Jeanne R. Colvin Finance Director

Birthplace of the Council-Manager Form of Government



116 W. BEVERLEY STREET P.O. Box 58 STAUNTON, VA 24402 540.332.3809 (O) 540.851.4017 (F)

# REQUEST FOR PROPOSAL FOR THE CITY OF STAUNTON, VIRGINIA MARCH 7, 2012 GENERAL INFORMATION

#### **Proposal**

The City of Staunton is seeking proposals from qualified accounting firms to perform annual financial and compliance audits for three (3) consecutive fiscal years beginning July 1, 2011, through June 30, 2014.

All proposals must be delivered to:

Mail To:
Cynthia A. Steed
Cynthia A. Steed
Cynthia A. Steed
Cynthia A. Steed

Supervisor of Purchasing
P.O. Box 58

Supervisor of Purchasing
116 W Beverley St., 3<sup>rd</sup> Floor

Staunton, VA 24402-0058 Staunton, VA 24401

(540) 332-3819

#### ALL PROPOSALS MUST BE RECEIVED BY 5:00 P.M. LOCAL TIME, MARCH 30, 2012.

The City of Staunton is not responsible for delays in the delivery of the mail by the U.S. Postal Service, private couriers, or the inter-office mail system. It is the sole responsibility of the Offeror to ensure that its proposal reaches the Supervisor of Purchasing by the designated date and hour. **Facsimile and e-mail submittals are not acceptable.** 

All offerers shall abide by all applicable State and Federal laws.

The City does not discriminate against small and minority businesses or faith-based organizations.

#### **INQUIRIES CONCERNING RFP**

Requests for "Specifications for Request for Proposal," and any questions or comments concerning this Request for Proposal should be directed to:

Jeanne Colvin
Director of Finance
City of Staunton
P.O. Box 58
Staunton, VA 24402-0058
(540) 332-3809 – Fax (540) 851-4017

# SPECIFICTIONS FOR REQUEST FOR PROPOSAL FOR THE CITY OF STAUNTON, VIRGINIA ANNUAL FINANCIAL AND COMPLIANCE AUDITS

#### I. SCOPE OF SERVICES

The City of Staunton is seeking bids from qualified independent certified public accountants to submit proposals for performing finance and compliance audits for the fiscal year(s) ending June 30, 2012 through June 30, 2014, in accordance with the following specifications.

#### II. SCOPE

The audit will encompass a financial and compliance examination of the City's Comprehensive Annual Financial Report (CAFR) in accordance with the laws and/or regulations of the State of Virginia, which include requirements for the minimum scope of the audit. The financial and compliance audit will cover Federal, State, and Local funding sources in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants; standards for financial audits as set forth in the U.S. Government Accountability Office's Government Auditing Standards (2011), known as the Yellow Book; provisions of the Single Audit Act Amendments of 1996; the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the provisions of the Auditor of Public Accounts of the Commonwealth of Virginia (APA) Specifications for Audits of Counties, Cities and Towns (2011 or as further revised); and all other applicable laws and regulations.

- 1.a Financial Audit The financial audit opinion will cover the financial statements for the governmental activities, the business-type activities, the financial statements of the aggregate discretely presented component units, each major fund, and the remaining fund information, which collectively constitutes the basic financial statements. The combining and individual financial statements, schedules and related information are not necessary for fair presentation, but will be presented as additional analytical data. This supplemental information, as required by GASB34, will be subjected to the tests and other auditing procedures applied in the audit of the basic financial statements, and an opinion will be given as to whether the supplemental information is fairly stated in all material respects in relation to the financial statements taken as a whole. The auditor shall also express an opinion on the budgetary comparison information for the general fund, major funds and any annually budgeted special revenue funds. An opinion will not be given on the Management Discussion and Analysis.
- **1.b** Compliance Audits The compliance audit opinion will cover the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

- **1.c** Report on Internal Controls The auditor shall issue a report on internal controls over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The auditor shall also make recommendations to strengthen internal controls should such be necessary.
- **1.d** The auditor will issue a separate management letter, if needed, which indicates deficiencies or opportunities for accounting and reporting improvements which are not contained in the bound CAFR
- 1.e Transmittal forms The APA requires all localities to complete comparative cost transmittal forms in accordance with the provisions of the *Uniform Financial Reporting Manual for Virginia Counties and Municipalities* (2011 or as further revised) (Manual). An opinion from the auditor must be rendered on these forms and submitted along with the forms to the APA.

The auditor must perform agreed-upon procedures to the required forms, which have been prepared by City staff, and submit the forms and opinion letter to the Auditor of Public Accounts not later than November 30th of each year following the audit.

- **1.f** Data Collection Form-City staff shall prepare and the auditor shall review the data collection form to be submitted to the Federal Audit Clearinghouse.
- 1.g Certificate of Achievement for Excellence in Financial Reporting Program City staff shall prepare and the auditor shall review the application required by the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program, and ensure that any comments made in the previous year's review have been appropriately addressed in the current year CAFR. The auditor will also review the responses to the prior years' comments prepared by City staff.
- 1.h Meeting Conferences between the auditor and the governing body should be scheduled by the selected auditor before the preliminary work and at the end of the field work. The purpose of the meetings is to keep the governing body fully informed on the scope and progress of the audit. An exit conference shall be scheduled at the end of field work to review potential management letter or internal control issues.
- 1.i Completion Schedule Post closing field work shall be completed by October 31, City staff will prepare a draft CAFR for review by the auditor. City staff and the auditor will mutually set a date for the submission of the draft report for auditor review. The auditor shall review the draft report and make any suggestions for adjustments no later than the day before Thanksgiving of each year.

One print ready electronic pdf copy of the final audit report shall be delivered by November 30 of each year. The auditor will submit the required two (2) copies of the

completed CAFR to the APA by November 30 of each year. The auditor will also provide the City with updated electronic files, including the excel and word files containing the financial statements.

**1.j** The offeror should state any specific requirements (other than outlined in the RFP) that will be placed upon the City to successfully perform an annual audit.

### 2. <u>REPRESENTATION OF THE UNIT</u>

- **2.a** The following are the current funds of the government:
  - Governmental Fund Types:
    - General Fund
    - Grants Fund (includes federal and state grants)
    - Trolley Fund
    - Capital Improvements Fund
    - Community Development Fund (Includes CDBG Block grants)
    - Debt Service Fund
  - Discretely Presented Component Units:
    - ♦ Education:
      - Education Fund
      - School Cafeteria Fund
      - School Textbook Fund
      - State Operated Programs Fund
      - Genesis School Fund (an agency fund)
      - School Capital Projects Fund
    - Economic Development Authority

- Proprietary Funds:
  - Enterprise Funds:
    - Water Utility Fund (including Water CIP fund)
    - Sewer Utility Fund (including Sewer CIP fund)
    - Parking Fund
    - Environmental Fund
    - Stormwater Fund
    - Golf Fund
  - Internal Service Funds:
    - Inventory Fund
- **2.b** Information/Reports City personnel shall coordinate and provide to the auditor all the necessary data and reports to complete the audit, including, but not limited to:
  - 1. A final trial balance of each fund;
  - 2. A final trial balance of each subsidiary ledger;
  - 3. A schedule of Federal awards;
  - 4. A copy of the final budget presented to Council for the audit period, the original budget ordinance for the audit period and all amendments to the budget ordinance;
  - 5. A schedule of insurance in force during the year and of insurance expense for the year.
  - 6. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date:
  - 7. A schedule of all capital outlays during the period;
  - 8. A schedule of all capital asset dispositions during the period;
  - 9. A schedule of accounts payable and accounts receivable at statement date;
  - 10. Copies of all contracts with governmental grantor or grantee agencies;
  - 11. Copies of all other contracts in force at statement date of annual audit.

#### III. SPECIFIC REQUIREMENTS OF THE AUDITOR

- 1. The auditor must represent that he is independent as that term is defined in the Ethical Rules of the AICPA.
- 2. The auditor must represent that he is licensed to perform the audit as provided in the applicable laws of the commonwealth of Virginia.

- 3. The auditor must represent that adequate supervision will be provided on a day-to-day basis and that the resulting work papers shall be adequate and shall be available to routine review by appropriate auditors of the Federal and State Governments.
- 4. The approximate date the audit will begin (including preliminary field work) and end, as well as approximate dates for delivery of the financial statements and/or auditors' reports.

### IV. GENERAL REQUIREMENTS

To be considered for selection, offerers must submit a complete response to this Request for Proposal. Failure to submit all information requested may result in the rejection of the incomplete proposal. Proposals will be reviewed by a committee consisting of City staff with a recommendation to be made to City Council. A maximum of the three (3) most qualified firms will be invited for further interviews by the committee.

An authorized representative of the offerer shall sign proposals. Four (4) copies of the proposal must be submitted to the City of Staunton. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume.

### V. SPECIFIC REQUIREMENTS

Proposals should be as thorough and detailed as possible so that the City may properly evaluate the capabilities of respective firms to provide the required services. Offerers are required to submit the following items for a complete proposal:

- a) A statement of the offerer's understanding of the work to be performed.
- b) Information as to the offerer's background and experience relative to the services being requested.
- c) Listing of previous clients that may be contacted as reference, for whom similar services have been provided.
- d) Information as to the size and organizational structure of the offerer's firm.
- e) Resumes identifying the type of professional personnel that will be employed to perform the contract. Resumes should describe the experience, education, background, specific technical accomplishments, and any special qualifications applicable to contract performance. Also indicate the percentages of time each senior and higher-level personnel will be on site.
- f) Geographic location of the firm (and office carrying out the work) relative to the project.
- g) Describe the firm's participation in the AICPA-sponsored quality control program (peer review). Provide a copy of the firm's current peer review.
- h) Any other special experience and qualifications relative to this project desired by the offerer.
- i) Provide SCC number. (See Procurement Guidelines Section XII.)

# VI. TERMS AND CONDITIONS

- 1) The City of Staunton reserves the right to reject any and all proposals and to select the one considered the most advantageous for the City.
- 2) The City requires affirmative action, and therefore, the firm will not discriminate under the contract against any person in accordance with federal, state, and local regulations.
- 3) The City shall pay the firm for services on the basis of the approved fee schedule per the contract.
- 4) All information, data, reports and records necessary for carrying out the work shall be furnished to the firm without charge by the City, and the City shall cooperate with the firm in every way possible.
- 5) The agreement for professional services will specify a not to exceed amount for services that will require written approval from the City for costs in excess of the maximum contract amount.
- 6) The firm shall not assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the City.
- 7) No information, reports, or data given to or prepared by the firm under the contract shall be made available to any individual or organization by the firm without the prior written approval of the City.
- 8) The City reserves the right to extend this contract for two additional terms of three (3) years, if so desired and agreed upon by both parties, depending upon negotiated fee.
- 9) The City may void this contract with 90 days advance notice in writing.

#### PROCUREMENT GUIDELINES

# I. <u>COMPETITIVE NEGOTIATION</u>

The procurement method is competitive negotiation as defined in Section 2.2-4301 of the Code of Virginia (1950) as amended. This Request for Proposal indicates, in general terms, the nature of the program and services being sought. Each offeror is to submit the proposal(s) that best suits the needs of the City.

The specific requirements for the contents of proposals are contained in the RFP. Offerors are encouraged to provide additional information not specifically identified as a requirement if that additional information enables the proposal to better suit the needs of the City.

In order to procure the program that best suits the needs of the City, the competitive negotiation process and evaluation criteria consider factors in addition to cost.

### II. AWARDING THE CONTRACT

The award of a contract shall be determined in the sole discretion of the City based upon evaluation of all information as the City may request. The City reserves the right to waive any informality in proposals submitted in response to this RFP when such waiver is in the best interest of the City.

The evaluation process shall be based upon the criteria identified in section V of this Request for Proposals. The City shall engage in individual discussions with two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. The Request for Proposal shall not, however, request that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the City may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of discussion, outlined herein, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the City shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the City can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the City 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.

The City of Staunton shall endeavor to award the contract within thirty (30) days from receipt of proposals. Notice of award will be posted on the City Web Site at <a href="http://www.staunton.va.us/solicitation-results">http://www.staunton.va.us/solicitation-results</a>.

# III. PUBLIC INSPECTION OF PROCUREMENT RECORDS

Proposals submitted shall be subject to public inspection only in accordance with Section 2.2-4342 of the Code of Virginia, which reads, in essence, as follows

2.2-4342 Public inspection of certain records:

Except as provided in this section, all proceedings, records, contracts, and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation, in accordance with the Virginia Freedom of Information Act.

Cost estimates relating to a proposed procurement transaction prepared by or for a public body shall not be open to public inspection.

Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the City decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.

Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.

Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction shall not be subject to the Virginia Freedom of Information Act; however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary.

# IV. ETHICS IN PUBLIC CONTRACTING

By submitting their proposal, all offerors certify that their proposal is made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or sub-contractor in connection with their proposal, and that they have 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.

# V. ANTI-DISCRIMINATION

By submitting their proposal, offerors certify to the City of Staunton that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, the Virginia Fair Employment Act of 1975, as amended, where applicable and Section 2.2-4311 of the Virginia Public Procurement Act.

- 1. During the performance of this contract, the offeror agrees as follows:
- a. The offeror will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or 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 offeror. The offeror agrees to post in conspicuous places, available to employees and the applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- b. The offeror, in all solicitations or advertisements for employees placed by or on behalf of the offeror will state that such offeror is an equal opportunity employer.
- c. 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.
- 2. The offeror will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

# VI. <u>DRUG-FREE WORKPLACE</u>

By submitting their proposal, offerors certify to the City of Staunton that they will conform to the provisions of Section 2.2-4312 of the Virginia Public Procurement Act. offerors agree to (i) provide a drug-free workplace for the offeror'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 offeror'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 offeror that the offeror 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.

#### VII. <u>IMMIGRATION REFORM</u>

By submitting a proposal, offerors certify that, they will not, and shall not knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

### VIII. PROMPT PAYMENT ACT

Any contract awarded as a result of this Request for Proposal shall incorporate the terms and conditions of Article 4 of the Virginia Public Procurement Act with respect to Prompt Payment.

# IX. REJECTION OF PROPOSALS

The City reserves the right, at any time prior to award of the contract, to reject any and all proposals, or any part thereof, to make no award, and/or to issue a new Request for Proposal, or make modifications, corrections of additions to the information contained herein.

Offerors are cautioned this is a Request for Proposal, NOT a request to contract.

### X. COSTS FOR PROPOSAL PREPARATION

Any costs incurred by offerors in preparing or submitting proposals are the offeror's sole responsibility; the City will not reimburse any offeror for any costs incurred as a result of the preparation of this Request for Proposal.

### XI. <u>APPROPRIATIONS</u>

The obligations of the City of Staunton are subject to and contingent upon annual appropriation by City Council of sufficient funds for the purposes of this contract. In the absence of such annual appropriation, either the City of Staunton or offeror may terminate the contract by giving not less than ten (10) days prior notice to the other, specifying this reason for the termination, and upon effective termination pursuant to this provision, any compensation due shall be equitably adjusted by mutual agreement.

### XII. STATE CORPORATION COMMISSION IDENTIFICATION NUMBER

Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a bidder or offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or offeror is not required to be so authorized. Link to the Virginia State Corporation Commission site: <a href="http://www.scc.virginia.gov/">http://www.scc.virginia.gov/</a>.

#### XIII. FORUM SELECTION

Any action, proceeding, or claim in any way related to this agreement or the relationship between the parties shall be filed and maintained solely in the General District Court or the Circuit Court of the City of Staunton, Virginia.