

REQUEST FOR PROPOSALS (RFP)

Issue Date: January 21, 2015

REQUEST FOR PROPOSALS: Professional Auditing Services



RFP – PROFESSIONAL AUDITING SERVICES 1214-2015-1
CLOSING DATE: February 11, 2015
CLOSING TIME: 11:00am
PROCUREMENT OFFICER: Julie Phares PHONE: 757-220-6181
TECHNICAL CONTACT: Philip Serra PHONE: 757-220-6187

Proposals Requested for 4 entities:

- (1) City of Williamsburg
- (2) Williamsburg Regional Library
- (3) Williamsburg Economic Development Authority
- (4) Williamsburg Redevelopment and Housing Authority

Location Of Where Work Will Be Performed:

- (1) Municipal Building, 401 Lafayette Street, Williamsburg, VA 23185
- (2) Williamsburg Regional Library, 515 Scotland St., Williamsburg, VA 23185

Period of Contract: Three (3) years with two (2) three (3) year extensions.

Proposals Will Be Received Until the Date and Time Noted Above For Furnishing the Services Described.

All Technical Inquiries for Information Should Be Directed To: Philip Serra, Director of Finance, City of Williamsburg. Telephone Number: (757) 220-6187, or by email at pserra@williamsburgva.gov

IF PROPOSALS ARE MAILED, SEND DIRECTLY TO ISSUING OFFICE NOTED ABOVE. IF PROPOSALS ARE HAND DELIVERED, DELIVER TO:

401 Lafayette Street Williamsburg Municipal Building-Finance Dept. 1st Floor

In compliance with this request for proposals and to all the conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name And Address Of Firm:

_____ Date: _____

_____ By: _____

(Signature In Ink)

_____ Zip Code: _____ Name: _____

FEI/FIN NO. _____ (Please Print)

Fax Number: (____) _____ Title: _____

E-Mail Address: _____ Telephone Number: _____

RETURN THIS PAGE WITH YOUR PROPOSAL

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1.0 PURPOSE

The Williamsburg City Council (hereinafter called the "City") requests qualified independent certified public accountants (hereinafter called the "Auditor") to submit proposals to enter into a term contract to perform a financial and compliance audit of the City for the three fiscal years ended June 30, 2015 through 2017, with options to renew for two additional three-year periods. This is a joint RFP to procure professional auditing services for (1) the City of Williamsburg, (2) the Williamsburg Regional Library (the "Library"), (3) Williamsburg Economic Development Authority ("EDA") whereby the City acts as fiscal agent to both and (4) Williamsburg Redevelopment and Housing Authority (WRHA).

2.0 SCOPE OF WORK TO BE PERFORMED – CITY AUDIT (Fiscal Year Ending 6/30)

A. Financial Statements

The Auditor shall audit all funds of the City in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns issued by the Auditor of Public Accounts (APA)*. The audit shall result in the Auditor's opinions on the financial statements, the City's compliance and internal control over financial reporting in accordance with *GAS*, the City's compliance with OMB Circular A-133, and the City's compliance with Virginia's Laws, Regulations, Contracts and Grants. The Auditor will prepare the financial statements from the audited records of the City with the Auditor's opinions thereon. The Auditor's opinions shall be unqualified unless the Auditor furnishes the City, on a timely basis, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

B. Supplementary Information and Statistical Section

The Auditor shall apply procedures and report on the required and other supplementary information included in the Comprehensive Annual Financial Report (CAFR), including the schedule of expenditures of federal awards. The Auditor is not required to apply audit procedures and report on the statistical section of the CAFR. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Internal Controls

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*. The City reserves the right to request additional internal control test work as deemed necessary.

D. Compliance

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.

- E. **Component Units**
The criteria used in determining the reporting entity are consistent with GASB Statement No. 14 of the Governmental Accounting Standards Boards, "*The Financial Reporting Entity*", and GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*". The City reports the Williamsburg Redevelopment and Housing Authority as a component unit in its CAFR.
- F. **Comparative Report Transmittal Forms**
The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The Auditor shall prepare the required forms for submission to the Auditor of Public Accounts as required in the *Uniform Financial Reporting Manual*.

2.1 SCOPE OF WORK TO BE PERFORMED – LIBRARY AUDIT (Fiscal Year Ending 6/30)

- A. **Financial Statements**
The Auditor shall audit the Governmental Fund of the Williamsburg Regional Library in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States.
- B. **Supplementary Information and Statistical Section**
The Auditor shall apply procedures and report on the required and other supplementary information included in the Annual Financial Report. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.
- C. **Internal Controls**
In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*. The City reserves the right to request additional internal control test work as deemed necessary.
- D. **Compliance**
In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*.
- E. **Component Units**
The criteria used in determining the reporting entity are consistent with GASB Statement No. 14 of the Governmental Accounting Standards Boards, "*The Financial Reporting Entity*", and GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*". The Library reports its Foundation and Friends of the Library as component units in its Annual Financial Report.

2.2. **SCOPE OF WORK TO BE PERFORMED – EDA AUDIT (Fiscal Year Ending 6/30)**

A. Financial Statements

The Auditor shall audit the Governmental Fund of the Williamsburg Economic Development Authority in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States.

B. Supplementary Information and Statistical Section

The Auditor shall apply procedures and report on the required and other supplementary information included in the Annual Financial Report. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

C. Internal Controls

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*. The City reserves the right to request additional internal control test work as deemed necessary.

D. Compliance

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*.

E. Component Units

The criteria used in determining the reporting entity are consistent with GASB Statement No. 14 of the Governmental Accounting Standards Boards, "*The Financial Reporting Entity*", and GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*". The EDA does not report any component units in its Annual Financial Report.

2.3. **SCOPE OF WORK TO BE PERFORMED – WRHA AUDIT (Fiscal Year Ending 9/30)**

A. Financial Statements

The Auditor shall audit the Governmental Fund of the Williamsburg Redevelopment and Housing Authority in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States.

B. Supplementary Information and Statistical Section

The Auditor shall apply procedures and report on the required and other supplementary information included in the Annual Financial Report. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards and filing Financial Data Schedule as required by the U.S. Department of Housing and Urban Development.

- C. Internal Controls
In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*. The City reserves the right to request additional internal control test work as deemed necessary.
- D. Compliance
In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*.
- E. Component Units
The criteria used in determining the reporting entity are consistent with GASB Statement No. 14 of the Governmental Accounting Standards Boards, "*The Financial Reporting Entity*", and GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*". The WRHA does not report any component units in its Annual Financial Report.

3.0 MEETINGS AND REPORT PREPARATION – CITY AUDIT

- A. Meetings
The selected Auditor shall be available to attend scheduled conferences, as necessary, between the Auditor and the appropriate level of City management before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit. Adequate advance notice will be given when meetings are deemed necessary.
- B. Required Reports
Based on the audit work performed, the Auditor shall include the following reports in the CAFR unless otherwise indicated:
 - (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
 - (2) An opinion on the fair presentation of the other supplementary information and the schedule of expenditures of federal awards in conformity with accounting principles generally accepted in the United States of America. The Auditor shall prepare a disclaimer of opinion related to the statistical section included in the CAFR.
 - (3) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
 - (4) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. The Auditor shall report all instances of noncompliance with the specific requirements

for major federal program in the report on compliance and in the Schedule of Findings and Questioned Costs. The Auditor shall communicate all reportable conditions affecting major federal programs in the report. Further, the Auditor shall identify any material weaknesses in the report. Any finding or weaknesses shall be reported immediately to the appropriate level of management.

- (5) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (6) A report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be forwarded to the City for submission with the forms to the Auditor of Public Accounts by November 30.
- (7) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.
- (8) The Data Collection Form.

C. Draft Reports

The Auditor shall have drafts of the Auditor's reports, comments on the financial statements and recommendations to management available for review by the appropriate level of management by October 31st of each year. Any findings to be reported in accordance with 2.1(B) 4 and 5 above shall be available for review by the appropriate level of management by the same date. The Finance and Audit Committee will review the draft with City staff, and make agreed-upon changes, as necessary, after consultation with the Auditor, and before the final report is prepared.

D. Preparation and Presentation

The Auditor shall be responsible for financial statement preparation, editing and printing and will prepare 25 copies and a searchable electronic copy by November 20th each year. The Finance and Audit Committee will meet in late November each year to officially review the results of operation and financial status of the City's various funds as presented in the Comprehensive Annual Financial Report. The Auditor will also present the CAFR to the Williamsburg City Council at its regular meeting, the second Thursday in December each year.

E. Submission of Reports to the Government Finance Officers Association (GFOA)

The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting every year since 1986. The Auditor will review prior year comments from the GFOA with City staff to ensure that comments and recommendations for improvement are implemented. The City will submit the CAFR to the GFOA for this annual review in early December for consideration of another award.

F. Submission of Reports to the Auditor of Public Accounts

The City shall be responsible for submitting copies of the CAFR and Management Letter to the Auditor of Public Accounts by November 30th of each year in accordance with Section 15.2-2510 of the *Code of Virginia*.

G. Submission of Reports to Federal and State Agencies

The City shall be responsible for submitting copies of the CAFR to appropriate state and federal agencies.

- H. Submission of Transmittal Forms to the APA
The Auditor shall submit the Comparative Report Transmittal Forms to the Auditor of Public Accounts by November 30th of each year.

3.1 MEETINGS AND REPORT PREPARATION - LIBRARY AUDIT

A. Meetings

The selected Auditor shall be available to attend scheduled conferences, as necessary, between the Auditor and the appropriate level of City and/or Library management before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit. Adequate advance notice will be given when meetings are deemed necessary.

B. Required Reports

Based on the audit work performed, the Auditor shall include the following in the Financial Report unless otherwise indicated:

- (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
- (2) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- (3) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (4) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.

C. Draft Reports

The Auditor shall have drafts of the Auditor's reports, comments on the financial statements and recommendations to management available for review by the appropriate level of management by October 31st of each year.

D. Preparation and Presentation

The Auditor shall be responsible for financial statement preparation, editing and printing and will prepare 20 copies and a searchable electronic copy by November 20th each year. The Auditor will also present the Annual Financial Report to the Board of Trustees at its regular December meeting.

3.2 MEETINGS AND REPORT PREPARATION - EDA AUDIT

A. Meetings

The selected Auditor shall be available to attend scheduled conferences, as necessary, between the Auditor and the appropriate level of City and/or EDA management before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit. Adequate advance notice will be given when meetings are deemed necessary.

B. Required Reports

Based on the audit work performed, the Auditor shall include the following in the Financial Report unless otherwise indicated:

- (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
- (2) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- (5) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (6) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.

C. Draft Reports

The Auditor shall have drafts of the Auditor's reports, comments on the financial statements and recommendations to management available for review by the appropriate level of management by October 31st of each year.

D. Preparation and Presentation

The Auditor shall be responsible for financial statement preparation, editing and printing and will prepare 10 copies by November 20th each year.

3.3 MEETINGS AND REPORT PREPARATION - WRHA AUDIT

A. Meetings

The selected Auditor shall be available to attend scheduled conferences, as necessary, between the Auditor and the appropriate level of City and/or WRHA management before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit. Adequate advance notice will be given when meetings are deemed necessary.

B. Required Reports

Based on the audit work performed, the Auditor shall include the following in the

Financial Report unless otherwise indicated:

- (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
- (2) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- (7) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (8) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.

C. Draft Reports

The Auditor shall have drafts of the Auditor's reports, comments on the financial statements and recommendations to management available for review by the appropriate level of management by January 31st of each year.

D. Preparation and Presentation

The Auditor shall be responsible for financial statement preparation, editing and printing and will prepare 15 copies by February 20th each year.

4.0 ASSISTANCE TO BE PROVIDED TO AUDITOR

A. Books of Account

The City shall fully balance the books of account, reconcile subsidiary ledgers to control accounts, and reconcile all bank accounts within 60 days of each fiscal year end.

B. Schedules

The staff of the City shall prepare the following information:

- (1) A final trial balance of each fund, in such format as necessary to be downloaded to Auditor's automated system;
- (2) A final trial balance of each subsidiary ledger;
- (3) A schedule of federal expenditures by program;
- (4) A copy of the final budget approved by City Council for the audit period, the original budget resolution for the audit period, and all subsequent amendments to the budget resolution;
- (5) A copy of project contracts and amendments thereto for all projects beginning during the period or not fully completed prior to the period;
- (6) A schedule of insurance in force during the year and of insurance expenses for the year;
- (7) A schedule of investments held by all funds at the statement date showing both book value and estimated market value at the statement date;
- (8) A schedule of capital outlays during the period;
- (9) A schedule of capital asset dispositions during the period;

- (10) A schedule of accounts payable and receivables at the statement date;
- (11) Copies of grant agreements with governmental grantor or grantee agencies;
- (12) Copies of other significant contracts in force at statement date;
- (13) Such reasonable additional schedules as may be requested.

C. Other Assistance

The staff of the City and responsible management personnel shall be available during the audit to assist the firm by providing information and explanations.

D. Current Funds of the **CITY**

Government Fund Types:

General Fund – including Capital Improvement Program

Special Revenue Funds:

Law Enforcement Block Grant Fund

Virginia Public Assistance Fund

Proprietary Fund Types

Enterprise Funds:

Utility Fund – including Utility Capital Improvement Program

Agency Funds:

Williamsburg Regional Library

Williamsburg Tricentennial Fund

Economic Development Authority

Quarterpath Community Development Authority

Farmers' Market

Component Unit:

Williamsburg Redevelopment and Housing Authority

E. Current Funds of the **LIBRARY**

Government Fund Types:

General Fund – accounts for all financial resources of the organization

Component Units:

Friends of the Williamsburg Regional Library

Williamsburg Regional Library Foundation

F. Current Funds of the **EDA**

Government Fund Types:

General Fund – accounts for all financial resources of the organization

Component Units:

None

G. Current Funds of the **WRHA**

Government Fund Types:

General Fund – accounts for all financial resources of the organization

Triangle Fund – accounts for small commercial property management

Component Units:

None

5.0 PRE-PROPOSAL CONFERENCE

No pre-proposal conference is scheduled. Any potential offeror is encouraged to contact Philip Serra, Director of Finance at 757-220-6187 for questions and obtain clarification about the Request for Proposal.

General background information about the City is available on the City of Williamsburg website in the FY 2014 CAFR, FY 2015 Adopted Budget, and many other sections of the site at www.williamsburgva.gov

General background information about the Library is available on its website at www.wrl.org.

6.0 PROPOSAL PREPARATION AND SUBMISSION

A. Format of the Proposal

Proposals should be as thorough and detailed as possible so that the Finance and Audit Committee may properly evaluate the Auditor's ability to provide the required services. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.

B. Contents of the Proposal

The Auditor is required to submit the following items as a complete proposal:

(1) Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person and date.

(2) Letter of Transmittal that includes the items listed below:

(a) History of the firm, including the number of years in business and size of firm.

(b) A statement by the prospective Auditor of the understanding of the work to be performed with descriptions of the audit approach and illustrations of the procedures to be employed.

(c) The approximate date the audit will begin (including preliminary fieldwork) and end. Also, the approximate dates for delivery of the financial statements and Auditor's reports.

(d) Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities, and recent continuing professional education of each.

(e) Names, addresses, and telephone numbers of persons who may be contacted for reference.

(f) A copy of the report on the firm's most recent peer review.

(g) A statement by the prospective Auditor that:

(1) The firm is independent of the City of Williamsburg as that term is

defined in the Ethical Rules of the AICPA.

- (2) The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
- (3) The firm has met the peer review standards of the AICPA and *Government Auditing Standards*.
- (4) The firm will provide adequate supervision on a day-to-day basis.
- (5) Staff assigned to the audit have met the continuing education requirements required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

C. Right to Reject Proposals

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal.

D. Deadline for Submission

To be considered for selection, the Auditor shall submit a complete response to the Request for Proposal. One (1) original and five (5) copies of each proposal shall be submitted to the City. Copies of the proposal should be forwarded to Julie Phares, Purchasing Agent, 401 Lafayette St., Williamsburg, VA 23185 no later than 11:00 a.m. on February 11, 2015. The proposal should clearly be marked "Request for Proposal (RFP) Professional - Audit Services."

E. Inquiries

Inquiries concerning the request for proposal should be directed to: Julie Phares, Purchasing Agent, 401 Lafayette St., Williamsburg, VA 23185 – Phone 757-220-6181

7.0 EVALUATION AND AWARD CRITERIA

A. Evaluation of Proposals

Proposals submitted will first be evaluated by Finance staff, and then based on staff's recommendations the qualified proposals will be evaluated by the City's Finance and Audit Committee.

B. Evaluation Criteria

Evaluation criteria shall include the following:

- (1) The specific plans or methodology to be used in performing the audit (i.e., the audit approach). (weight = 10%)
- (2) The skill, experience and training of the specified persons who will be performing the services requested. (weight = 25%)
- (3) The prior experience and reputation of the Auditor in auditing local governments similar to the City. (weight = 45%)
- (4) References from other local governments or clients. (weight = 10%)
- (5) Stated ability to complete the audit and submit the financial statements and Auditor's reports to the Auditor of Public Accounts by the required deadline. (weight = 10%)

C. Award of Contract

Two or more offerors deemed to be fully qualified and best suited among those submitting proposals for professional auditing services of the City, Library, EDA, and WRHA will be identified on the basis of the evaluation factors stated in the Request for Proposal.

Repetitive informal interviews with the Finance and Audit Committee shall be permissible, wherein offerors are encouraged to elaborate on their qualifications, performance data, staff expertise pertinent to the proposed services, as well as alternate concepts.

At the conclusion of discussions, outlined above, on the basis of evaluation factors published in this RFP and all information developed in the selection process to this point, the Finance and Audit Committee shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

Negotiations will then be conducted beginning with the offeror ranked first. If a contract which is satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award will be made to that offeror. Otherwise, negotiations with the offeror ranked first will be formally terminated and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price.

Should the Finance and Audit Committee determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror. (Code of Virginia, 2.2-4301.) At any time during the negotiations, the Purchasing Office may terminate all negotiations and re-advertise the requirement.

8.0 PAYMENT TERMS

Interim billings shall not exceed 80% of the total fee and shall be no more than four (4) times during the audit period covered (e.g. July 15th, Sept. 15th, Oct. 15th, and final payment). Final payment shall be made upon acceptance of the report by the Williamsburg City Council and receipt of all other reports and letters outlined in this document. A fee schedule shall be negotiated with the successful offeror.

Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than is necessary under ordinary circumstances, the Auditor shall inform the appropriate level of management in writing of the need for such additional investigation and the mutually agreed upon additional compensation to complete the investigation, prior to the commencement of any such work.

9.0 GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

- A. **SUBMISSION OF PROPOSAL:** Failure to submit a proposal in accordance with the requirements set forth in this solicitation may be cause for rejection of the proposal. The City reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.
- B. **CLARIFICATION OF TERMS:** If any prospective offeror has questions about the terms contained in the solicitation documents, the prospective offeror should contact Philip Serra, Director of Finance, no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum by the City.
- C. **APPLICABLE LAWS AND COURTS:** This solicitation and the resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Auditor shall comply with applicable federal, state, and local laws and regulations.
- D. **ANTI-DISCRIMINATION:** By submitting its bids or proposals, Auditor certifies to the City that it will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, and Section 2.2-4311 of the Virginia Public Procurement Act which provides:

In every contract over \$10,000, the provisions of a. and b. below apply:

- a. During the performance of this Contract, the Auditor agrees as follows:

The Auditor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

Auditor, in all solicitations for advertisements for employees placed in behalf of Auditor, will state that Auditor is an equal opportunity employer.

Notices, advertisements and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Auditor that the Auditor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- b. Contractor will include the provisions of a. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
 - c. In accordance with §2.2-4343.1 of the **Code of Virginia, et. seq.**, the City shall not (i) discriminate against a faith-based organization as defined in Code of Virginia section 2.2-4343.1(B) on the basis of the organization's religious character or (ii) impose conditions that (a) restrict the religious character of the faith-based organization, except as provided in subsection F of section 2.2-4343.1 the Code of Virginia, or (b) impair, diminish, or discourage the exercise of religious freedom by the recipients of such goods, services, or disbursements.
- E. **ETHICS IN PUBLIC CONTRACTING:** By submitting its proposal, the Auditor certifies that its bids or proposals are made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with its bid or proposal, and that it has not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
- F. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting its proposal, the Auditor certifies that it does not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- G. **QUALIFICATIONS OF PROSPECTIVE BIDDER:** The City may make such reasonable investigations as it deems proper and necessary to determine the ability of the firm proposing to perform the work. The City reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the City that the firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- H. **CHANGES TO THE CONTRACT:** The City may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as a result of such order. Said compensation shall be determined by mutual agreement between the parties in writing.
- I. **DEFAULT:** In case of failure to deliver services in accordance with the contract terms and conditions, the City, after due oral or written notice, may procure them from other sources and hold the Auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the City may have.
- J. **CANCELING OR AMENDING A SOLICITATION:** The City may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award. The City also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.
- K. **CLAIMS:** Contractual claims for money or other relief shall be submitted in writing no later than sixty days after final payment; however, written notice of the Auditor's

intention to file such claim must be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work. Precedence of claims shall not delay payment of amounts agreed due in the final payment.

9.0 SPECIAL TERMS AND CONDITIONS

- A. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the City shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- B. **CANCELLATION OF CONTRACT:** The City reserves the right to cancel and terminate the resulting contract, in part or in whole, without penalty, upon 60 days written notice to the Auditor. Any contract cancellation notice shall not relieve the Auditor of the obligation to complete an audit commenced before the effective date of the cancellation.
- C. **EXTENSION OF CONTRACT:** The contract to be awarded may be extended by the City upon written agreement of both parties for up to two (2) additional three-year terms under the terms of the contract; such agreement to be extended ninety days prior to the expiration of the contract.
- D. **FILING REQUIREMENTS:** The prospective bidders are reminded that the audit contract will be filed with the Auditor of Public Accounts, Commonwealth of Virginia.
- E. **RETENTION OF WORKING PAPERS:** The Auditor hereby agrees to retain all books, records and other working papers relative to this contract for five (5) years after final payment. The City, its authorized agents, and/or state and federal auditors shall have full access to and the right to examine any of said materials during said period.
- F. **SUBCONTRACTS:** No portion of this work shall be subcontracted without prior written consent of the City. The Auditor shall, however, remain fully liable and responsible for the work to be done by the subcontractor(s) and shall assure compliance with all requirements of the contract.