OPA in its sole discretion.

5.1.2 Proponents to Follow Instructions

Proponents should structure their Proposals in accordance with the instructions in this RFP. Where information is requested in this RFP, any response made in a Proposal should reference the applicable section numbers of this RFP where that request was made.

5.1.3 Proposals in English

All Proposals should be in English only. Any Proposals received by the OPA that are not entirely in the English language may be disqualified.

5.1.4 OPA's Information in RFP Only an Estimate

The OPA and its advisors make no representation, warranty or guarantee as to the accuracy of the information contained in this RFP or issued by way of addenda. Any quantities shown or data contained in this RFP or provided by way of addenda are estimates only and are for the sole purpose of indicating to Proponents the general size of the work.

It is the Proponent's responsibility to avail itself of all the necessary information to prepare a Proposal in response to this RFP.

5.1.5 Proponents Shall Bear Their Own Costs

The Proponent shall bear all costs associated with or incurred in the preparation and presentation of its Proposal including, if applicable, costs incurred for interviews, presentations or demonstrations.

5.2 Communication After Issuance of RFP

5.2.1 Proponents to Review RFP

Proponents are advised to examine all of the documents comprising this RFP and:

- (a) are requested to report any errors, omissions or ambiguities; and
- (b) may direct questions or seek additional information,

in writing by e-mail on or before the Proponents' Deadline for Questions to the OPA Contact. All questions submitted by Proponents by e-mail to the OPA Contact shall be deemed to be received once the e-mail has entered into the OPA Contact's e-mail inbox. No such communications should be directed to anyone other than the OPA Contact.

It is the responsibility of the Proponent to seek clarification from the OPA Contact on any matter it considers to be unclear. The OPA shall not be responsible for any misunderstanding on the part of the Proponent concerning this RFP or its process.

The OPA is under no obligation to provide additional information but may do so at its sole discretion.

To ensure consistency and quality of information provided to Proponents, the OPA will collect all enquiries and respond to all enquiries by way of a written response which will be communicated to all Proponents, either by (a) posting on the OPA website and on any other site on which this RFP was posted, or (b) email or facsimile if the RFP was not posted, on the date specified in Section 5.1.1, without revealing the sources of the inquiries.

5.2.2 All New Information to Proponents by way of Addenda

This RFP will only be amended by an addendum in accordance with this section. If the OPA, for any reason, determines that it is necessary to provide additional information (including responses to questions) relating to this RFP, such information will be communicated to all Proponents by addenda either (a) posted on the OPA website and on any other site on which this RFP was posted, or (b) emailed or transmitted by facsimile if the RFP was not posted, by the date specified in Section 5.1.1.

Each addendum shall form an integral part of this RFP.

Such addenda may contain important information including significant changes to this RFP. Proponents are responsible for obtaining all addenda issued by the OPA.

5.2.3 Post-Deadline Addenda and Extension of Proposal Submission Deadline

If any addendum is issued after the Deadline for Issuing Addenda, the OPA may at its discretion extend the Proposal Submission Deadline for a reasonable amount of time.

5.3 Submission of Proposals

5.3.1 Proposals Submitted Only in Prescribed Manner

Proposals should be submitted by the following method:

A Proponent should submit one original of the Proposal, with the Registration Form signed by an authorized representative of the Proponent, (prominently marked "Original"), three (3) hard copies of the Proposal and one (1) electronic copy of the Proposal in Microsoft Word format on CD-ROM of its Proposal in a sealed package to:

RFP – External Audit Services
Ontario Power Authority
120 Adelaide Street West
Suite 1600
Toronto, Ontario M5H 1T1
Attention: OPA Procurement Services

In the event of a conflict or inconsistency between the hard copy and the electronic copy of the Proposal, the hard copy of the Proposal shall prevail.

5.3.2 Proposals Should Be Submitted On Time at Prescribed Location

Proposals should be submitted at the location set out above on or before the Proposal Submission Deadline. Proposals submitted to another location or after the Proposal Submission Deadline will be deemed late and may be disqualified. For the purpose of calculating time, the OPA clock at the prescribed location for submission will be used.

5.3.3 Amending or Withdrawing Proposals Prior to Proposal Submission Deadline

At any time prior to the Proposal Submission Deadline, a Proponent may amend or withdraw a submitted Proposal. The right of Proponents to amend or withdraw includes amendments or withdrawals wholly initiated by Proponents and amendments or withdrawals in response to subsequent information provided by addenda.

Any amendment should clearly indicate what part of the Proposal the amendment is intending to replace.

A notice of amendment or withdrawal should be sent to the Delivery Address prior to the Proposal Submission Deadline and should be signed by an authorized representative.

The OPA is under no obligation to return amended or withdrawn Proposals.

5.3.4 Proposal Not to be Amended after Proposal Submission Deadline

Proposals may not be amended following the Proposal Submission Deadline.

5.3.5 No Incorporation by Reference by Proponent

The entire content of the Proponent's Proposal should be submitted in a fixed form and the content of web sites or other external documents referred to in the Proponent's Proposal will not be considered to form part of its Proposal.

5.3.6 OPA May Contact Proponent for Clarification

The OPA may contact the Proponent to request clarification (or the submission of supplementary written information in relation thereto) with respect to the Proposal and incorporate a Proponent's response to the request for clarification into the Proponent's Proposal.

5.3.7 Proposal to be Retained by the OPA

The OPA will not return the Proposal or any accompanying documentation submitted by a Proponent.

5.4 Notification of Outcome

5.4.1 Notification to Proponents of Outcome of Procurement Process

Once the Preferred Proponent(s) and the OPA execute the Agreement, the other Proponents will be notified by the OPA in writing of the outcome of the procurement process, including the name of the Preferred Proponent(s).

5.5 General Guidelines

5.5.1 Prohibited Proponent Communications

The Proponents shall not engage in any communication which would constitute or create a Conflict of Interest and should take note of the Conflict of Interest declaration set out in the Registration Form.

Communication by a Proponent with any OPA representative other than the OPA Contact may result in disqualification of the Proponent's Proposal.

5.5.2 Proponent Not to Communicate With Media

A Proponent should not at any time directly or indirectly communicate with the media in relation to this RFP or any contract awarded pursuant to this RFP without first obtaining the written permission of the OPA Contact.

5.5.3 Freedom of Information and Protection of Privacy Act

The *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31, as amended, applies to information provided to the OPA by a Proponent. Subject to Section 5.6.1(a), a Proponent should identify any information in its Proposal or any accompanying documentation which is supplied in confidence and for which confidentiality is to be maintained by the OPA. The confidentiality of such information will be maintained by the OPA, except as otherwise required by law or by order of a court or tribunal. Proponents are advised that their Proposals will, as necessary, be disclosed on a confidential basis, to the OPA's advisers retained for the purpose of evaluating or participating in the evaluation of their Proposals.

By submitting any Personal Information requested in this RFP, Proponents are agreeing to the use of such information as part of the evaluation process, for any audit of this procurement process and for contract management purposes.

5.5.4 Make Public Proponent Names

The OPA may make public the names of any or all Proponents.

5.5.5 Acceptance of Non-Compliant Proposals

The OPA may accept Proposals which do not comply with the requirements of this RFP.

5.5.6 No Contract

By submitting a Proposal and participating in the process as outlined in this RFP, Proponents expressly agree that no contract or agreement of any kind is formed under, or arises from, this RFP, prior to the signing of a formal written Agreement.

5.5.7 Governing Law of RFP Process

This RFP process shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[End of Part 5]

APPENDIX A – REGISTRATION FORM

TO : Ontario Power Authority
FROM : [Insert Name of Proponent]
RE : RFP - External Audit Services

1. PROPONENT INFORMATION

- (a) The full legal name of the Proponent is:

- (b) Any other relevant name under which the Proponent carries on business is:

- (c) The jurisdiction under which the Proponent is governed is:

- (d) The name, address, telephone, facsimile number and e-mail address of the contact person for the Proponent is:

- (e) Whether the Proponent is an individual, a sole proprietorship, a corporation, a partnership, a joint venture, an incorporated consortium or a consortium that is a partnership or other legally recognized entity:

2. NOT A TENDER

The Proponent has carefully examined the RFP documents and has a clear and comprehensive knowledge of the Deliverables required under the RFP. By submitting the Proposal, the Proponent confirms its understanding that the RFP is not a tender call and that no contractual relations are created between the OPA and the Proponent as a result of the RFP or the submission of the Proposal.

3. ADDENDA

The Proponent confirms that it has read and accepted all addenda issued by the OPA prior to the Deadline for Issuing Addenda. The onus remains on the Proponent to make any necessary amendments to its Proposal based on the addenda.

4. CONFLICT OF INTEREST

Prior to completing this portion of the Registration Form, Proponents should refer to the definition of Conflict of Interest set out in the RFP.

If the box below is left blank, the Proponent will be deemed to declare that: (1) there was no Conflict of Interest in preparing its Proposal; and (2) there is no foreseeable Conflict of Interest in performing the contractual obligations contemplated in the RFP. Otherwise, if the statement below applies, check the box.

- ☐ The Proponent declares that there is an actual or potential Conflict of Interest relating to the preparation of its Proposal, and/or the Proponent foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the RFP.

If the Proponent declares an actual or potential Conflict of Interest by marking the box above, the Proponent must set out below details of the actual or potential Conflict of Interest:

5. DISCLOSURE OF INFORMATION

The Proponent hereby agrees that any information provided in this Proposal, even if it is identified as being supplied in confidence, may be disclosed where required by law or if required by order of a court or tribunal. The Proponent hereby consents to the disclosure, on a confidential basis, of this Proposal by the OPA to the OPA's advisers retained for the purpose of evaluating or participating in the evaluation of this Proposal.

[Insert Name of Proponent]

Signature of Proponent's Representative

Name and Title : _____

Date : _____

APPENDIX B – REFERENCE FORM

Each Proponent is requested to provide three references from clients who have obtained similar goods or services from the Proponent in the last five years as those requested in this RFP.

Reference #1

Company Name	:	
Company Address	:	
Contact Name	:	
Contact Telephone Number	:	
Date Work Undertaken	:	
Nature of Assignment	:	

Reference #2

Company Name	:	
Company Address	:	
Contact Name	:	
Contact Telephone Number	:	
Date Work Undertaken	:	
Nature of Assignment	:	

Reference #3

Company Name	:	
Company Address	:	
Contact Name	:	
Contact Telephone Number	:	
Date Work Undertaken	:	
Nature of Assignment	:	