

**TOWN OF FAIRFIELD
ESTIMATED EXPENSE - SITE TESTING**

<u>ENVIRONMENTAL CONSULTING SERVICES</u>		
TIGHE & BOND	\$ 80,138.00	1
CHRISTOPHER R. GIDEZ , CONSULTANT	<u>\$ 3,000.00</u>	2
SUBTOTAL EXPENSE @ 8/21/2019		\$ 83,138.00

1 Proposed Cost:

Includes Consulting Services, Fill Investigation, Management & Remedial Planning Gould Manor Park and other Potential Sites

2 August 2019 Cost

F-0439-020
August 12, 2019

Brian Carey
Conservation Director
Town of Fairfield
Old Town Hall
611 Old Post Road
Fairfield, Connecticut 06824

Re: **Proposal for Environmental Consulting Services
Fill Investigation, Management, and Remedial Planning
Gould Manor Park and other Potential Sites**

Dear Mr. Carey:

Thank you for the opportunity to submit this proposal to the Town of Fairfield for environmental consulting services related to the investigation of fill materials at Gould Manor Park and other potential sites across the Town. The Scope of Services outlined herein is intended to provide the Town with environmental consulting services for investigation, management, and remedial planning and implementation for fill materials used on various Town properties.

Background

Tighe & Bond was contacted by the Town of Fairfield regarding the potential use of impacted fill material at the Gould Manor Park. The fill may have originated from a former demolition materials processing facility located at the closed Town landfill. Some of the fill material was previously tested at the former facility and was found to contain PCBs, lead, and asbestos. Tighe & Bond attended a site meeting with the Town at Gould Manor Park on August 8, 2019 and observed a sidewalk which was installed in 2013. The soil along the sidewalk appeared to contain some fill materials such as asphalt fragments, potential asbestos containing material, and other man-made materials.

Scope of Services

We have developed the following anticipated Scope of Services for this project based on our meeting yesterday at Gould Manor Park:

Task 1 - LEP and HBM Consulting Services

At the Town's request, Tighe & Bond is proposing to provide Licensed Environmental Professional (LEP) and Hazardous Building Material (HBM) consulting services on an hourly/on-call basis to assist with project management and to provide advice as necessary to assist with the fill issue. Services may include the following:

- Communications with the Town, CT Department of Health (CTDPH), CT Department of Environmental Protection (CTDEEP), US Environmental Protection Agency (EPA), and other stakeholders. Communications may include telephone calls, emails, in-person and conference call meetings.
- Review environmental sampling data that will be provided by the CTDEEP and compare to cleanup criteria.



- Review and provide comment on previous environmental sampling and assessments conducted at the former materials processing facility at the closed landfill.
- Assist with identifying sites across Town where fill may have been potentially been used.
- Prepare reports or other technical documents, as requested.
- Participate in community outreach as needed to assist the Town and local Health Department with communicating results of environmental assessments and planning to stakeholders.

Task 2 – Environmental Investigation – Gould Manor Park

Based on Tighe & Bond's site visit to Gould Manor Park and discussions with the Town, we recommend the following to assess the fill underneath and adjacent to the sidewalk:

- Installation of up to 14 direct-push borings and up to 20 hand test pits along the sidewalk to investigate the fill thickness, lateral extent, and characteristics at a spacing of one boring per 100 feet.
- Evaluation of fill samples for composition characteristics and presence of potential asbestos containing material by a Tighe & Bond Environmental Scientist who is trained in environmental media assessment and is also a CT-licensed asbestos inspector.
- Analyses of up to 35 samples for PCBs, lead, asbestos in building materials, and asbestos in soil plus two duplicates. Select samples will also be analyzed for SPLP or TCLP lead.
- GPS location of sampling points and preparation of mapping and photo-documentation of sample and site conditions.
- Preparation of a summary letter report for Town review with evaluation of extent of fill, characteristics, and recommendations for additional actions.

Task 3 – Expedited Environmental Screening – Other Potential Sites

Additional potential sites may be identified that contain fill that needs to be investigated. The Town provided a list of potential sites to Tighe & Bond in an email dated August 12, 2019. The list included 33 sites with nine being identified as "closed". Based on this list, it is assumed that 24 sites will be screened.

In order to provide data on an expedited basis so the Town can make timely decisions, Tighe & Bond has developed an Expedited Environmental Screening (EES) approach consisting of the following:

- Deployment of trained staff from our Shelton office who can access the Town within 30 minutes.
- Visual observation of the site for fill and photo-documentation of site conditions.
- Collection of surficial soil/fill samples for analysis of PCBs, lead, asbestos in building materials, and asbestos in soil for expedited 24-hour turn-around-time. It is assumed that three samples will be collected per site for a total of 72 samples.
- E-mail summary report with recommendations to Town within 48 hours of site visit.
- Preparation of investigation plans for Town review as needed for potential sites.



Task 4 – Health & Safety Program

Tighe & Bond will develop a Health & Safety Program for the project using out Certified Safety Professionals and Hygienists. The program will contain the following elements:

- Identify potential impacts to the community
- Develop controls to minimize the potential for these impacts to occur
- Implement a monitoring program to assess impacts to the community
- Provide a protocol for communicating potential impacts to the community and for receiving feedback from the community
- Provide a protocol for documenting community feedback and communicating project status to the community
- Review and assess incidents to prevent their reoccurrence

Task 5 – Remedial Planning and Implementation

If remediation is required at sites where fill was placed, Tighe & Bond will assist the Town as in clean-up efforts as follows:

- Preparation of site-specific Remedial Action Plans (RAP) for Town and CTDEEP Review.
- Preparation of PCB Cleanup Plans if required.
- Preparation of Technical Bid Specifications for Remediation Contractor Bidding and Procurement.
- State and local permitting if required.
- Engineering design for site restoration activities if required.
- Review of Contractor Bids and recommendations.
- Observation of remediation contractors, air/dust monitoring, and closure sampling.
- Closure Reporting.
- Community Outreach and communications with regulatory agencies and stakeholders.

Please note that the services listed above are those that are anticipated based on the current understanding of the project and the list of potential sites provided in the Town's email dated August 12, 2019. Additional sites may be identified requiring these services or a combination thereof. We have provided an initial budget below for planning purposes which will be revisited and adjusted as needed once the project and total number of sites are understood.

Fee

Tighe & Bond will perform the scope of work noted above for a not to exceed fee of \$80,100. A detailed breakdown of this fee is provided in Table 1. We will undertake this work on an hourly plus expense basis and you will be billed in accordance with the enclosed rates schedule. Reimbursable expenses performed by other than Tighe & Bond employees, such as subcontractors, materials purchased directly for this project, and permitting fees will be invoiced at cost plus ten percent. In the event that the scope of work is increased for any reason, the limiting fee to complete the work shall be mutually revised by written amendment. Our attached Terms and Conditions is part of this letter agreement.

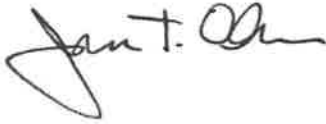


If this proposal is acceptable, please forward and executed copy of this letter as authorization to proceed. Should the Town prefer issuing its standard purchase order format, it should be understood that services will be rendered in accordance with the enclosed terms and conditions.

Thank you for the opportunity to provide our services and we look forward to working with you on this very important project. If you have any questions or comments, please contact me at (860) 704-4761 or jtolsen@tighebond.com.

Regards,

TIGHE & BOND, INC.



James T. Olsen, PG, LEP
Vice President

ACCEPTANCE:

On behalf of the **Town of Fairfield** the scope, fee, and terms of this proposal are hereby accepted.

Authorized Representative

Date

Enclosures: Table 1 – Estimated Level of Effort Breakdown
Terms & Conditions
2019 Rate Schedule



Table 1
Estimated Level of Effort Breakdown
Gould Manor Park
655 Holland Hill Road, Fairfield, CT

Task	Hourly Rate	Manhours							Total Hours	Cost
		Project Director	Project Env. Scientist 2	Project Env. Scientist 1	Principal Compliance Specialist	Project Compliance Specialist 2	CAD Tech.	Admin		
Task 1 - LEP and HBM Consulting Services										
1.1 On-Call Support		40	40							\$14,400
1.2 Site visit		4								\$960
Total Hours		44	40	0	0	0	0	0	84	\$15,360
Expenses										
Mileage										\$58
Task 1 Subtotal =										\$15,418
Task 2 - Environmental Investigation for Gould Manor Park										
2.1 Field Sampling			40							\$4,800
2.2 Data Analysis		2	16	4			4			\$3,220
2.3 Report		4	24							\$3,840
Total Hours		6	80	4	0	0	4	0	0	\$11,860
Expenses										
Driller										\$4,600
Laboratory 24-HR TAT (37 samples PCBs, Lead, Asbestos, Asbestos in Soil)										\$6,200
Equipment & Mileage										\$500
Task 2 Subtotal =										\$23,160
Task 3 - Expedited Environmental Screening - Assumes 24 Sites										
3.1 Site Observations		24	8						32	\$6,720
3.2 Surficial Sampling			16						16	\$1,920
3.3 Data Analysis & Email Report		12	24	16					52	\$7,520
Total Hours		36	48	16	0	0	0	0	100	\$16,160
Expenses										
Laboratory 24-HR TAT (72 samples PCBs, Lead, Asbestos, Asbestos in Soil)										\$12,100
Equipment & Mileage										\$500
Task 3 Subtotal =										\$28,760
Task 4 - Health & Safety Program										
4.1 Health & Safety Plan for Gould Manor Park Investigation			4		1				5	\$620
4.2 Health & Safety Program Development		4			24	40			68	\$8,920
Total Hours / Task 4 Subtotal =		4	4	0	25	40	0	0	73	\$9,540
Task 5 - Remedial Planning and Implementation										
5.1 Remedial Action Plan for Gould Manor Park		4	16				4			\$3,260
Total Hours / Task 5 Subtotal =		4	16	0	0	0	4	0	24	\$3,260
Total Project Cost										
										\$80,138
Total Hours		94	188	20	25	40	8	0	281	

"CLIENT" is defined in the acceptance line of the accompanying proposal letter or the name the proposal is issued to; Tighe & Bond, Inc. is hereby referenced as "ENGINEER".

1. SCHEDULE OF PAYMENTS

1.1 Invoices will generally be submitted once a month for services performed during the previous month. Payment will be due within 30 days of invoice date. Monthly payments to ENGINEER shall be made on the basis of invoices submitted by ENGINEER and approved by CLIENT. If requested by CLIENT, monthly invoices may be supplemented with such supporting data as reasonably requested to substantiate them.

1.2 In the event of a disagreement as to billing, the CLIENT shall pay the agreed portion.

1.3 Interest will be added to accounts in arrears at the rate of one and one-half (1.5) percent per month (18 percent per annum) or the maximum rate allowed by law, whichever is less, of the outstanding balance. In the event counsel is retained to obtain payment of an outstanding balance, CLIENT will reimburse ENGINEER for all reasonable attorney's fees and court costs.

1.4 If CLIENT fails to make payment in full within 30 days of the date due for any undisputed billing, ENGINEER may, after giving seven days' written notice to CLIENT, suspend services and retain work product until paid in full, including interest. In the event of suspension of services, ENGINEER will have no liability to CLIENT for delays or damages caused by such suspension.

2. SUCCESSORS AND ASSIGNS

2.1 CLIENT and ENGINEER each binds itself, its partners, successors, assigns and legal representatives to the other parties to this Agreement and to the partners, successors, assigns and legal representatives of such other parties with respect to all covenants of this Agreement. ENGINEER shall not assign, sublet or transfer its interest in this Agreement without the written consent of CLIENT, which consent shall not be unreasonably withheld.

2.2 This Agreement represents the entire and integrated Agreement between CLIENT and ENGINEER and supersedes all prior negotiations, representations or Agreements, whether written or oral. This Agreement may be amended only by written instrument signed by both CLIENT and ENGINEER.

2.3 Nothing contained in this Agreement shall create a contractual relationship or cause of action in favor of a third party against CLIENT or against ENGINEER.

3. STANDARD OF CARE

3.1 In performing professional services, ENGINEER will use that degree of care and skill ordinarily exercised under similar circumstances by members of the profession practicing in the same or similar locality.

4. TERMINATION

4.1 This Agreement may be terminated by either party upon seven days' written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. In addition, CLIENT may terminate this Agreement for its convenience at any time by giving written notice to ENGINEER. In the event of any termination, CLIENT will pay ENGINEER for all services rendered and reimbursable expenses incurred under the Agreement to the date of termination and all services and expenses related to the orderly termination of this Agreement.

5. RECORD RETENTION

5.1 ENGINEER will retain pertinent records relating to the services performed for the time required by law, during which period the records will be made available upon reasonable request and upon reimbursement for any applicable retrieval/copying charges.

5.2 Samples - All soil, rock and water samples will be discarded 30 days after submission of ENGINEER's report, unless mutually agreed otherwise or unless ENGINEER's customary practice is to retain for a longer period of time for the specific type of services which ENGINEER has agreed to perform. Upon request and mutual agreement regarding applicable charges, ENGINEER will ship, deliver and/or store samples for CLIENT.

6. OWNERSHIP OF DOCUMENTS

6.1 All reports, drawings, specifications, computer files, field data, notes, and other documents, whether in paper or electronic format or otherwise ("documents"), are instruments of service and shall remain the property of ENGINEER, which shall retain all common law, statutory and other reserved rights including, without limitation, the copyright thereto. CLIENT's payment to ENGINEER of the compensation set forth in the Agreement shall be a condition precedent to the CLIENT's right to use documents prepared by ENGINEER.

6.2 Documents provided by ENGINEER are not intended or represented to be suitable for reuse by CLIENT or others on any extension or modification of this project or for any other projects or sites. Documents provided by ENGINEER on this project shall not, in whole or in part, be disseminated or conveyed to any other party, nor used by any other party, other than regulatory agencies, without the prior written consent of ENGINEER. Reuse of documents by CLIENT or others on extensions or modifications of this project or on other sites or use by others on this project, without ENGINEER's written permission and mutual agreement as to scope of use and as to compensation, if applicable, shall be at the user's sole risk, without liability on ENGINEER's part, and CLIENT agrees to indemnify and hold ENGINEER harmless from all claims, damages, and expenses, including attorney's fees, arising out of such unauthorized use or reuse.

6.3 Electronic Documents - ENGINEER cannot guarantee the authenticity, integrity or completeness of data files supplied in electronic format. If ENGINEER provides documents in electronic format for CLIENT's convenience, CLIENT agrees to waive any and all claims against ENGINEER resulting in any way from the unauthorized use, alteration, misuse or reuse of the electronic documents, and to defend, indemnify, and hold ENGINEER harmless from any claims, losses, damages, or costs, including attorney's fees, arising out of the unauthorized use, alteration, misuse or reuse of any electronic documents provided to CLIENT.

6.4 Electronic Data Bases - In the event that ENGINEER prepares electronic data bases, geographical information system (GIS) deliverables, or similar electronic documents, it is acknowledged by CLIENT and ENGINEER that such project deliverables will be used and perhaps modified by CLIENT and that ENGINEER's obligations are limited to the deliverables and not to any subsequent modifications thereof. Once CLIENT accepts the delivery of maps, databases, or similar documents developed by ENGINEER, ownership is passed to CLIENT. ENGINEER will retain the right to use the developed data and will archive the data for a period of three years from the date of project completion.

7. INSURANCE

7.1 ENGINEER will retain Workmen's Compensation Insurance, Professional Liability Insurance with respect to liabilities arising from negligent errors and omissions, Commercial General Liability Insurance, Excess Liability, and Automobile Liability during this project. ENGINEER will furnish certificates at CLIENT's request.

7.2 Risk Allocation - For any claim, loss, damage, or liability resulting from error, omission, or other professional negligence in the performance of services, the liability of ENGINEER to all claimants with respect to this project will be limited to an aggregate sum not to exceed \$50,000 or ENGINEER's compensation for consulting services, whichever is greater.

7.3 Damages - Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither CLIENT nor ENGINEER, their respective officers, directors, partners, employees, contractors or subconsultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of certain damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation and any other consequential damages that may be incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both CLIENT and ENGINEER shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

8. INDEMNIFICATION AND DISPUTE RESOLUTION

8.1 ENGINEER agrees, to the fullest extent permitted by law, to indemnify and hold CLIENT harmless from any damage, liability or cost to the extent caused by ENGINEER's negligent acts, errors or omissions in the performance of professional services under this Agreement and those of its subconsultants or anyone for whom ENGINEER is legally liable. ENGINEER is not obligated to indemnify CLIENT in any manner whatsoever for CLIENT's own negligence.

8.2 CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold ENGINEER harmless from any damage, liability or cost to the extent caused by CLIENT's negligent acts, errors or omissions in the performance of this Agreement or anyone for whom CLIENT is legally liable. CLIENT is not obligated to indemnify ENGINEER in any manner whatsoever for ENGINEER's own negligence.

8.3 CLIENT agrees that any and all limitations of ENGINEER's liability, waivers of damages by CLIENT to ENGINEER shall include and extend to those individuals and entities ENGINEER retains for performance of the services under this Agreement, including but not limited to ENGINEER's officers, partners, and employees and their heirs and assigns, as well as ENGINEER's subconsultants and their officers, employees, and heirs and assigns.

8.4 In the event of a disagreement arising out of or relating to this Agreement or the services provided hereunder, CLIENT and ENGINEER agree to attempt to resolve any such disagreement through direct negotiations between senior, authorized representatives of each party. If any disagreement is not resolved by such direct negotiations, CLIENT and ENGINEER further agree to consider using mutually acceptable non-binding mediation service in order to resolve any disagreement without litigation.

9. SITE ACCESS

9.1 Right of Entry - Unless otherwise agreed, CLIENT will furnish right-of-entry on the land for ENGINEER to make any surveys, borings, explorations, tests or similar field investigations. ENGINEER will take reasonable precautions to limit damage to the land from use of equipment, but the cost for restoration of any damage that may result from such field investigations is not included in the agreed compensation for ENGINEER. If restoration of the land is required to its former condition, upon mutual agreement this may be accomplished as a reimbursable additional service at cost plus ten percent.

9.2 Damage to Underground Structures - Reasonable care will be exercised in locating underground structures in the vicinity of proposed subsurface explorations. This may include contact with the local agency coordinating subsurface utility information and/or a review of plans provided by CLIENT or CLIENT representatives for the site to be investigated. ENGINEER shall be entitled to rely upon any information or plans prepared or made available by others. In the absence of confirmed underground structure locations, CLIENT agrees to accept the risk of damage and costs associated with repair and restoration of damage resulting from the exploration work.

10. OIL AND HAZARDOUS MATERIALS

10.1 If, at any time, evidence of the existence or possible existence of asbestos, oil, or other hazardous materials or substances is discovered, ENGINEER reserves the right to renegotiate the terms and conditions of this Agreement, the fees for ENGINEER's services and ENGINEER's continued involvement in the project. ENGINEER will notify CLIENT as soon as practical if evidence of the existence or possible existence of such hazardous materials or substances is discovered.

10.2 The discovery of the existence or possible existence of hazardous materials or substances may make it necessary for ENGINEER to take accelerated action to protect human health and safety, and/or the environment. CLIENT agrees to compensate ENGINEER for the cost of any and all measures that in its professional opinion are appropriate to preserve and/or protect the health and safety of the public, the environment, and/or ENGINEER's personnel. To the full extent permitted by law, CLIENT waives any claims against ENGINEER and agrees to indemnify, defend and hold harmless ENGINEER from any and all claims, losses, damages, liability, and costs, including but not limited to cost of defense, arising out of or in any way connected with the existence or possible existence of such hazardous materials substances at the site.

11. SUBSURFACE INVESTIGATIONS

11.1 In soils, groundwater, and other subsurface investigations, conditions may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the variability of conditions and the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that may affect overall project costs and/or execution. These variable conditions and related impacts on cost and project execution are not the responsibility of ENGINEER.

12. FEDERAL AND STATE REGULATORY AGENCY AUDITS

12.1 For certain services rendered by ENGINEER, documents filed with federal and state regulatory agencies may be audited after the date of filing. In the event that CLIENT's project is selected for an audit, CLIENT agrees to compensate ENGINEER for time spent preparing for and complying with an

agency request for information or interviews in conjunction with such audit. CLIENT will be notified at the time of any such request by an agency, and ENGINEER will invoice CLIENT based on its standard billing rates in effect at the time of the audit.

13. CLIENT'S RESPONSIBILITIES

13.1 Unless otherwise stated in the Agreement, CLIENT will obtain, arrange, and pay for all notices, permits, and licenses required by local, state, or federal authorities; and CLIENT will make available the land, easements, rights-of-way, and access necessary for ENGINEER's services or project implementation.

13.2 CLIENT will examine ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents and communicate promptly to ENGINEER in the event of disagreement regarding the contents of any of the foregoing. CLIENT, at its own cost, will obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as CLIENT deems appropriate; and render in writing decisions required by CLIENT in a timely manner.

14. OPINIONS OF COST, FINANCIAL ANALYSES, ECONOMIC FEASIBILITY PROJECTIONS, AND SCHEDULES

14.1 ENGINEER has no control over cost or price of labor and materials required to implement CLIENT's project, unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs, competitive bidding procedures and market conditions, time or quality of performance by operating personnel or third parties, and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, ENGINEER makes no warranty, expressed or implied, that CLIENT's actual project costs, financial aspects, economic feasibility, or schedules will not vary from any opinions, analyses, projections, or estimates which may be provided by ENGINEER. If CLIENT wishes additional information as to any element of project cost, feasibility, or schedule, CLIENT at its own cost will employ an independent cost estimator, contractor, or other appropriate advisor.

15. CONSTRUCTION PHASE PROVISIONS

The following provisions shall be applicable should the ENGINEER be retained to provide Construction Phase Services in connection with the Project:

15.1 CLIENT and Contractor - The presence of ENGINEER's personnel at a construction site, whether as onsite representatives or otherwise, does not make ENGINEER or ENGINEER's personnel in any way responsible for the obligations, duties, and responsibilities of the CLIENT and/or the construction contractors or other entities, and does not relieve the construction contractors or any other entity of their respective obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction contract documents and for providing and/or enforcing all health and safety precautions required for such construction work.

15.2 Contractor Control - ENGINEER and ENGINEER's personnel have no authority or obligation to monitor, to inspect, to supervise, or to exercise any control over any construction contractor or other entity or their employees in connection with their work or the health and safety precautions for the construction work and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except ENGINEER's own personnel.

15.3 On-site Responsibility - The presence of ENGINEER's personnel at a construction site is for the purpose of providing to CLIENT an increased degree of confidence that the completed construction work will conform generally to the construction documents and that the design concept as reflected in the construction documents generally has been implemented and preserved by the construction contractor(s). ENGINEER neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.

15.4 Payment Recommendations - Recommendations by ENGINEER to CLIENT for periodic construction progress payments to the construction contractor(s) are based on ENGINEER's knowledge, information, and belief from selective observation that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by ENGINEER to ascertain that the construction contractor(s) have completed the work in exact accordance with the construction documents; that the final work will be acceptable in all respects; that ENGINEER has made an examination to ascertain how or for what purpose the construction contractor(s) have used the moneys paid; that title to any of the work, materials, or equipment has passed to CLIENT free and clear of liens, claims, security interests, or encumbrances; or that there are no other matters at issue between CLIENT and the construction contractors that affect the amount that should be paid.

15.5 Record Drawings - Record drawings, if required as part of ENGINEER's agreed scope of work, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the project was finally constructed. ENGINEER is not responsible for any errors or omissions in the information from others that are incorporated into the record drawings.

16. DESIGN WITHOUT CONSTRUCTION PHASE SERVICES

The following provisions shall be applicable should the ENGINEER be retained to provide design services but not be retained to provide Construction Phase Services in connection with the Project:

16.1 It is understood and agreed that the ENGINEER's Scope of Services under this proposal does not include project observation or review of the Contractor's performance or any other construction phase services, and that such services will be provided by the CLIENT or others. The CLIENT assumes all responsibility for interpretation of the Contract Documents and for construction observation, and the CLIENT waives any claims against the ENGINEER that may be in any way connected thereto.

16.2 In addition, the client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively, ENGINEER) against all damages, liabilities or costs, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of the ENGINEER.

2019 FIXED HOURLY RATE SCHEDULE

TECHNICAL PROFESSIONALS

Principal	\$240.00
Senior Consultant	\$185.00
Principal Coastal Engineer	\$205.00
Principal Engineer	\$190.00
Senior Project Manager	\$190.00
Project Manager 2	\$175.00
Project Manager 1	\$150.00
Senior Engineer 2	\$170.00
Senior Engineer 1	\$155.00
Project Engineer 2	\$140.00
Project Engineer 1	\$125.00
Staff Engineer 3	\$135.00
Staff Engineer 2	\$110.00
Staff Engineer 1	\$95.00
Senior Architect	\$155.00
Principal Planner	\$155.00
Project Planner	\$110.00
Planner 2	\$100.00
Planner 1	\$85.00
Resident Engineer	\$160.00
Construction Observer 3	\$135.00
Construction Observer 2	\$110.00
Construction Observer 1	\$90.00
Principal Compliance Specialist	\$180.00
Senior Compliance Specialist 2	\$145.00
Senior Compliance Specialist 1	\$130.00
Project Compliance Specialist 2	\$115.00
Project Compliance Specialist 1	\$105.00
Compliance Specialist 2	\$90.00
Compliance Specialist 1	\$80.00
Senior Environmental Professional	\$230.00
Principal Environmental Scientist	\$175.00
Senior Environmental Scientist 2	\$150.00
Senior Environmental Scientist 1	\$135.00
Project Environmental Scientist 2	\$120.00
Project Environmental Scientist 1	\$110.00
Environmental Scientist 2	\$95.00
Environmental Scientist 1	\$85.00

GIS PROFESSIONALS

GIS Director	\$190.00
Senior Development Engineer	\$165.00
GIS Project Manager	\$140.00
Senior GIS Analyst	\$120.00
GIS Analyst 2	\$110.00
GIS Analyst 1	\$100.00
GIS Developer 1	\$85.00
GIS Technician 2	\$85.00
GIS Technician 1	\$70.00

SUPPORT

Remediation Technician 2*	\$90.00
Remediation Technician 1*	\$80.00
Senior Designer/Drafter	\$135.00
Designer/Drafter*	\$105.00
Graphics Support Specialist	\$95.00
CAD Technician*	\$85.00
Intern*	\$65.00
Administrative Support*	\$80.00

EXPENSES

1. Automobile transportation expense for employee travel directly related to the project shall be invoiced at the prevailing Federal rate per vehicle mile.
2. Outside reimbursable expenses and services, which are rendered to Tighe & Bond by other than direct employees, and any permitting fees paid by Tighe & Bond on behalf of the Client, shall be invoiced at Tighe & Bond's direct cost plus 10% administrative fee.
3. Reimbursable expenses such as in-house field supplies and equipment rental, tolls and parking, overnight mailings and bulk notification mailings, and in-house printing shall be invoiced at cost or unit costs as applicable.
4. Costs for items such as regular mailings of project documents, telephone or fax communications, computer usage charges, and miscellaneous in-house printing are included in the hourly rates shown above.

PROVISIONS

1. Rates are effective until December 31, 2019 at which time rates will be increased based on annual salary review.
- * For non-salaried personnel (noted above by an "**"), time worked in excess of eight hours in any day or forty hours per calendar week shall be invoiced at 150 percent of the above rate.

Town of Fairfield

Fairfield, Connecticut 06824

Attached please find documents prepared for the Board of Finance Special Meeting,
August 26, 2019

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Town of Fairfield

Fairfield, Connecticut 06824

To:	Board of Finance
Subject:	To Address the Issues of the Arrest Warrant Regarding Misappropriation of Town Funds
Date:	August 21, 2019

Issues Per Arrest Warrant:

1. Julian Development Rental Payments Made with Credit Memos

In June 2013, the Town entered into an agreement with Julian Development to manage the material processing facility. The agreement called for the facility to be fully operational nine months per year and for 3 quarterly rental payments of \$3,000 per each of the 3 quarters.

Bartlett, in an email of September 24, 2013 stated he was taking materials in lieu of rent payments. On September 25, 2013, Town Controller, Caitlin Bosse informed Scott Bartlett the rent should come into General Fund revenue and the materials should be expensed to the Department of Public Works operations budget.

On August 11, 2016, Internal Audit discovered that Julian Development (Julian) rent had not been collected and Internal Audit commenced an audit examination. Internal Audit was told by Bartlett he was accepting credit memos in lieu of rent. This prompted an audit of the credit memos and the ultimate meeting with the Julian accountant as explained below.

As a result of the findings, Finance implemented policies to ensure that they would be notified whenever bids are awarded which involve rent collections. The Purchasing Department has been instructed to notify the Controller and Internal Audit whenever future bids are awarded that include provision for payment to the Town for any reason.

2. The Inappropriate Use of Credit Memos to Offset Rent Payments

Bid #2013-73 required rent to be paid by Julian in the amount of \$3,000 per term over ten terms from June 15, 2013 through September 14, 2016 in the total of \$30,000. An extended term was thereafter granted from September 15, 2016 – December 15, 2016 for an additional \$3,000 making the total rent due \$33,000. Credit memos were accepted by Scott Bartlett in lieu of physical rent checks as follows:

- a. Credit memo 1272 from Julian for \$6,000 dated March 26, 2014 was emailed to Accounts Payable by Julian on June 5, 2014. In late April 2014, Accounts Payable received a packet of invoices from DPW which included a statement showing a \$6,000 credit. The packet did not include the credit memo; therefore, accounts payable sent an email to DPW requesting a copy of the memo. A follow up request was sent on May 14, 2014 and on June 5, 2014, Julian emailed the credit memo directly to Accounts Payable. The credit memo was applied by Accounts Payable in MUNIS with the processing of invoice numbers 1160, 1250, 1250A, 1159 and 1183 on June 5, 2014. The credit memo was presented as an offset for \$6,000 due for the rental periods June through September 2013 and September through December 2013. The total of these invoices was \$11,114. The Town paid \$5,114 via check number 551070 on June 5, 2014.
- b. Credit memo 2014 Rent C from Julian for invoice numbers 2149, 2091, 2090 in the amount of \$12,000 dated December 31, 2014 was accepted by Bartlett at the Department of Public Works toward rent for the periods March through June 2014, June through September 2014, and September through December 2014, and a pre-payment of rent for March through June 2015. These credit memos and offsetting invoices had been held by Scott Bartlett and had not been submitted to Accounts Payable. Finance became aware of them as a result of the audit work of 2016. Internal Audit reviewed these invoices to ensure that they had not been paid.
- c. Credit memos 7966, 7967 and 7968 for \$3,000 dated July 16, 2015, October 16, 2015 and April 16, 2016 respectively totaling \$9,000. These credit memos referenced invoice numbers 6768, 6769, 6770, 6788, 6922, 2232, 6762, 6764, 6765, 6766, 6767. These credit memos

had been held by Bartlett at the Department of Public Works and had not been submitted to Accounts Payable. These credit memos stated they were to offset rent for the periods June through September 2015, September through December 2015, and March through June 2016. These invoices were subjected to review like the other credit memos that had been submitted for rent. The review showed that these invoices, with the exception of invoice number 2232 had been paid by Accounts Payable. Therefore, these credit memos were not accepted and Internal Audit scheduled a meeting with the accountant from Julian to reconcile the credit memos issued for rent and all paid and outstanding invoices for the duration of the Julian contract.

On October 25, 2016, Internal Auditor Connie Saxl and Accounts Payable Clerk Kiva Barry met with the accountant for Julian to reconcile and close-out the receivable/payable account.

Because the original contract had ended on September 14, 2016, no future billings were anticipated, and we were reconciling and closing out the accounts, the Town agreed to offset \$9,000 of open invoices to replace the \$9,000 of credit memos that had been issued for invoices that had been paid. An additional \$3,000 of open invoices were used to offset the remaining unpaid rental balance. The resultant account reconciliation prepared at that time showed a net payable to Julian of \$5,321 which the Town paid. All payments processed for Julian were for open invoices authorized and approved by Scott Bartlett.

The Julian contract was extended for an additional term from September through December 2016 and Internal Audit instructed Julian to make their final rent payment in the amount of \$3,000 via rent check payable to the Town of Fairfield. On October 28, 2016, the Town received the final rent check in the amount of \$3,000 from Julian.

On October 28, 2016, all rent owed to the Town had been received and the balance of all authorized and approved invoices had been paid.

3. Payment for Services Which, Per the Contract, the Town Was Not to be Charged

Accounts Payable processed \$133,925 for payment to Julian for fill pile contract related invoices over the three-year contracted period. The police arrest warrant application alleges that charges on three invoices (3193, 3736,

4062) totaling \$5,722.77 and paid by the Town were improperly billed. The total charges of the three invoices is \$13,013.04. Additionally, it is alleged that a second invoice for \$3,510 was also for services that Julian should not have billed to the Town per the RFP. Julian submitted this invoice to the Town and applied \$1,270.10 of the invoice to the credit memo 2014 Rent C dated December 31, 2014 and the remaining \$2,239.90 was identified as an "offset". There is no statement of what the offset was for. The grand total of charges alleged improperly billed and paid therefore would be \$6,992.87, the sum of the invoices paid (\$5,722.77) plus the credit applied (\$1,270.10) or 5.2% of total Julian facility billings processed.

Accounts Payable takes great care in reviewing all bills submitted for payment in order to ensure that vendors are only paid upon receipt of valid and proper vendor invoices. Internal Controls are in place within the Town of Fairfield Accounts Payable system whereby vendors are paid on invoices that are designated within the MUNIS accounting system as properly authorized for purchase and approved by the Department Head that the goods purchased have been received or the services rendered.

All payments made to Julian were made by Accounts Payable as the result of properly authorized and approved vendor invoices by Scott Bartlett.

SCHEDULE A

**TOWN OF FAIRFIELD
JULIAN BILLINGS, CREDIT MEMO'S AND TOWN PAYMENTS
JUNE 2013 - DECEMBER 2016**

<u>PERIOD</u>	<u>JULIAN</u>				<u>TOWN</u>
	<u>BILLINGS</u>	<u>BILL OFFSET</u>	<u>CREDIT MEMO'S</u>	<u>TOTAL</u>	<u>PAYMENTS ON BILLINGS</u>
6/15/2013-9/14/2013	\$3,728.00			\$3,728.00	
9/15/2013-12/15/2013	\$260.00			\$260.00	
12/16/2013-3/14/2014	\$30,935.65			\$30,935.65	\$23,809.65
3/15/2014-6/14/2014			(\$6,000.00) 1	(\$6,000.00)	\$5,114.00
6/15/2014-9/14/2014				\$0.00	
9/15/2014-12/15/2014	\$14,239.90			\$14,239.90	
12/16/2014-3/14/2015	\$18,178.92	(\$2,239.90)	(\$12,000.00) 2	\$3,939.02	
3/15/2015-6/14/2015	\$1,520.92			\$1,520.92	
6/15/2015-9/14/2015				\$0.00	\$18,535.92
9/15/2015-12/15/2015				\$0.00	
12/16/2015-3/14/2016	\$4,895.00			\$4,895.00	\$4,895.00
3/15/2016-6/14/2016	\$44,009.22			\$44,009.22	\$41,966.89
6/15/2016-9/14/2016	\$16,157.08			\$16,157.08	\$2,042.33
9/15/2016 - 12/15/2016 4	\$0.00		(\$12,000.00) 3	(\$12,000.00)	\$5,321.00
	<u>\$133,924.69</u>	<u>(\$2,239.90)</u>	<u>(\$30,000.00)</u>	<u>\$101,684.79</u>	<u>\$101,684.79</u>

NOTES:

RENT APPLIED AS CREDIT MEMO'S TOWARD BILLINGS/INVOICES BY JULIAN.

1 - RENT APPLIED AS CREDIT MEMO #1272 DATED 3/26/2014 APPLIED BY FINANCE AGAINST BILLINGS - (INVOICES 1160, 1250, 1250A, 1159, 1183)

2 - RENT APPLIED AS CREDIT MEMO #2014 RENT C DATED 12/31/2014 APPLIED BY JULIAN AGAINST BILLINGS - (INVOICES 2149, 2091, 2090 - NO INVOICES SUBMITTED TO FINANCE OR PAID BY FINANCE)

3 - RENT APPLIED AS CREDIT MEMOS #7966,7967,7968,10862 - APPLIED BY FINANCE AGAINST BILLINGS ON 10/27/2016 (INVOICES 8047,8147,8171, 8338,8633,8643,8957,'8967,8983,8985,9054,9131,9495,9508,9522,9640,9671,9672,9662,9694,9738,9950,9973,10015,10056,10069,10108,10452)

4 - THE TOWN EXTENDED THE CONTRACT FOR ONE ADDITIONAL TERM FROM SEPTEMBER 15, 2016 TO DECEMBER 15, 2016 FOR \$3,000. JULIAN PAID THE TOWN FOR THE EXTENDED TERM IN THE AMOUNT OF \$3,000 (CHECK 24061 RECEIVED FROM JULIAN ON 10-28-16).

SCHEDULE B**TOWN OF FAIRFIELD
JULIAN RENT
JUNE 2013 - DECEMBER 2016**

<u>RENTAL PERIOD</u>	<u>AMT. DUE</u>	<u>AMT. REC'D.</u>	<u>DATE REC'D</u>	<u>BALANCE</u>
6/15/2013-9/14/2013	\$3,000.00			\$3,000.00
9/15/2013-12/15/2013	\$3,000.00			\$3,000.00
3/15/2014-6/14/2014	\$3,000.00	\$6,000.00	1 3/26/2014	(\$3,000.00)
6/15/2014-9/14/2014	\$3,000.00			\$3,000.00
9/15/2014-12/15/2014	\$3,000.00	\$12,000.00	1 12/31/2014	(\$9,000.00)
3/15/2015-6/14/2015	\$3,000.00			\$3,000.00
6/15/2015-9/14/2015	\$3,000.00			\$3,000.00
9/15/2015-12/15/2015	\$3,000.00			\$3,000.00
3/15/2016-6/14/2016	\$3,000.00			\$3,000.00
6/15/2016-9/14/2016	\$3,000.00			\$3,000.00
9/15/2016 - 12/15/2016	3 \$3,000.00	\$15,000.00	2 10/27/2019	(\$12,000.00)
TOTAL RENT	<u>\$33,000.00</u>	<u>\$33,000.00</u>		<u>\$0.00</u>

1 - RENT APPLIED AS CREDIT MEMO'S TOWARD BILLINGS/INVOICES.

2 - RENT IN THE AMOUNT OF \$12,000 APPLIED AS CREDIT MEMO'S TOWARD BILLINGS/INVOICES ON 10/27/2016
PLUS EXTENDED TERM (3) - RENT PAYMENT OF \$3,000 RECEIVED VIA RENT CHECK FROM JULIAN ON 10/28/2016

Town of Fairfield

Fairfield, Connecticut 06824

INTERNAL AUDIT

(203) 256-3065 Office

(203) 256-3080 Fax

cnolfi@fairfieldct.org

To: Robert Mayer, Chief Fiscal Officer
From: Connie M. Nolfi, Internal Auditor
Subject: Audit: Bid #2013-73 – Construction Material Processing Facility
Date: October 13, 2016
Cc: Gerald Foley, Director of Purchasing
Joe Michelangelo, Director of Public Works



The Internal Audit Division has completed an examination of Bid #2013-73 awarded to Julian Development for the Construction Material Processing Facility.

The primary *purpose* of the audit was to review bid award specifications and associated Contractor compliance. This encompassed:

- Reviewing invoices paid to the Contractor for conformance with prices supplied in bid award documents.
- Reviewing annual facility operation revenue received by Town as supplied by the Contractor in bid award documents.
- Reviewing Certificates of Insurance as required by the Town bid award.
- Reviewing Contractor Performance Bond as required by the Town bid award.
- Identifying and disclosing all weaknesses among the internal accounting control structure.



STATEMENT OF AUDITING STANDARDS

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit be planned and performed in order to afford a reasonable basis for judgments and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy audit objectives.



INTERNAL CONTROL DEFINED

Internal control encompasses all the steps and actions developed by management to ensure efficient and effective organizational operations. It consists of all methods used within an organization to safeguard assets, promote the accuracy and reliability of its accounting data and records, promote operational efficiency and encourage compliance with all policies and procedures prescribed by management.



AUDIT FINDING #1

THE CONTRACT IS EXPIRED

Bid #2013-73 was awarded to Julian Development (hereafter referred to as Contractor) on May 2, 2013 for the Construction Material Processing Facility. The bid award stipulates a three year term starting May 23, 2013. Internal Audit determined that the three year term would terminate on May 23, 2016 and that the Contractor has been operating the Facility under an expired contract for approximately three months.

AUDIT RECOMMENDATION #1

The Purchasing Department should prepare a new bid for the Construction Material Processing Facility immediately.

NOTE: PURCHASING AND PUBLIC WORKS DEPARTMENT HAVE DECIDED TO EXTEND THE CONTRACT TERM TO DECEMBER 31, 2016. THE CONSTRUCTION MATERIAL PROCESSING FACILITY OPERATION WILL BE BID AFTER THAT DATE. RENT IN THE AMOUNT OF \$3,000 FOR THE FIRST TERM OF 2013 WAS WAIVED SINCE THE OPERATION COMMENCED AT THE END OF MAY 2013 DURING THE MIDDLE OF THE FIRST RENT TERM.

AUDIT FINDINGS #2 & 3

COST OF LIVING ADJUSTMENT NEVER MADE

Bid #2013-73 states:

“The contract shall be for an initial (3) year term with an agreed upon cost of living allowance (COLA) applied every (12) months. A refundable surety deposit is required to accompany all proposals.”

A cost of living allowance was never made during the term of the contract nor has a surety deposit been collected.

NOT ALL QUARTERLY OPERATIONS PAYMENTS RECEIVED

Bid #2013-73 requires the Contractor to make quarterly payments to the Town for a total of \$9,000 per year for three years plus cost of living adjustment. Internal Audit noted that required revenue payments had not been received from the Contractor to date.

Inquiries with Public Works Operations revealed that credit memos on invoices were obtained from the Contractor in lieu of quarterly rental payments.

Internal Audit reviewed bills paid to Julian and noted that only one credit memo in the amount of \$6,000 was applied toward a bill paid to the Contractor in May 2014. (The credit memo was one year late.) Internal Audit did not note any other invoices with credit memos from the Contractor entered into the MUNIS accounting system nor were any revenue payments received by the Town.

Further inquiries with Public Works Operations revealed that the Department would obtain goods and services from the Contractor and then a credit memo would be applied toward the total amount of goods and services rendered, resulting in a zero balance. However, many of these invoices were submitted to Finance and paid without credit memos applied to them. Other invoices and associated credit memos were maintained internally at the Public Works Garage.

The total due as of 10/5/2016 is \$13,836.08 for Operation of the Facility:

6/15/2013-9/14/2013 – Rent	\$3,000.00	
9/15/2013-12/15/2013 – Rent	\$3,000.00	\$6,000.00
3/15/2014-6/14/2014 – Rent	\$3,000.00	
6/15/2014-9/14/2014 – Rent	\$3,000.00	
9/15/2014-12/15/2014 – Rent	\$3,000.00	\$9,000.00
3/15/2015-6/14/2015 – Rent	\$3,000.00	
6/15/2015-9/14/2015 – Rent	\$3,000.00	
9/15/2015-12/15/2015 – Rent	\$3,000.00	\$9,000.00
3/15/2016-6/14/2016 – Rent	\$3,000.00	
6/15/2016-9/14/2016 – Rent	\$3,000.00	
9/15/2016-12/15/2016 – Rent	\$3,000.00	\$9,000.00
TOTAL OWED BY JULIAN FOR OPERATION OF FACILITY:		<u><u>\$33,000.00</u></u>
 MUNIS CREDIT MEMO - APPLIED TOWARD INVOICES:		 -\$6,000.00
 CREDIT MEMO'S - APPLIED TOWARD INVOICES INTERNALLY THROUGH PW GARAGE & JULIAN :		 -\$13,163.92 **
		<u><u>-\$19,163.92.00</u></u>
 GRAND TOTAL PAST DUE BY JULIAN:		 <u><u>\$13,836.08</u></u>

****Invoices/credit memo's for this amount were not submitted to Finance for processing. At the initial 8/18/2016 audit review - Internal Audit told PW Operations not to apply credit memos for rent toward invoices but to collect actual rent checks from Julian and to submit invoices to Finance for payment.**

NO PHYSICAL RENT CHECKS HAVE BEEN RECEIVED TO DATE FROM JULIAN.



AUDIT RECOMMENDATION #2 & 3

The Public Works Operations must comply with Town policies and procedures regarding requisitioning, receiving, approving and maintaining invoices and credit memos for goods and services. The current manner of keeping invoices and associated credit memos solely by Public Works Garage creates a significant deficiency in internal accounting controls.

Internal Audit recommends that the following process be established immediately:

1. Quarterly revenue payments will be submitted by the Contractor via check payable to the Finance Department.
2. Public Works will follow the purchase requisition/review & approval/payment process in MUNIS.



AUDIT FINDING #4

WATER USAGE NOT CHARGED

Bid #2013-73 states:

“Water will be metered and usage charged to the Contractor on a quarterly basis.”

Internal Audit requested the meter number located at the Facility used by the Contractor through Public Works Administration on August 12, 2016. However, they were not familiar with the meter at that location. Water usage was never billed to the Contractor.

Inquiries with the Sewer Department revealed that the water meter at 295 One Rod Highway is shared with Public Works and Julian. Total amount paid by the Town for this meter during FY16 was \$11,603.55.

AUDIT RECOMMENDATION #4

Public Works should calculate the amount of water used by the Contractor during that time period and demand payment along with the delinquent annual rent.



AUDIT FINDING #5

SIZE AND VOLUME OF STOCKPILE NOT REDUCED

Bid #2013-73 states:

“The Operator is required to reduce the total height and volume of the current stockpile of the existing material on the site.”

Conversations with the Town Attorney revealed that the height of the stockpile has not been reduced.

AUDIT RECOMMENDATION #5

It is recommended that the Contractor be notified that he is not in compliance with the requirements of Bid #2013-73 and that he should remedy the situation immediately or cease operations. If the Contractor does not comply, the Performance Bond should be utilized to defray costs.

NOTE: A MEMO FROM PUBLIC WORKS DIRECTOR, RICH WHITE STATED THAT THE TOWN COST FOR REDUCING THE FILL PILE FOR \$100,000 PER YEAR OVER THREE YEARS (FY16-18) WAS ELIMINATED FROM THE DPW CAPITAL PLAN BASED UPON THE ASSUMPTION THAT A CONTRACTOR WOULD PROCESS THE MATERIAL INTO SELLABLE PRODUCTS.



AUDIT FINDING #6

Bid #2013-73 states:

“Standard hours of operation for the Contractor are from 7:00am to 3:30pm, Monday through Friday. Hours may be extended in the future where permissible by DPW in writing, and if determined to be non-obtrusive to local residents.”

Discussions with the Director of Solid Waste and Recycling revealed that the Contractor’s trucks were still entering and exiting the Facility on Saturday’s. A video tape of the site on Saturday, October 1, 2016 was reviewed by both Internal Audit and the Director of Solid Waste and Julian Trucks were observed driving through the Facility on that day.

AUDIT RECOMMENDATION #6

DPW should provide permission in writing for Contractor trucks to operate on Saturday’s only if it is deemed non-obtrusive to local residents. If deemed obtrusive, then permission to operate of Saturday’s should be denied, especially since required rent payments have not been made.



AUDIT FINDING #7 - REMEDIED

**CONTRACTOR CERTIFICATE OF INSURANCE AND
PERFORMANCE BOND EXPIRED - NOW UPDATED**

Internal Audit requested a copy of the Contractor’s Certificate of Insurance and Performance Bond as required by Bid #2013-73 however, only expired documents were found in the file. Internal Audit requested that these documents be updated by Purchasing in August 2016. Updated copies of these documents were finally produced by the Contractor almost two months later.



CLOSING REMARKS

Internal Audit welcomes the opportunity to assist with the implementation of any of the recommendations included within this report. It is my hope that we can remedy the existing issues at the Construction Material Processing Facility so it may operate as efficiently and effectively as possible for the Town of Fairfield in the future.

FINAL

Limitations of Internal Controls

No matter how well internal controls are designed, they can only provide reasonable assurance that objectives have been achieved. Some limitations are inherent in all internal control systems. These include:

1. **Collusion:** Control systems can be circumvented by employee collusion. Individuals acting collectively can alter financial data or other management information in a manner that cannot be identified by control systems.

2. **Human Error:** A person involved in a control system could simply make a mistake, perhaps forgetting to use a control step. Or, the person does not understand how a control system is to be used, or does not understand the instructions associated with the system. Errors may also result from new technology and the complexity of computerized information systems.

3. **Management Override:** High level personnel may be able to override prescribed policies and procedures for personal gain or advantage. This should not be confused with management intervention, which represents management actions to depart from prescribed policies and procedures for legitimate purposes.

4. **Judgement:** The effectiveness of controls will be limited by decisions made with human judgement under pressures to conduct business based on the information at hand.

August 8, 2019

Town of Fairfield
725 Old Post Road
Fairfield, CT 06824

PKF O'Connor Davies, LLP is pleased to present this proposal to provide services to the Town of Fairfield for the review of the Public Works Department internal controls and related financial policies and procedures. Please see below for the proposed scope of services.

Scope of Project

Based upon our discussion the scope of services is as follows:

Based upon the nature of the project we propose to structure the engagement to be performed in two phases. Phase I would consist of the following procedures:

- We will obtain an understanding of the internal controls and related accounting policies and procedures for the Town's Public Works Department. This will include review of the procedures for revenue collection, cash disbursement approvals and purchasing.
- We will review the Public Works Department revenue and expenditure detail transactions for the period July 1, 2017 through July 31, 2019 and select transactions for testing. The review of expenditures will include an analysis of significant activities, projects and vendor activity.
- We will review the financially relevant operational policies and procedures for each division of the Public Works Department.
- We will perform other procedures as we consider necessary based upon the results of the procedures noted above.

After completion of Phase 1, we will prepare a report to the Town or designated subcommittee that will include a description of the background of the project, a description of the scope of testing performed, the results of the testing performed, identification of any conditions (internal control weaknesses) that we noted and our recommendations to address the conditions noted.

We will also make recommendations for opportunities to increase efficiency and upgrade to best practices.

The report will also include additional procedures that we recommend to be performed based upon the results of the procedures performed in Phase 1 for the Town's evaluation and approval. If approved, the engagement letter will be updated for the revised scope of services.

After completion of the procedures approved for Phase 2, we will issue a final report to the Town.

Fees and billing

Our estimated fee for these services for **Phase I** will be **\$9,000 to \$12,000** (the "Fee") for an estimate of 30 to 40 hours of service. The Fee shall be payable to us in monthly installments as the work is performed, within 30 days of the invoice date. We will provide a fee for **Phase 2**, if necessary, once the scope of services is determined and approved by the Town.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our engagement for each year ends on delivery of our report. Requests for services other than those included in this engagement letter will be agreed upon separately.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

We are pleased to have this opportunity to serve you.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.
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