

**Professional Auditing Services
for
Connecticut Innovations, Incorporated
Connecticut Bioscience Innovation Fund
CTNext Fund**

Request for Proposals

February 22, 2019

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I. RFP PROCESS SUMMARY

Regarding: Professional Auditing Services for
Connecticut Innovations, Incorporated
Connecticut Bioscience Innovation Fund
CTNext Fund

Release Date: February 22, 2019

Proposals Due: 3:00 p.m., March 8, 2019

Services Required:

- a) Annual audit with an opinion in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) of CI for each of the three years ending June 30, 2019, 2020 and 2021; and
- b) Annual audit with an opinion in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) of Connecticut Bioscience Innovation Fund for each of the three years ending June 30, 2019, 2020 and 2021; and
- c) Annual audit with an opinion in accordance with Generally Accepted Government Auditing Standards (“GAGAS”) of the CTNext Fund for each of the three years ending June 30, 2019, 2020 and 2021; and

Compliance audit for the same periods in accordance with Connecticut General Statutes Section 1-122.

Submittal Requirements:

If your firm is interested in submitting a proposal, the following requirements should be observed:

1. All inquiries shall be directed to Philip B. Siuta, Chief Financial Officer, at philip.siuta@ctinnovations.com, on or before March 8, 2019. Firms submitting a proposal shall not contact any CI board member or staff member

other than Mr. Siuta. If in CI's sole discretion the response to any such inquiry would be of general interest to potential proposers, the inquiry and CI's answer will be posted on www.ctinnovations.com.

2. The format of a proposal should follow the outline set forth in Section III.C of this RFP.
3. Responses to each question or issue should begin on a new page.
4. Your proposal must be emailed to Mr. Siuta at philip.siuta@ctinnovations.com no later than 3:00 p.m., March 8, 2019.
5. The subject line of said email should state "Proposal for Auditing Services."
6. The General Requirements and Conditions in Section III.B of the RFP are incorporated herein. The submission of a proposal in response to this RFP shall be deemed acceptance by the proposer of the General Requirements and Conditions.

REQUEST FOR PROPOSALS

Professional Auditing Services for Connecticut Innovations, Incorporated

II.A INFORMATION REGARDING CONNECTICUT INNOVATIONS, INCORPORATED

Background

Connecticut Innovations, Incorporated (“CI”), was established on October 1, 1989, under Chapter 581 of the Connecticut General Statutes, as amended, as a corporation which is constituted as a public instrumentality and political subdivision of the State of Connecticut.

CI was established to stimulate and promote technological innovation and application of technology within Connecticut and encourage the development of new products, innovations and inventions, or markets in Connecticut by providing financial and technical assistance.

Effective July 1, 2012, the full operations of the Connecticut Development Authority were merged into CI.

Principal Programs and Funds of CI

Eli Whitney Fund – This program may be used for risk capital investments in emerging and established companies to stimulate their development of high-technology products, processes and services. The program also provides working capital to assist companies in marketing and launching technology products, processes and services.

BioScience Facilities Fund – This program was developed to enable the development of laboratory space in Connecticut to encourage the growth of biotechnology research and development companies.

Seed and BioSeed Funds – These programs were developed to address the needs of entrepreneurs by promoting and investing in early-stage Connecticut-based emerging technology and biotechnology companies.

PreSeed Fund – This program was developed to provide support and assistance to prepare high-technology companies for future investments. Investments consist of two-year promissory notes ranging from \$25,000 to \$200,000.

Clean Tech Fund – This program was developed to support the demand for alternative energy technologies which focus on energy conservation, environmental protection or the elimination of harmful waste.

Mezzanine Fund – This loan program is designed to address the needs of Connecticut companies as they endeavor to grow sales and revenues and thus their job base and market share. The loans will be used for working capital purposes.

Insurance Program – Under the Insurance Program, CI may insure loans made by lending institutions to companies for the acquisition of industrial land, buildings, machinery and equipment located within the State. In addition, all of CI's Umbrella Program loans were insured under the Program. The statute provides that the insurance is payable from the net assets of the Insurance Program, and the faith and credit of the State are pledged to the insurance provided thereunder.

Growth Fund Loan Program – Under the Connecticut Growth Fund, CI is authorized to provide financial assistance to any small business CI determines will materially contribute to the economic base of the State by creating or retaining jobs, promoting the export of products or services, encouraging innovation in products or services, or supporting existing activities that are important to the State's economy. Financing may be used to purchase real property, machinery and equipment, or for working capital.

Connecticut Works and Connecticut Works Guarantee Fund – Under the Works Fund, CI is authorized to provide financial assistance via direct loans or loan guarantees. Eligible projects include any organization that will materially support the State's economic base.

Operating Fund – The Operating Fund is the administrating fund of CI, managing all revenues and expenses needed to operate a business, e.g., payroll, rent.

Self-Sustaining Bond Program – Under the Self-Sustaining Bond Program, CI is authorized to provide financial assistance for a variety of qualified projects through the issuance of special obligation industrial revenue bonds. These bonds are available for financing such projects as the acquisition of land or the construction of buildings, and purchase and installation of machinery, equipment and pollution-control facilities. The bonds are payable solely from payments received from participating companies (or from proceeds of the sale of the specific projects in the event of default) and do not otherwise constitute a debt or liability of CI or the State of Connecticut.

II.B INFORMATION REGARDING CONNECTICUT BIOSCIENCE INNOVATION FUND

Background

On July 1, 2013, the State of Connecticut passed Public Act 13-239 (“the Act”) creating the Connecticut Bioscience Innovation Fund (“CBIF” or “the Fund”).

CBIF was established to finance projects to improve the delivery of health care services, lower health care costs, and directly or indirectly create bioscience jobs. The projects can involve improvements or developments in services, therapeutics, diagnostics and devices in pharmaceuticals, bioscience, biomedical engineering, medical care, medical devices, medical diagnostics, personalized medicine, health information management and other related disciplines.

CBIF can provide assistance in the form of grants, equity investments and secured convertible loans. Eligible recipients can use this assistance to pay for facilities; necessary furniture, fixtures and equipment; materials and supplies; peer reviews; proof of concept or relevance; compensation; and other costs the advisory committee approves.

Fund Management

Connecticut Innovations, Incorporated (“CI”), a related party, is a separate component unit of the State of Connecticut. CI is charged with managing the Fund’s assets and on behalf of CBIF provides financial assistance to eligible recipients and prepares the Fund’s annual plan, budget and report. By law, unchanged by the act, CI will provide different types of financial assistance, including equity investments to businesses developing a wide range of technology-based products, techniques and services.

II.C INFORMATION REGARDING CTNEXT FUND

Connecticut Innovations, Incorporated (“CI”), was directed by Section 1 of Public Act No. 16-3 (the “Enabling Act”), adopted during the May 2016 Special Session of the General Assembly and signed by the Governor on June 2, 2016, to form a subsidiary pursuant to the provisions of Section 32-11e of the Connecticut General Statutes (G.G.S. Section 32-11e), such subsidiary to be established as a separate quasi-public agency and to be known as CTNext. Section 4 of the Enabling Act further established the CTNext Fund as a separate, non-lapsing fund to be held, administered, invested and disbursed by CI acting as its administrator, subject to the approval of expenditures by the CTNext Board of Directors.

The purposes of CTNext are to foster innovation, startup and growth-stage businesses and entrepreneur community building; to serve as a catalyst to protect and enhance the innovation ecosystem; to connect startup and growth-stage entrepreneurs with other startup and growth-stage entrepreneurs and with Connecticut, federal and private resources; to facilitate the establishment of innovation places; to facilitate mentorship for startup and growth-stage entrepreneurs; to provide technical training and resources to startup and growth-stage businesses and entrepreneurs; to facilitate innovation and entrepreneurship at institutions of higher education; to do all acts and things necessary or convenient to carry out the programs, activities and purposes of CTNext set forth in the Enabling Act; and to engage in any lawful activity not inconsistent with the Enabling Act.

Fund Management

CI acts as administrator of the CTNext Fund, which is to be used for grants-in-aid and the program activities of CTNext, and for the purpose of paying the operating and administrative expenses of the CTNext Fund.

III. PROPOSAL SUBMISSIONS REQUIREMENTS

A. TECHNICAL PROPOSAL

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of your firm to undertake this independent audit. Therefore, the substance of the proposal will carry more weight than the form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The audit must be performed in accordance with Generally Accepted Government Auditing Standards (“GAGAS”).

1. Provide an affirmative statement stating that the firm meets the independence standards of the U.S. General Accounting Office’s Government Auditing Standards (1988). List and describe the firm’s relevant professional relationships involving the State of Connecticut or any of its agencies or component units and departments for the past five (5) years, together with a statement, if necessary or appropriate, explaining why such relationships do not constitute of interest relative to performing the proposed audit.
2. An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed/registered to practice in Connecticut.
3. State the size of the firm, the size of the firm’s governmental audit staff, the location of the office from which the work on this engagement is to be performed and as much information as possible regarding the number, names, positions, qualifications, experience and training of the specific staff assigned to this engagement. Explain how the quality of staff over the term of the agreement will be assured. Audit personnel may be changed at the discretion of the proposer provided that replacements have essentially the same or better qualifications or experience.
4. List the most significant engagements (maximum of five) performed during the past five years for other agencies or authorities of the state.
5. CI’s financial activities are included in the financial statements of the State of Connecticut as an Enterprise Fund. List any special qualifications of the firm that will enable the firm to assist CI in meeting state reporting

requirements.

6. Please provide estimated hours and a fee structure for the individuals identified in #3 above, and if your company/agency has discounted or downwardly adjusted rates for quasi-public agencies like CI, please provide those rates as well.
7. Describe in detail components other than hourly rates that are considered in establishing your firm's fee for general work. Describe how your firm would propose to bill for any ongoing services relevant to audit services.
8. Please state whether your company/agency or any member of your company/agency is under any order or other form of investigation with respect to any services it has provided.
9. Please provide, as references, a minimum of five (5) clients for whom your firm has performed similar services as those set forth in this RFP.

Please include the name, address, telephone and fax numbers of the contact person at each reference in Attachment A, References.

B. GENERAL REQUIREMENTS AND CONDITIONS

1. If your firm elects to respond to this RFP, submission of your proposal constitutes acceptance of the following understandings:
 - a. All communications with respect to this RFP shall be directed to Philip B. Siuta, Chief Financial Officer, by means of email at philip.siuta@ctinnovations.com. No other person is authorized to provide information with respect to this RFP, and contact with any employee, officer or board member of CI with respect to this RFP is prohibited. Proposers who violate this condition will be disqualified. Questions and requests for clarification with respect to this RFP must be submitted in writing in accordance with the communications protocol set forth above on or before March 8, 2019. If in CI's sole discretion the response to any such inquiry would be of general interest to potential proposers, the inquiry and CI's answer will be posted on www.ctinnovations.com.
 - b. Proposals must be submitted by email to Mr. Siuta no later than 3:00 p.m. on March 8, 2019. Proposals received later than that date and time will not be considered.
 - c. Prices quoted will be applicable to the entire term of the contract

and will not be subject to alterations without the prior written consent of CI.

- d. CI reserves the right to cancel this RFP, reject any or all of the proposals received in response to the RFP, to waive defects or irregularities in any proposal or to cancel or modify the RFP in any way, and at any time CI chooses, in its sole discretion, if CI determines that it is in the best interest of CI.
- e. CI further reserves the right to negotiate terms and fees with one or more proposers without notice to other proposers and to make awards under this RFP without discussion of the proposals received. Proposals should be submitted on the most favorable terms from a technical, qualifications and price standpoint. CI will select the proposal or proposals that best meet its needs. While cost will be a factor to be considered, CI is not required and reserves the right not to accept the lowest priced proposal.
- f. The RFP is non-exclusive, and CI reserves the right to select more than one proposer, to divide the work between one or more proposers, or to retain other firms for any of the work. CI may assign work from time to time in its discretion to one or more of the selected proposers, but selection and the execution of a contract does not guarantee the assignment of work. Any contract resulting from this RFP will be subject to termination by CI at its convenience, subject only to the obligation to pay for work previously assigned and completed.
- g. CI will not be responsible for any expenses incurred by any proposer in conjunction with the preparation or presentation of any proposal with respect to this RFP.
- h. CI is a “public agency” for purposes of the Connecticut Freedom of Information Act (“FOIA”). Accordingly, upon receipt at the office of CI, your proposal will be considered a public record or file subject to disclosure under the FOIA. The FOIA includes an exemption for responses to a request for proposals in a contract award process until the contract is executed or negotiations for the award of such contract have ended, whichever occurs earlier. CI has determined that it is in the public interest to maintain the temporary confidentiality of proposals pursuant to this FOIA exemption.

The FOIA also includes exemptions for “trade secrets” and “commercial or financial information given in confidence, not required by statute.” This exemption allows, but does not require, CI to withhold information that qualifies under these exemptions, which exemptions remain available so long as

the information continues to be treated by the submitting party as confidential and is not readily available to the public from other sources. Only the particular information falling within one of these exemptions can be withheld by CI if made the subject of a public records request under FOIA. Therefore, a proposer must specifically identify those particular sentences, paragraphs, pages, sections or exhibits that it claims to be exempt, together with a convincing explanation and rationale sufficient to support the claim of confidentiality for purposes of Section 1-210(b) of the Connecticut General Statutes in terms of the prospective harm to the competitive position of the submitting party if such information were to be released. In the absence of such identification and explanation, any claim that particular information is exempt from FOIA disclosure will be deemed to have been waived. If a public records access request is made, CI is required to, and reserves the right to, determine (a) whether information included in a proposal qualifies under these exemptions, and (b) whether to withhold the information.

Proposers should be aware that CI has no obligation to initiate, prosecute or defend any legal proceeding or to seek to secure any protective order or other relief to prevent disclosure of any information pursuant to a FOIA request, the proposer will have the burden of establishing the availability of any FOIA exemption in any such legal proceeding, and in no event shall CI or any of its officers, directors or employees have any liability for disclosure of documents or information in the possession of CI which CI, or such officer, director or employee, in good faith, believes to be required pursuant to the FOIA or other requirements of law.

In the event of a public records request for a proposal, CI may provide a copy of the proposal with all or part of the information redacted for which an exemption has been claimed on the basis of confidentiality. For this purpose, CI may request, and each proposer by submission of a proposal agrees promptly to provide to CI, a version of such proposal from which all information has been redacted for which a claim of FOIA exemption based on confidentiality has been made.

- i. Except as otherwise expressly provided in an agreement with CI, all work product developed under a contract awarded as a result of this RFP shall be the sole property of CI.

- j. CI and this RFP are subject to the requirements of Chapter 581 of the Connecticut General Statutes and other applicable legal requirements.
 - k. Proposals must be signed by an authorized officer of the firm. Proposals must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind the firm, and for those who may be contacted for the purpose of clarifying the information provided.
2. If your firm elects to respond to this RFP, you will be deemed to have certified the accuracy and completeness of the following representations and warranties:
- a. Neither the proposer nor any of its principals (a) has been convicted of bribery or attempting to bribe a public official of the State of Connecticut; (b) has been found to have violated the State Code of Ethics for Public Officials or Lobbyists (the "Code of Ethics"); (c) has been suspended or disqualified from bidding on contracts with the State of Connecticut or any department, agency or quasi-public agency of the State of Connecticut; (d) has knowingly committed any violation of the Code of Ethics or of any other procurement requirement in connection with this RFP; or (e) is in default under any contract with any department, agency or quasi-public agency of the State of Connecticut.
 - b. Neither the proposer nor any of its principals has received or paid, or agreed to receive or pay, any finders' fee (Section 3-13j through 3-13l of the Connecticut General Statutes) or other compensation or benefit from or to any third party in connection with this solicitation, procurement or award of a contract with CI pursuant to this RFP.
 - c. Neither the proposer nor any of its principals has provided anything of value to any officer, employee or board member of CI, or state employee who may be involved with this process, for which full payment has not been made.
 - d. (a) The proposal is not made in connection with any competing proposer submitting a separate response to this RFP and is in all respects fair and without collusion or fraud; (b) no officer, employee or board member of CI participated directly or indirectly in the proposer's proposal preparation; and (c) the information contained in the proposal is true, accurate and complete and includes all information necessary to ensure that the statements therein are not misleading.

3. The award of a contract for auditing services pursuant to this RFP is subject to all applicable state contracting requirements, including completion of the required state contracting certifications, affidavits and affirmations described in Attachment B. Such certifications, affidavits and affirmations will be required from each firm selected pursuant to this RFP at the time the firm is notified by CI of such selection.

Each proposer by the submission of a proposal acknowledges receipt and review of Attachment B, State Contracting Requirements, including, without limitation, (1) SEEC Form 10, entitled "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Ban," and (2) the summary of state ethics laws developed by the State of Connecticut's Office of State Ethics, entitled "Guide to the Code of Ethics for Current and Potential State Contractors." Each proposer must include in the cover letter to the proposal the following statement:

"The undersigned, a duly authorized representative of [name of firm], affirms receipt of SEEC Form 10 and the summary of state ethics laws developed by the Office of State Ethics pursuant to Connecticut General Statutes §1-81b, and principals and other key employees of such firm have read and understand SEEC Form 10 and such summary and agree to comply with their provisions."

Notwithstanding anything contained herein to the contrary, this RFP is not an offer susceptible to acceptance, but merely a request for proposals. CI shall have no liability or obligation of any sort hereunder, including without limitation, for any reason or no reason, unless and until a binding agreement is entered into with the proposer. In making its selection of a successful bidder(s), CI may consider any and all factors and considerations which CI, in its sole discretion, deems relevant and important.

C. FORMAT OF PROPOSAL

The following format should be followed to allow CI to have a working basis on which to compare one proposal with another. The elements within this outline are expected to be addressed in any submitted proposal; however, additions to it may be made where necessary for purposes of clarification or amplification.

1. Cover Letter, including:
 - A. a short statement of the principal reasons the submitting firm believes it is qualified for the work and should be selected; and
 - B. the affirmation set forth in Section III.B.3, above.
2. Response to Technical Proposal, Parts 1 through 9.
3. General Requirements
 - A. Affirmative Action Policy Statement
 - B. Workforce statistics
 - C. References

IV. ATTACHMENTS

Attachment A

**Connecticut Innovations, Incorporated
References**

Please provide a minimum of five (5) recent client references for projects similar in nature to the work being requested in the RFP. If necessary, please feel free to include additional client references in the format below:

CLIENT REFERENCE #1

CONTACT & TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PHONE #: _____ BEST TIME TO CONTACT: _____

EMAIL ADDRESS: _____

CLIENT REFERENCE #2

CONTACT & TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PHONE #: _____ BEST TIME TO CONTACT: _____

EMAIL ADDRESS: _____

Attachment A
References
Continued

CLIENT REFERENCE #3

CONTACT & TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PHONE #: _____ BEST TIME TO CONTACT: _____

EMAIL ADDRESS: _____

CLIENT REFERENCE #4

CONTACT & TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PHONE #: _____ BEST TIME TO CONTACT: _____

EMAIL ADDRESS: _____

Attachment A
References
Continued

CLIENT REFERENCE #5

CONTACT & TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PHONE #: _____ BEST TIME TO CONTACT: _____

EMAIL ADDRESS: _____

Attachment B

State Contracting Requirements

1. Attached and made part of this RFP are the following:
 - a. SEEC Form 10 entitled "Notice to Executive Branch State Contractors and Prospective State Contractors of Campaign Contribution and Solicitation Ban"; and
 - b. "Guide to the Code of Ethics for Current or Potential State Contractors."
2. At the time a firm is selected pursuant to this RFP and as a condition of contract award, the firm will be required to complete and submit the applicable certifications, affidavits and affirmations described on the website of the Office of Policy and Management under "Ethics Forms." The OPM landing page listing the required forms is attached and made part of this RFP.
3. At the time a firm is selected pursuant to this RFP and as a condition of contract award, the firm will be required to complete and submit the applicable certifications, affidavits and affirmations described on the website of the Office of Policy and Management under "Nondiscrimination Certification." The OPM landing page listing the required forms is attached and made part of this RFP.