



Front Royal Warren County Economic Development Authority

REQUEST FOR QUALIFICATIONS FOR THE PROVISION OF AN FY18 AND FY19 AUDIT

ISSUING DATE: February 20, 2020

CLOSING DATE: March 6, 2020

The Front Royal Warren County Economic Development Authority (“EDA”) is soliciting proposals for Auditor Services (“Services”). Sealed proposals for this work will be accepted until Friday, March 6, 2020, at 12:00 p.m.

Please submit one (1) original and three (3) copies of your proposal in a sealed envelope marked “Auditor Services,” with the Proposer’s name and address marked on the outside of the sealed envelope, no later than 12:00 p.m. EST, Friday March 6, 2020, to:

Front Royal Warren County Economic Development Authority
P.O. Box 445
Front Royal, VA 22630
ATTN: Gretchen Henderson, Administrative Assistant

Questions regarding this Request for Qualifications (“RFQ”) should be directed to:
Doug Parsons, Executive Director,
Front Royal Warren County Economic Development Authority
540.635.2182
dparsons@wceda.com

I. PURPOSE

The EDA is interested in contracting with a Certified Public Accountant (“CPA”), to perform an audit for the years ending June 30, 2018 and June 30, 2019. The Front Royal Warren County Economic Development Authority has discovered fraudulent transactions over a period of years and is working to recover those funds and provide a viable FY18 and FY19 audit in accordance with all applicable standards listed in the Scope of Work/Specifications listed below.

The EDA is working with the VA Auditor of Public Accounts to ensure compliance with all laws in light of the special circumstances.

II. SCOPE OF WORK/SPECIFICATIONS

The Auditor shall conduct and provide the FY18 and FY19 audits in accordance with generally accepted auditing standards, promulgated by the American Institute of Certified Public Accountants (AICPA), and Government Auditing Standards issued by the Comptroller General of the United States. The audit must be conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The audit shall be performed in accordance with the specifications of the APA for authorities, boards, and commissions as described in Specifications for Audits of Authorities, Boards, and Commissions.

Those specifications can be found at this website [link](#) to the APA's Audit Specifications (SPECS) for Authorities, Boards, and Commissions, which the Auditor of Public Accounts office has created for entities to incorporate as part of their annual audit. The Audit Specifications are guidelines that primarily address additional required audit procedures for determining compliance with certain state laws, regulations, and policies. In connection with the audit of the financial statements, the Auditor shall consider, test and report on internal controls in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards, OMB Circular A-128, Audits of State and Local Governments, and the Specification for Audits of Counties, Cities and Towns. The EDA has internal contract accountants that have performed adjusted journal entries and other needed work to assist the CPA in its audits. They will continue to work for the EDA in concert with the Auditor to assist in the completion of the audit through cooperative collaboration on needed information from the EDA.

III. REQUIREMENTS OF PROPOSERS

A. The CPA must be licensed in Virginia in good standing and have an active license to practice in the Commonwealth of Virginia.

B. The CPA must have thorough knowledge of the above listed standards, law and regulations pertaining to audits.

C. The CPA will complete the FY18 audit by May 31, 2020 and the FY 19 audit by August 31, 2020 unless extenuating circumstances arise. Requests for extension will be considered by the Board of Directors of the FRWCEDA.

D. The CPA shall be responsible for report preparation, editing and printing. The CPA shall furnish 25 copies of the final audits to the WCEDA Board of Directors upon completion.

IV. COMPENSATION.

Compensation will be discussed during the Proposal Selection Process as set forth in Section VIII of this RFQ.

V. PROPOSAL CONTENT AND FORMAT

A. Proposers should address, but need not be limited to, all performance requirements listed herein, in their written proposal and should not assume that an opportunity will exist to add such matters after the proposal is submitted.

- Proposer's name, address, and telephone number.
- Provide a brief description of your firm, including number of employees and primary officers or partners.
- Identify the CPA(s) or other persons who are being proposed to provide the requested services and provide a current resume and information about their background including relevant education and experience.
- Provide a statement of qualifications and information regarding your firm's relevant experience to the provide the required services in the Scope of Work/Specifications,
- Provide contact information for a minimum of three (3) references in which similar services have been provided within the last five (5) years.
- Any other information that you may deem relevant in consideration of your firm.
- A statement of no conflict of interest with the WCEDA or in providing the requested services

B. Provide a statement acknowledging your opportunity, prior to submitting the proposal, to raise any questions which you might have had about the requirements of this RFQ.

C. Trade secrets or proprietary information submitted by the proposer in connection with the procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the proposer must invoke the protections of this section prior to or upon submission of the data and/or other materials included in this proposal and must identify the data or other materials to be protected and state the reasons why protection is necessary.

D. All proposals shall be signed in ink by an authorized principal of the firm. The firm shall state that it is authorized to do business within the Commonwealth of Virginia.

VI. GENERAL CONDITIONS

A. It is the responsibility of the Offeror to inquire about and clarify any requirements of this RFQ that are not understood.

B. Any interpretation relative to interpretation of these specifications shall be requested in writing at least five (5) working days prior to the date set for opening of proposals.

C. Any interpretation made to a prospective proposer will be expressed in the form of an addendum to the specifications that will be sent to all known prospective proposers no later than three (3) working days before the date set for opening of proposals. Oral answers will not be authoritative.

D. No protests regarding the validity or appropriateness of the specifications or of the RFQ will be considered unless the protest is filed in writing with EDA Executive Director, Doug Parsons, prior to the closing date for proposals.

E. The EDA reserves the right to reject any and/or all proposals received and to waive informalities in the proposal process.

F. The EDA will not be responsible for any cost incurred by any proposer who chooses to submit a proposal.

G. No proposals will be accepted or considered after the proposal closing date and time. The date of the postmark will not be considered.

H. Proposals may be withdrawn by written request from the proposer to the EDA prior to the proposal closing date.

VII. TERMS AND CONDITIONS OF PROPOSED CONTRACT

During the performance of the resulting contract, the CPA agrees as follows:

A. Independent Contractor. The CPA understands and agrees that its relationship to the EDA arising out of this Contract shall be that of independent contractor. It is understood that the CPA, or its staff and employees, are not employees of the EDA and are, therefore, not entitled to any benefits provided employees of the EDA. The CPA shall be responsible for reporting and accounting for all State, Federal, Social Security, and local taxes where applicable.

B. Non-Discrimination. During the performance of this contract, the CPA agrees that the CPA will not discriminate against any employee or applicant for employment because of race, religion, color, sex, or natural origin except where religion, sex, or natural origin is a bona fide occupational qualification reasonably necessary for the normal operation of the CPA. The CPA agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of this non-discrimination clause. The CPA, in all solicitations or advertisements for employees placed by or on behalf of the CPA will state that the CPA is an equal opportunity employer. The CPA will include the provisions of this paragraph in every sub-contract or purchase order of over \$10,000 so that the provisions will be binding upon each sub-contractor or vendor.

C. Compliance with immigration laws. The CPA agrees and represents that it does not now, nor will it during the performance of this contract, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

D. The CPA is authorized to transact business in Virginia. During the performance of this contract, the CPA agrees to be authorized to transact business in the Commonwealth of Virginia as a domestic or foreign business entity if so required by Virginia Code Title 13.1 or Title 50 or as otherwise required by law.

E. Drug-free Workplace. During the performance of this Contract, the CPA agrees to (i) provide a drug-free workplace for the CPA'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 CPA'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 contractor that the CPA 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.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with the Virginia Public Procurement Act, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

F. Termination for Cause. This Contract may be terminated by the EDA upon 14 days written notice to the CPA in the event of substantial failure or default of the CPA to perform in accordance with the terms hereof through no fault of the EDA's.

G. Termination for Convenience. The obligation to provide further services under this Contract may be terminated by the EDA for its convenience and not for cause upon 14 days written notice. The CPA shall be compensated for work performed through the date of termination and for termination expenses, including any expenses directly attributable to termination and for which the CPA is not otherwise compensated. Termination expenses shall not, however, include lost profits on services not performed as a result of such termination for convenience.

H. Notice. Any notice which is required to be given, or which may be given under this Contract, shall be sent to those mailing addresses noted in the Contract.

I. Non-Assignability. The CPA understands that this Contract is a contract with the personal services of the CPA and that it is made by the EDA in reliance on the CPA's personal skills and knowledge in the activity to be conducted and as represented by the CPA. Accordingly, this Contract is non-assignable by the CPA.

J. Insurance and Amount of Insurance Required:

Comprehensive General Liability:

- i. Bodily Injury = \$1,000,000 each occurrence
- ii. Annual Aggregate = \$1,000,000
- iii. Property Damage = \$1,000,000 each occurrence
- iv. Annual Aggregate including completed operations/products = \$1,000,000

Automobile Insurance:

- i. Bodily Injury = \$1,000,000 each occurrence
- ii. Annual Aggregate = \$1,000,000
- iii. Property damage = \$1,000,000 each occurrence

Workers Comp: Virginia statutory requirements

- i. Coverage A = Statutory Virginia limits
- ii. Coverage B = \$100,000 each occurrence
- iii. Coverage C = \$100,000/\$100,000 accident and/or disease
- iv. All States Endorsement

Professional Liability:

- i. \$1,000,000 each occurrence
- ii. \$2,000,000 aggregate

All policies must name the EDA as an Additional Insured, and must contain provisions preventing cancellation, non-renewal or expiration unless written Notice is given to the EDA at least 30 days in advance.

K. Indemnification. In matters concerning professional liability, the CPA shall indemnify and hold the EDA harmless with respect to the CPA's work. In lieu of a contractual obligation to defend the EDA, the CPA will pay reasonable attorney's fees.

L. Entire Contract. The Contract constitutes the entire agreement between the parties pertaining to the subject matter of the Contract and supersedes all prior or contemporaneous agreements and understandings of the parties in connection with the subject matter. No modification of the Contract shall be effective unless made in writing and signed by both parties.

M. Standard of Care. The CPA shall perform the Services expeditiously and diligently and in accordance with the standard of care and skill ordinarily exercised under similar conditions by reputable members of its profession or trade practicing in the same or similar locality within the Commonwealth of Virginia existing as of the date the Services are

provided and in accordance with all applicable laws, codes, and regulations in effect as of the date the Services are provided.

N. Enforcement. This Contract shall be governed by the laws of the Commonwealth of Virginia. Any action maintained by either party for the enforcement or interpretation of the terms of this Contract shall be filed in the courts of Warren County, Virginia.

O. Examination of Records:

The CPA agrees that the EDA, or any duly authorized representative, shall, until the expiration of three (3) years after final payment hereunder, have access to and the right to examine and copy any directly pertinent books, documents, papers, and records of the CPA involving transactions relating to this Contract.

The CPA shall include in any subcontract for more than \$10,000 entered into as a result of this Contract, a provision to the effect that any subcontractor agrees that the EDA, or any duly authorized representative, shall until the expiration of three (3) years after final payment under the Contract have access to and the right to examine and copy any directly pertinent books, documents, papers, and records of such subcontractor involved in the transactions related to such subcontract or this Contract. The term “subcontract” as used herein shall exclude subcontracts or purchase orders for public utility services at rates established for uniform applicability to the public.

The period of access shown above for books, documents, papers, and records which may relate to any arbitration, litigation, alternative dispute resolution (“ADR”), or the settlement of claims arising out of performance of this Contract or any subcontract shall continue until any arbitration, appeals, litigation, ADR or claims have been finally concluded.

VIII. PROPOSAL SELECTION PROCESS

A. Proposal Review.

The EDA’s Finance and/or Executive Committee will review all proposals received and select qualified individuals or firms to be interviewed in person or by phone.

B. Oral Presentation/Interviews

The Committee may engage in individual discussions with proposers deemed fully qualified and suitable based on initial responses and with emphasis on professional competence to provide the required services. Repetitive informal interviews may occur. The proposers are encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the scope of services requested, as well as, alternative concepts, if any. At this discussion stage, the Review Committee may discuss nonbinding estimates of price or rates for services.

C. Evaluation Phase

At the conclusion of the discussions and interviews, the Review Committee will select, in the order of preference, proposers whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the proposer ranked first. Negotiations may also include, at no additional cost to EDA, an oral presentation of the proposal to the Review Committee and/or the EDA Board, and may include submission of additional or clarifying written information. If a contract that is satisfactory and advantageous can be negotiated at a price considered fair and reasonable, the award shall be made to that proposer. Otherwise, negotiations will continue with the proposer ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price.

D. The EDA reserves the right to more than one contract for the Services.

E. Should the EDA determine in writing and in its sole discretion, that only one proposer is fully qualified to provide the Services, or that one proposer is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that proposer.

IX. TERM OF CONTRACT

The EDA intends to memorialize the relationship with the CPA in the form of a contract. The term of the contract shall be negotiated with the selected proposer.

The offeror should propose specific payment terms and arrangements. During the negotiation phase, the EDA and the proposer will agree on a mutually agreeable payment arrangement and fee structure.