



THE CITY OF WINNIPEG

REQUEST FOR PROPOSAL

RFP NO. 57-2017

**REQUEST FOR PROPOSAL FOR DEVELOPMENT OF A CONTINUOUS
MONITORING PROGRAM FOR A PEOPLESOFT FINANCIAL SYSTEM**

Proposals shall be submitted to:

**The City of Winnipeg
Corporate Finance Department
Materials Management Division
185 King Street, Main Floor
Winnipeg MB R3B 1J1**

TABLE OF CONTENTS

PART A - PROPOSAL SUBMISSION

Form A: Proposal	1
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PART B - BIDDING PROCEDURES

B1. Contract Title	1
B2. Submission Deadline	1
B3. Enquiries	1
B4. Confidentiality	1
B5. Addenda	2
B6. Proposal Submission	2
B7. Proposal (Section A)	3
B8. Fees (Section B)	3
B9. Experience of Proponent and Subconsultants (Section C)	4
B10. Experience of ALL Personnel Assigned to the Project (Section D)	4
B11. Project Understanding and Methodology (Section E)	5
B12. Project Schedule (Section F)	5
B13. Disclosure	5
B14. Qualification	6
B15. Opening of Proposals and Release of Information	6
B16. Irrevocable Offer	7
B17. Withdrawal of Offers	7
B18. Interviews	7
B19. Negotiations	7
B20. Evaluation of Proposals	8
B21. Award of Contract	8

PART C - GENERAL CONDITIONS

C0. General Conditions	1
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PART D - SUPPLEMENTAL CONDITIONS

General

D1. General Conditions	1
D2. Project Manager	1
D3. Background	1
D4. Scope of Services	2
D5. Ownership of Information, Confidentiality and Non Disclosure	3

Submissions

D6. Authority to Carry on Business	4
D7. Insurance	4

Schedule of Services

D8. Commencement	5
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PART B - BIDDING PROCEDURES

B1. CONTRACT TITLE

B1.1 REQUEST FOR PROPOSAL FOR DEVELOPMENT OF A CONTINUOUS MONITORING PROGRAM FOR A PEOPLESOFT FINANCIAL SYSTEM

B2. SUBMISSION DEADLINE

B2.1 The Submission Deadline is 12:00 noon Winnipeg time, March 16, 2017.

B2.2 Proposals determined by the Manager of Materials to have been received later than the Submission Deadline will not be accepted and will be returned upon request.

B2.3 The Project Manager or the Manager of Materials may extend the Submission Deadline by issuing an addendum at any time prior to the time and date specified in B2.1.

B3. ENQUIRIES

B3.1 All enquiries shall be directed to the Project Manager identified in D2.

B3.2 If the Proponent finds errors, discrepancies or omissions in the Request for Proposal, or is unsure of the meaning or intent of any provision therein, the Proponent shall promptly notify the Project Manager of the error, discrepancy or omission at least five (5) Business Days prior to the Submission Deadline.

B3.3 If the Proponent is unsure of the meaning or intent of any provision therein, the Proponent should request clarification as to the meaning or intent prior to the Submission Deadline.

B3.4 Responses to enquiries which, in the sole judgment of the Project Manager, require a correction to or a clarification of the Request for Proposal will be provided by the Project Manager to all Proponents by issuing an addendum.

B3.5 Responses to enquiries which, in the sole judgment of the Project Manager, do not require a correction to or a clarification of the Request for Proposal will be provided by the Project Manager only to the Proponent who made the enquiry.

B3.6 All correspondence or contact by Proponents with the City in respect of this RFP must be directly and only with the City's Project Manager. Failure to restrict correspondence and contact to the Project Manager may result in the rejection of the Proponents Proposal Submission.

B3.7 The Proponent shall not be entitled to rely on any response or interpretation received pursuant to B3 unless that response or interpretation is provided by the Project Manager in writing.

B4. CONFIDENTIALITY

B4.1 Information provided to a Proponent by the City or acquired by a Proponent by way of further enquiries or through investigation is confidential. Such information shall not be used or disclosed in any way without the prior written authorization of the Project Manager. The use and disclosure of the confidential information shall not apply to information which:

- (a) was known to the Proponent before receipt hereof; or
- (b) becomes publicly known other than through the Proponent; or
- (c) is disclosed pursuant to the requirements of a governmental authority or judicial order.

B4.2 The Proponent shall not make any statement of fact or opinion regarding any aspect of the Request for Proposals to the media or any member of the public without the prior written authorization of the Project Manager.

B5. ADDENDA

- B5.1 The Project Manager may, at any time prior to the Submission Deadline, issue addenda correcting errors, discrepancies or omissions in the Request for Proposal, or clarifying the meaning or intent of any provision therein.
- B5.2 The Project Manager will issue each addendum at least two (2) Business Days prior to the Submission Deadline, or provide at least two (2) Business Days by extending the Submission Deadline.
- B5.2.1 Addenda will be available on the Bid Opportunities page at The City of Winnipeg, Corporate Finance, Materials Management Division website at <http://www.winnipeg.ca/matmgt/bidopp.asp>
- B5.2.2 The Proponent is responsible for ensuring that he/she has received all addenda and is advised to check the Materials Management Division website for addenda regularly and shortly before the Submission Deadline, as may be amended by addendum.
- B5.3 The Proponent shall acknowledge receipt of each addendum in Paragraph 9 of Form A: Proposal. Failure to acknowledge receipt of an addendum may render a Proposal non-responsive.

B6. PROPOSAL SUBMISSION

- B6.1 The Proposal shall consist of the following components:
- (a) Form A: Proposal (Section A) in accordance with B7; and
 - (b) Fees (Section B) in accordance with B8.
- B6.2 The Proposal should also consist of the following components:
- (a) Experience of Proponent and Subconsultants (Section C) in accordance with B9;
 - (b) Experience of All Personnel Assigned to the Project (Section D), in accordance with B10;
 - (c) Project Understanding and Methodology (Section E) in accordance with B10.3(a); and
 - (d) Project Schedule (Section F) in accordance with B12.
- B6.3 Further to B6.1 all components of the Proposal shall be fully completed or provided in the order indicated, and submitted by the Proponent no later than the Submission Deadline, with all required entries made clearly and completely, to constitute a responsive Proposal.
- B6.4 Further to B6.2, all components of the Proposal should be fully completed or provided in the order indicated, and submitted by the Proponent no later than the Submission Deadline, with all required entries made clearly and completely, to constitute a responsive Proposal.
- B6.5 Proponents should submit one (1) unbound 8.5" x 11" original (marked "original") including drawings and four (4) copies (copies can be in any size format) for sections identified in B6.1 and B6.2.
- B6.6 Proposal format, including type of binding, number of pages, size of pages and, font, etc., will not be regulated, except that the Proposal should contain a table of contents, page numbering and should be in the Sections identified above. Proponents are encouraged to use their creativity to submit a Proposal which provides the requested information for evaluation and other information which illustrates the strength of their team.
- B6.7 Proponents are advised that inclusion of terms and conditions inconsistent with the Request for Proposal, will be evaluated in accordance with B20.1(a).
- B6.8 The Proposal shall be submitted enclosed and sealed in an envelope/package clearly marked with the RFP number and the Proponent's name and address.

B6.9 Proposals submitted by facsimile transmission (fax) or internet electronic mail (e-mail) will not be accepted.

B6.10 Proposals shall be submitted to:

The City of Winnipeg
Corporate Finance Department
Materials Management Division
185 King Street, Main Floor
Winnipeg MB R3B 1J1

B6.11 Any cost or expense incurred by the Proponent that is associated with the preparation of the Proposal shall be borne solely by the Proponent.

B7. PROPOSAL (SECTION A)

B7.1 The Proponent shall complete Form A: Proposal, making all required entries.

B7.2 Paragraph 2 of Form A: Proposal shall be completed in accordance with the following requirements:

- (a) if the Proponent is a sole proprietor carrying on business in his/her own name, his/her name shall be inserted;
- (b) if the Proponent is a partnership, the full name of the partnership shall be inserted;
- (c) if the Proponent is a corporation, the full name of the corporation shall be inserted;
- (d) if the Proponent is carrying on business under a name other than his/her own, the business name and the name of every partner or corporation who is the owner of such business name shall be inserted.

B7.2.1 If a Proposal is submitted jointly by two or more persons, each and all such persons shall identify themselves in accordance with B7.2.

B7.3 In Paragraph 3 of Form A: Proposal, the Proponent shall identify a contact person who is authorized to represent the Proponent for purposes of the Proposal.

B7.4 Paragraph 11 of Form A: Proposal shall be signed in accordance with the following requirements:

- (a) if the Proponent is a sole proprietor carrying on business in his/her own name, it shall be signed by the Proponent;
- (b) if the Proponent is a partnership, it shall be signed by the partner or partners who have authority to sign for the partnership;
- (c) if the Proponent is a corporation, it shall be signed by its duly authorized officer or officers and the corporate seal, if the corporation has one, should be affixed;
- (d) if the Proponent is carrying on business under a name other than his/her own, it shall be signed by the registered owner of the business name, or by the registered owner's authorized officials if the owner is a partnership or a corporation.

B7.4.1 The name and official capacity of all individuals signing Form A: Proposal should be printed below such signatures.

B7.5 If a Proposal is submitted jointly by two or more persons, the word "Proponent" shall mean each and all such persons, and the undertakings, covenants and obligations of such joint Proponents in the Proposal and the Contract, when awarded, shall be both joint and several.

B8. FEES (SECTION B)

B8.1 The Proposal shall include a Fixed Fee for all disciplines and/or phases identified in D3.1 Scope of Services.

B8.2 Adjustments to Fees will only be considered based on increases to the Scope of Services.

B8.2.1 The City will not consider an adjustment to the Fees based on changes in the Project budget.

B8.3 Notwithstanding C1.1(b), Fees shall include costs for out of town travel, related meals and accommodations for the duration of the Project and shall not be considered an Allowable Disbursement.

B8.4 The Fee Proposal shall also include an allowance for Allowable Disbursements as defined in C1.1(b).

B8.5 Notwithstanding C10.1, Fees submitted shall not include the Goods and Services Tax (GST) or Manitoba Retail Sales Tax (MRST, also known as PST), which shall be extra where applicable.

B8.6 Payments to Non-Resident Consultants are subject to Non-Resident Withholding Tax pursuant to the Income Tax Act (Canada).

B9. EXPERIENCE OF PROPONENT AND SUBCONSULTANTS (SECTION C)

B9.1 Proposals should include:

- (a) details demonstrating the history and experience of the Proponent and Sub consultants in providing services on up to three projects focused on the development of Continuous Monitoring Programs for a PeopleSoft financial system in an organization of similar size, complexity, scope and value.

B9.2 For each project listed in B9.1(a), the Proponent should submit:

- (a) description of the project;
- (b) role of the consultant;
- (c) firm size and number of employees;
- (d) number of transactions and dollar value of transactions;
- (e) examples of continuous monitoring controls implemented and the PeopleSoft financial modules affected;
- (f) project's original contracted cost and final cost (if this information is confidential, please provide a dollar range e.g. \$0 – 100,000, \$101,000 – 250,000, etc.);
- (g) estimate of return on investment or benefits identified as a result of the value derived;
- (h) design and schedule (anticipated Project schedule and actual project delivery schedule, showing design separately);
- (i) project owner; and
- (j) reference information (two current names with telephone numbers per project).

B9.2.1 Where applicable, information should be separated into Proponent and Subconsultant project listings.

B9.3 The Proposal should include general firm profile information, including years in business, average volume of work, number of employees and other pertinent information for the Proponent and all Subconsultants.

B10. EXPERIENCE OF ALL PERSONNEL ASSIGNED TO THE PROJECT (SECTION D)

B10.1 Describe your approach to overall team formation and coordination of team members.

B10.1.1 Include an organizational chart for the Project.

B10.2 Submit the experience and qualifications of all Personnel assigned to the Project for projects focused on the development of Continuous Monitoring Programs for a PeopleSoft financial

system in an organization of similar size, complexity, scope and value. Include educational background and degrees, professional recognition, job title, years of experience in current position, years of experience in design and years of experience with existing employer. Roles of each Personnel in the Project should be identified in the organizational chart referred to in B10.1.1.

B10.3 For each person identified, list at least two comparable projects in which they have played a primary role. If a project selected is included in B9, provide only the project name and the role of the person. For other projects provide the following:

- (a) Description of project;
- (b) Role of the person;
- (c) Firm size and number of employees;
- (d) Number of transactions and dollar value of transactions;
- (e) Examples of continuous monitoring controls implemented and the PeopleSoft financial modules affected;
- (f) Estimate of return on investment or benefits identified as a result of the value derived;
- (g) Project Owner; and
- (h) Reference information (two current names with telephone numbers per project).

B11. PROJECT UNDERSTANDING AND METHODOLOGY (SECTION E)

B11.1 Describe your firm's project management approach and team organization during the performance of Services, so that the evaluation committee has a clear understanding of the methods the Proponent will use in the delivery of this Project.

B11.2 Methodology should be presented in accordance with the Scope of Services identified in D3.1.

B11.3 Describe the collaborative process/method to be used by All Personnel of the team in the various phases of the Project.

B11.4 Proposals should address:

- (a) the team's understanding of the broad functional and technical requirements;
- (b) the proposed Project budget;
- (c) the City's Project methodology with respect to the information provided within this RFP; and
- (d) any other issue that conveys your team's understanding of the Project requirements.

B11.5 For each person identified in B10.2, list the estimated hours, by work activity and in total, including hourly rates, to be dedicated to the Project in accordance with the Scope of Services identified in D3.1. Time estimates should include all staff associated with the project including survey, research, drafting, clerical and any other support staff. Hourly rates are not required for staff not identified in B10.2.

B12. PROJECT SCHEDULE (SECTION F)

B12.1 Proponents should present a carefully considered Critical Path Method schedule using Microsoft Project or similar project management software, complete with resource assignments (all personnel), durations (weekly timescale) and milestone dates or events. The schedule should address each requirement of the Scope of Services.

B13. DISCLOSURE

B13.1 Various Persons provided information or services with respect to this Work. In the City's opinion, this relationship or association does not create a conflict of interest because of this full

disclosure. Where applicable, additional material available as a result of contact with these Persons is listed below.

B13.2 The Persons are:

(a) N/A

B14. QUALIFICATION

B14.1 The Proponent shall:

- (a) undertake to be in good standing under The Corporations Act (Manitoba), or properly registered under The Business Names Registration Act (Manitoba), or otherwise properly registered, licensed or permitted by law to carry on business in Manitoba, or if the Proponent does not carry on business in Manitoba, in the jurisdiction where the Proponent does carry on business; and
- (b) be financially capable of carrying out the terms of the Contract;
- (c) have all the necessary experience, capital, organization, and equipment to perform the Services in strict accordance with the terms and provisions of the Contract;

B14.2 The Proponent and any proposed Subconsultant (for the portion of the Services proposed to be subcontracted to them) shall:

- (a) be responsible and not be suspended, debarred or in default of any obligations to the City. A list of suspended or debarred individuals and companies is available on the Information Connection page at The City of Winnipeg, Corporate Finance, Materials Management Division website at <http://www.winnipeg.ca/matmgt/debar.stm>

B14.3 The Proponent and/or any proposed Subconsultant (for the portion of the Services proposed to be subcontracted to them) shall:

- (a) be fully capable of performing the Services required to be in strict accordance with the terms and provisions of the Contract; and
- (b) undertake to meet all licensing and regulatory requirements of the appropriate governing authorities and associations in the Province of Manitoba.

B14.4 The Proponent shall submit, within three (3) Business Days of a request by the Project Manager, further proof satisfactory to the Project Manager of the qualifications of the Proponent and of any proposed Subconsultant.

B15. OPENING OF PROPOSALS AND RELEASE OF INFORMATION

B15.1 Proposals will not be opened publicly.

B15.2 After award of Contract, the names of the Proponents and the Contract amount of the successful Proponent will be available on the Closed Bid Opportunities (or Public/Posted Opening & Award Results) page at The City of Winnipeg, Corporate Finance, Materials Management Division website at <http://www.winnipeg.ca/matmgt/>

B15.3 To the extent permitted, the City shall treat all Proposal Submissions as confidential, however the Proponent is advised any information contained in any Proposal Submission may be released if required by The Freedom of Information and Protection of Privacy Act (Manitoba), by other authorities having jurisdiction, or by law or by City policy or procedures (which may include access by members of City Council).

B15.4 Following the award of Contract, a Proponent will be provided with information related to the evaluation of his/her submission upon written request to the Project Manager.

B16. IRREVOCABLE OFFER

- B16.1 The Proposal(s) submitted by the Proponent shall be irrevocable for the time period specified in Paragraph 10 of Form A: Proposal.
- B16.2 The acceptance by the City of any Proposal shall not release the Proposals of the other responsive Proponents and these Proponents shall be bound by their offers on such Work until a Contract for the Work has been duly executed and the performance security furnished as herein provided, but any offer shall be deemed to have lapsed unless accepted within the time period specified in Paragraph 10 of Form A: Proposal.

B17. WITHDRAWAL OF OFFERS

- B17.1 A Proponent may withdraw his/her Proposal without penalty by giving written notice to the Manager of Materials at any time prior to the Submission Deadline.
- B17.1.1 The time and date of receipt of any notice withdrawing a Proposal shall be the time and date of receipt as determined by the Manager of Materials.
- B17.1.2 The City will assume that any one of the contact persons named in Paragraph 3 of Form A: Proposal or the Proponent's authorized representatives named in Paragraph 11 of Form A: Proposal, and only such person, has authority to give notice of withdrawal.
- B17.1.3 If a Proponent gives notice of withdrawal prior to the Submission Deadline, the Manager of Materials will:
- (a) retain the Proposal until after the Submission Deadline has elapsed;
 - (b) open the Proposal to identify the contact person named in Paragraph 3 of Form A: Proposal and the Proponent's authorized representatives named in Paragraph 11 of Form A: Proposal; and
 - (c) if the notice has been given by any one of the persons specified in B17.1.3(b), declare the Proposal withdrawn.
- B17.2 A Proponent who withdraws its Proposal after the Submission Deadline but before its offer has been released or has lapsed as provided for in B16.2 shall be liable for such damages as are imposed upon the Proponent by law and subject to such sanctions as the Chief Administrative Officer considers appropriate in the circumstances. The City, in such event, shall be entitled to all rights and remedies available to it at law.

B18. INTERVIEWS

- B18.1 The Project Manager may, in his/her sole discretion, interview Proponents during the evaluation process.

B19. NEGOTIATIONS

- B19.1 The City reserves the right to negotiate details of the Contract with any Proponent. Proponents are advised to present their best offer, not a starting point for negotiations in their Proposal Submission.
- B19.2 The City may negotiate with the Proponents submitting, in the City's opinion, the most advantageous Proposals. The City may enter into negotiations with one or more Proponents without being obligated to offer the same opportunity to any other Proponents. Negotiations may be concurrent and will involve each Proponent individually. The City shall incur no liability to any Proponent as a result of such negotiations.
- B19.3 If, in the course of negotiations pursuant to B19.2 or otherwise, the Proponent amends or modifies a Proposal after the Submission Deadline, the City may consider the amended Proposal as an alternative to the Proposal already submitted without releasing the Proponent from the Proposal as originally submitted.

B20. EVALUATION OF PROPOSALS

B20.1 Award of the Contract shall be based on the following evaluation criteria:

- (a) compliance by the Proponent with the requirements of the Request for Proposal or acceptable deviation therefrom: (pass/fail)
- (b) qualifications of the Proponent and the Subconsultants, if any, pursuant to B14: (pass/fail)
- (c) Fees; (Section B) 40%
- (d) Experience of Proponent and Subconsultant; (Section C) 15%
- (e) Experience of All Personnel Assigned to the Project; (Section D) 20%
- (f) Project Understanding and Methodology (Section E) 15%
- (g) Project Schedule (Section F) 10%

B20.2 Further to B20.1(a), the Award Authority may reject a Proposal as being non-responsive if the Proposal Submission is incomplete, obscure or conditional, or contains additions, deletions, alterations or other irregularities. The Award Authority may reject all or any part of any Proposal, or waive technical requirements or minor informalities or irregularities if the interests of the City so require.

B20.3 Further to B20.1(b), the Award Authority shall reject any Proposal submitted by a Proponent who does not demonstrate, in its Proposal or in other information required to be submitted, that it is responsible and qualified.

B20.4 Further to B20.1(c), Fees will be evaluated based on Fees submitted in accordance with B8.

B20.5 Further to B20.1(d), Experience of Proponent and Subconsultants will be evaluated considering the experience of the organization on projects of similar size and complexity as well as other information requested.

B20.6 Further to B20.1(e), Experience of All Personnel Assigned to the Project will be evaluated considering the experience and qualifications of All Personnel and Subconsultant personnel on Projects of comparable size and complexity.

B20.7 Further to B20.1(f), Project Understanding and Methodology will be evaluated considering your firm's understanding of the City's Project, project management approach and team organization.

B20.8 Further to B20.1(g), Project Schedule will be evaluated considering the Proponent's ability to comply with the requirements of the Project.

B20.9 Notwithstanding B20.1(d) to B20.1(g), where Proponents fail to provide a response to B6.2(a) to B6.2(d), the score of zero may be assigned to the incomplete part of the response.

B20.10 Proposals will be evaluated considering the information in the Proposal Submission and any interviews held in accordance with B18.

B21. AWARD OF CONTRACT

B21.1 The City will give notice of the award of the Contract, or will give notice that no award will be made.

B21.2 The City will have no obligation to award a Contract to a Proponent, even though one or all of the Proponents are determined to be responsible and qualified, and the Proposals are determined to be responsive.

B21.2.1 Without limiting the generality of B21.2, the City will have no obligation to award a Contract where:

- (a) the prices exceed the available City funds for the Services;

- (b) the prices are materially in excess of the prices received for similar services in the past;
- (c) the prices are materially in excess of the City's cost to perform the Services, or a significant portion thereof, with its own forces;
- (d) only one Proposal is received; or
- (e) in the judgment of the Award Authority, the interests of the City would best be served by not awarding a Contract.

B21.3 Where an award of Contract is made by the City, the award shall be made to the responsible and qualified Proponent submitting the most advantageous offer.

B21.4 The City may, at its discretion, award the Contract in phases.

B21.5 Notwithstanding Paragraph 6 of Form A: Proposal and C4, the City will issue a Letter of Intent to the successful Proponent in lieu of execution of a Contract.

B21.5.1 The Contract documents as defined in C1.1(n)(ii) in their entirety shall be deemed to be incorporated in and to form a part of the Letter of Intent notwithstanding that they are not necessarily attached to or accompany said Letter of Intent.

B21.6 The form of Contract with the City of Winnipeg will be based on the Contract as defined in C1.1(n).

B21.7 Following the award of Contract, a Proponent will be provided with information related to the evaluation of its Proposal upon written request to the Project Manager.

B21.8 If, after the award of Contract, the Project is cancelled, the City reserves the right to terminate the Contract. The Consultant will be paid for all Services rendered up to time of termination.

PART C - GENERAL CONDITIONS

C0. GENERAL CONDITIONS

- C0.1 The *General Conditions for Consultant Services* (Revision 2010-10-01) are applicable to the Services of the Contract.
- C0.1.1 The *General Conditions for Consultant Services* are available on the Information Connection page at The City of Winnipeg, Corporate Finance, Materials Management Division website at http://www.winnipeg.ca/matmgt/gen_cond.stm.
- C0.2 A reference in the Request for Proposal to a section, clause or subclause with the prefix “**C**” designates a section, clause or subclause in the *General Conditions for Consultant Services*.

PART D - SUPPLEMENTAL CONDITIONS

GENERAL

D1. GENERAL CONDITIONS

D1.1 In addition to the *General Conditions for Consultant Services*, these Supplemental Conditions are applicable to the Services of the Contract.

D2. PROJECT MANAGER

D2.1 The Project Manager is:

Oiza Momoh

Telephone No. 204 986-7089

Email Address: omomoh@winnipeg.ca

D2.2 At the pre-commencement meeting, the Project Manager will identify additional personnel representing the Project Manager and their respective roles and responsibilities for the Services.

D2.3 Proposal Submissions must be submitted to the address in B6.

D3. BACKGROUND

D3.1 Leading practices are moving towards implementing processes and procedures that create an environment where risk is managed proactively rather than reactively.

D3.2 A "Continuous Monitoring Program" involves the ongoing review and identification of financial transactions that fall outside usual parameters. The objective of continuous monitoring is to provide periodic reports to management that assist in proactively monitoring financial transactions, detecting unusual expenses and identifying areas where internal controls could be strengthened.

D3.3 The City of Winnipeg's Audit Department recognizes the advantages of implementing a Continuous Monitoring Program, and is looking to hire a Consultant to evaluate the opportunity to implement such a program within the City's PeopleSoft financial system. The intent is to develop a program with built in parameters that will monitor and analyze financial transactions, with a focus on high risk and high value transactions, reporting on errors, irregularities or exceptions. The preference will be to use PeopleSoft functionality but we are open to other compatible solutions, such as IDEA, to perform continuous monitoring.

D3.4 There is no formal corporate Continuous Monitoring Program but departments including Corporate Finance, operate some continuous monitoring activities and review and monitoring of exception reports on an ad hoc basis.

D3.5 The City of Winnipeg implemented PeopleSoft in 2003 in all departments. There are nine modules: Purchasing, Inventory, Enterprise Performance Management, Accounts Payable, General Ledger, Commitment Control, Asset Management, Project Costing and People Tools. The Corporate Finance Department is currently implementing a new module, Billing Accounts Receivable.

D3.6 The last major update to the PeopleSoft financial system was done in 2013. Updates are usually done every three years. Currently the system is undergoing an upgrade with an expected completion date of July 2017.

D3.7 There are 3,058 accounts in the PeopleSoft financial system and approximately 42,000 transactions are processed annually. Some of the high value accounts include Capital, Grants,

Debt, Payroll and Accounts Payable, with Payroll and Accounts Payable being high-risk accounts as well.

- D3.8 The City of Winnipeg's approved Operating budget for 2017 is \$1,079,508,520 and the approved Capital budget is \$432,909,000.
- D3.9 The Audit Department performs its work in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. *Government Auditing Standards* require that in all matters relating to audit work, the audit organization and the individual auditor must be independent.
- D3.9.1 Section 3.54 of *Government Auditing Standards*, subtitled "Internal Control as a Non-audit Service," states that "accepting responsibility for designing, implementing or maintaining internal control includes accepting responsibility for designing, implementing, or maintaining monitoring procedures. Monitoring involves the use of either ongoing monitoring procedures or separate evaluations to gather and analyze persuasive information supporting conclusions about the effectiveness of the internal control system. Ongoing monitoring procedures performed on behalf of management are built into the routine, recurring operating activities of an organization. Therefore, the management participation threat created if an auditor performs or supervises ongoing monitoring procedures is so significant that no safeguards could reduce the threat to an acceptable level".
- D3.9.2 Section 3.55 of *Government Auditing Standards* states that "Separate evaluations are sometimes performed as nonaudit services by individuals who are not directly involved in the operation of the controls being monitored. As such, it is possible for an auditor to provide an objective analysis of control effectiveness by performing separate evaluations without creating a management participation threat that would impair independence. However, in all such cases, the significance of the threat created by performing separate evaluations should be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an acceptable level. Auditors should assess the frequency of the separate evaluations as well as the scope or extent of the controls (in relation to the scope of the audit performed) being tested when evaluating the significance of the threat. An evaluation prepared as a nonaudit service is not a substitute for audit procedures in a GAGAS audit."
- D3.9.3 The proposed Continuous Monitoring Program must take into consideration the above citations from *Government Auditing Standards* to prevent the Audit Department from creating an unacceptable management participation threat while operating the program.

D4. SCOPE OF SERVICES

- D4.1 The Services required under this Contract shall consist of research on the Continuous Monitoring mechanisms in a PeopleSoft financial system used by other jurisdictions or private sector entities to detect and report on high risk transactions; a comprehensive current state analysis on the City's PeopleSoft financial system and how risk is monitored and managed; and an assessment of the Return on Investment to aide in decision making to invest in implementing the program. The proponent shall provide a written report to the City Auditor that:
- (a) Outlines the overall approach taken to conduct research.
 - (b) Identifies the types of continuous monitoring of financial transactions other jurisdictions or private sector entities are performing and recommends where the greatest value or opportunities for the City are in implementing a Continuous Monitoring Program.
 - (c) Identifies other jurisdictions or private sector entities using PeopleSoft financial systems highlighting any issues, obstacles or challenges faced implementing a Continuous Monitoring Program within the financial system and the leading practices on how to implement the monitoring program in a PeopleSoft financial system.
 - (d) Considers the current monitoring and review in place at the City by conducting a comprehensive current state analysis on the City's PeopleSoft financial system and

outlining how a Continuous Monitoring Program would strengthen internal processes and controls.

- (e) Outlines criteria for each type of transaction for determining if a transaction is considered an anomaly or unusual, warranting a second review.
- (f) Recommends specific transactions to monitor based on current state analysis. Recommendations can also be based on jurisdictional analysis or on observations outside of both the current state analysis and jurisdictional analysis.
- (g) In the event where there are no built in functionalities in the PeopleSoft financial system to perform continuous monitoring identifies other add-on solutions, such as IDEA, that can be used and identifies the data that will need to be extracted if an external application is the recommended route.
- (h) Presents expected costs of implementing a Continuous Monitoring Program and the expected return on investment.
- (i) Provides recommendations on how to leverage the functionality of the PeopleSoft financial system, or the compatible monitoring solution, to the greatest extent possible to minimize labour requirements to operate the Continuous Monitoring Program.
- (j) Recommends how the Audit Department can run the Continuous Monitoring Program without being in breach of independence standards of *Government Auditing Standards* discussed in D3.9.

D4.2 Research should include a minimum of six jurisdictions or private sector organizations. Jurisdictions should include but should not be limited to:

- (a) The City of Toronto, the City of Edmonton, and the City of Albuquerque which currently run Continuous Monitoring Programs in their PeopleSoft financial systems.
- (b) Other jurisdictions using a PeopleSoft financial system.
- (c) Canadian and International jurisdictions or private sector entities.
- (d) Jurisdictions or organizations on which the Consultant has existing research that can be leveraged for this project.

D4.3 Proponents are advised that there is a potential for a second contract to assist with implementation of the Continuous Monitoring Program if required.

D5. OWNERSHIP OF INFORMATION, CONFIDENTIALITY AND NON DISCLOSURE

D5.1 The Contract, all deliverables produced or developed, and information provided to or acquired by the Consultant are the property of the City and shall not be appropriated for the Consultants own use, or for the use of any third party.

D5.2 The Consultant shall not make any public announcements or press releases regarding the Contract, without the prior written authorization of the Project Manager.

D5.3 The following shall be confidential and shall not be disclosed by the Consultant to the media or any member of the public without the prior written authorization of the Project Manager;

- (a) information provided to the Consultant by the City or acquired by the Consultant during the course of the Work;
- (b) the Contract, all deliverables produced or developed; and
- (c) any statement of fact or opinion regarding any aspect of the Contract.

D5.4 A Consultant who violates any provision of D5 may be determined to be in breach of Contract.

SUBMISSIONS

D6. AUTHORITY TO CARRY ON BUSINESS

D6.1 The Consultant shall be in good standing under The Corporations Act (Manitoba), or properly registered under The Business Names Registration Act (Manitoba), or otherwise properly registered, licensed or permitted by law to carry on business in Manitoba, or if the Consultant does not carry on business in Manitoba, in the jurisdiction where the Consultant does carry on business, throughout the term of the Contract, and shall provide the Project Manager with evidence thereof upon request.

D7. INSURANCE

D7.1 The Consultant shall procure and maintain, at its own expense and cost, insurance policies with limits no less than those shown below.

D7.2 As a minimum, the Consultant shall, without limiting its obligations or liabilities under any other contract with the City, procure and maintain, at its own expense and cost, the following insurance policies:

- (a) Comprehensive or Commercial General Liability Insurance including:
 - (i) an inclusive limit of not less than \$2,000,000 for each occurrence or accident with a minimum \$2,000,000 Products and Completed Operations aggregate and \$5,000,000 general aggregate;
 - (ii) all sums which the Consultant shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to the Services or any operations carried on in connection with this Contract;
 - (iii) coverage for Products/Completed Operations, Blanket Contractual, Consultant's Protective, Personal Injury, Contingent Employer's Liability, Broad Form Property Damage, Employees as Additional Insureds, and Non-Owned Automobile Liability;
 - (iv) a Cross Liability clause and/or Severability of Interest Clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other Insured hereunder in respect to any claim, demand, suit or judgment made against any other Insured;
- (b) if applicable, Automobile Liability Insurance covering all motor vehicles, owned and operated and used or to be used by the Consultant directly or indirectly in the performance of the Service. The Limit of Liability shall not be less than \$2,000,000 inclusive for loss or damage including personal injuries and death resulting from any one accident or occurrence.
- (c) Professional Errors and Omissions Liability Insurance including:
 - (i) an amount not less than \$500,000 per claim and \$1,000,000 in the aggregate.

D7.2.1 The Consultant's Professional Errors and Omissions Liability Insurance shall remain in force for the duration of the Project and for twelve (12) months after total performance.

D7.3 The policies required in D7.2(a) shall provide that the City is named as an Additional Insured thereunder and that said policies are primary without any right of contribution from any insurance otherwise maintained by the City.

D7.4 The Consultant shall require each of its Subconsultants to provide comparable insurance to that set forth under D7.2(a) and D7.2(c).

D7.5 The Consultant shall provide the Project Manager with a certificate(s) of insurance for itself and for all of its Subconsultants, in a form satisfactory to the City Solicitor, at least two (2) Business Days prior to the commencement of any Services, but in no event later than the date specified

in C4.1 for the return of the executed Contract. Such Certificates shall state the exact description of the Services and provide for written notice in accordance with D7.8.

- D7.6 The Consultant may take out such additional insurance as it may consider necessary and desirable. All such additional insurance shall be at no expense to the City.
- D7.7 All insurance, which the Consultant is required to obtain with respect to this Contract, shall be with insurance companies registered in and licensed to underwrite such insurance in the Province of Manitoba.
- D7.8 The Consultant shall not cancel, materially alter, or cause any policy to lapse without providing at least thirty (30) Calendar Days prior written notice to the City.

SCHEDULE OF SERVICES

D8. COMMENCEMENT

- D8.1 The Consultant shall not commence any Services until it is in receipt of a notice of award from the City authorizing the commencement of the Services.
- D8.2 The Consultant shall not commence any Services until:
- (a) the Project Manager has confirmed receipt and approval of:
 - (i) evidence of authority to carry on business specified in D6;
 - (ii) evidence of the insurance specified in D7;
 - (b) the Consultant has attended a meeting with the Project Manager, or the Project Manager has waived the requirement for a meeting.
- D8.3 The City intends to award this Contract by April 14, 2017.