

REQUEST FOR PROPOSAL

AUDITING SERVICES

Fall 2016

Western Virginia Regional Industrial Facility Authority

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I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for financial and performance audit for the year beginning on July 1, 2015 (financial activity beginning May 2016) and ending June 30, 2017. The proposal includes options for two additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted no later than 3:00 p.m. on Friday, December 16, 2016.

2. Inquiries

Inquiries concerning this RFP should be directed to Sherry Dean at 540.343.4417 or sdean@rvarc.org.

3. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by the Western Virginia Regional Industrial Facility Authority (WVRIFA).

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Sherry Dean, Director of Finance
Western Virginia Regional Industrial Facility Authority c/o
Roanoke Valley-Alleghany Regional Commission
P.O. Box 2569
Roanoke, Virginia 24010-2569

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left hand corner with the following information:

Request for Proposal
3:00 p.m. December 16, 2016
SEALED BID
For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure the proposal is received by the Western Virginia Regional Industrial Facility Authority by the date and time specified above. Late proposals will not be considered.

5. Right to Reject

The WVRIFA reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-owned Businesses

Efforts will be made to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of “small business” as established by the Small Business Administration (13 CFR-121.201.8721), by having average annual receipts of less than six million dollars.

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within six (6) weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract with options for two additional one-year periods.

D. Description of Entities and Records to be Audited

The WVRIFA is a government authority established on December 11, 2013, through the Virginia Regional Industrial Facilities Act, and serves the County of Roanoke, the County of Botetourt, the County of Franklin, the City of Roanoke, the City of Salem and the Town of Vinton in the Commonwealth of Virginia. Administrative offices and all records are located at 313 Luck Avenue, SW, Roanoke, Virginia 24016.

On September 1, 2016, the Roanoke Valley-Alleghany Regional Commission (RVARC) became the fiscal agent for the WVRIFA. RVARC’s responsibilities include, but are not limited to, receiving, managing and administering all WVRIFA funds, accepting, maintaining, disbursing, accounting for and reporting all funds received on behalf of the WVRIFA, and maintaining proper financial accounting records.

E. Options

At the discretion of the WVRIFA, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be agreed upon by the WVRIFA and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Performance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a

regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform financial and compliance audits of the WVRIFA.

Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision), states on pages 9-11:

Financial audits are primarily concerned with providing reasonable assurance about whether financial statements are presented fairly in all respects in conformity with generally accepted accounting principles.

Performance audits provide information to improve program operations and facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and improve public accountability.

B. Description of Programs/Contracts/Grants

FY17 WVRIFA Funding:

City of Roanoke	\$	16,666
County of Roanoke		14,584
County of Franklin		9,375
County of Botetourt		5,729
City of Salem		4,167
Town of Vinton		1,563
Edge Grant		20,000
Union Bank & Trust Bond Proceeds Loan		<u>8,100,000</u>
Total	\$	8,172,084

FY16 funding level was \$125,435.

C. Performance

The WVRIFA's records should be audited from July 1, 2015 (financial activity began May 2016) through June 30, 2017.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to the RVARC's Executive Director, WVRIFA'S Executive Director, RVARC Director of Finance, and WVRIFA Treasurer by September 15, 2017. The final audit report is due on Wednesday, September 27, 2017. The Offeror shall present the final audit report to the WVRIFA's Board of Directors meeting on October 20, 2017.

Draft reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, the WVRIFA may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when the RVARC and WVRIFA determines the total work effort has been satisfactorily completed. Should the RVARC and/or the WVRIFA reject a report, the RVARC and/or the WVRIFA's authorized representatives will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the final report to the RVARC and the WVRIFA and their acceptance and approval, the Offeror may submit bills for the balances due on the contract for the audits.

G. Audit Review

All audit reports prepared under this contract will be reviewed by the RVARC and WVRIFA to ensure compliance with General Accounting Office's (GAO) Government Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions and other appropriate audit guides.

H. Exit Conference

An exit conference with the RVARC's and the WVRIFA's representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with the RVARC/WVRIFA staff. It should include internal control and compliance observations and recommendations.

I. Work Papers

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The work papers will be retained for at least five years from the end of the audit period.
3. The work papers will be available for examination by authorized representatives of the the RVARC and the WVIFA.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence.

Other than the reports submitted to the RVARC and the WVRIFA, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the RVARC and the WVRIFA's authorized representatives in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards state: "*Ethics Interpretation .04 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.*"

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, e-addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing Industrial Facility Authorities
2. Prior experience auditing similar county or local government activities
3. Demonstrated ability in completing audits accurately and promptly

B. Organization, Size, and Structure

The Offeror should describe its organization, its size and structure. Indicate if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised

3. Prior experience of the individual audit team members

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by the WVRIFA because the WVRIFA desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposal

All proposals shall include four copies of the Offeror's technical qualifications, and the signed Certifications and four copies of the pricing information (in a separately sealed envelope). These documents will become part of the contract.

B. Non Responsive Proposals

Proposals may be judged non responsive and removed from further consideration of any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP
2. The proposal does not follow the specified format
3. The proposal does not include the Certifications

C. Proposal Evaluation

Evaluation of each proposal will be based on the following criteria:

<u>Factors</u>	<u>Point Range</u>
1. <u>Prior experience auditing and/or designing and installing accounting systems</u>	
a. Prior experience auditing Industrial Facility Authorities	0-10
b. Prior experience auditing similar county or local government activities	0-10
c. Demonstrated ability in completing audits accurately and promptly	0-10

The RVARC/WVRIFA will contact prior audited organizations to verify the experience provided by the Offeror.

2.	<u>Organization, size, and structure of Offeror's firm</u>	
	a. Adequate size of the firm	0-5
	b. Minority/small business	0-5
3.	<u>Qualifications of staff to be assigned to the audits to be performed</u> (Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered)	
	a. Audit team makeup	0-10
	b. Overall supervision to be exercised	0-5
	c. Prior experience of the individual audit team member	0-15
4.	<u>Qualifications of staff to be assigned to the audits to be performed</u> (Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered)	
	a. Audit team makeup	0-10
	b. Overall supervision to be exercised	0-5
	c. Prior experience of the individual audit team member	0-15
4.	<u>Offeror's understanding of work to be performed</u>	
	a. Adequate coverage	0-10
	b. Realistic time estimates of each audit step	0-5
5.	<u>Price</u>	<u>1-15</u>
	MAXIMUM POINTS	100

D. Review Process

The RVARC and WVRIFA may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, the WVRIFA reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

The WVRIFA contemplates awarding of the contract to the responsible Offeror with the highest total points.

V. CERTIFICATIONS

ON BEHALF OF THE OFFEROR:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in an agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public account licensed on or before July 1, 2012.
- G. The individual signing certifies that the Offeror meets the independent standards of the Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing professional education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and government auditing.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision) (Yellow Book)
 - 2. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Supercircular)
 - 3. 2 CFR 200 "Audits of States, Local Governments, and Non-Profit Organizations" (2015 version)
- K. The individual signing certifies that he/she has read and understands all of the information in this request for proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror and any individuals to be assigned to the

audits do not have a record of substandard audit work. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state and AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____

Offeror's Firm Name _____

Signature of Offeror's Representative _____

Printed Name and Title of Individual Signing _____
