

January 26, 2018

AUDIT SERVICES PROPOSAL #2018-01

Sealed competitive negotiable Proposals (**RFP #2018-01**) for Professional Audit Services and Cost Allocation Plan to be provided to the County of Lunenburg (the "County"), which includes the Lunenburg County Board of Supervisors (the "Board") and all departments thereof, and the Lunenburg County School Board (the "School Board") will be accepted until **12:00 noon, Thursday, March 22, 2018**, at which time they will be opened in the County Administration Office, 11413 Courthouse Road, Lunenburg, VA 23952.

Please be observant of all proposal instructions and specifications. The County reserves the right to accept or reject, in whole or part, any and all proposals and to waive informalities.

Requests for information on this proposal should be directed to:
Tracy M. Gee, County Administrator
Lunenburg County Administration Office
11413 Courthouse Road
Lunenburg, VA 23952
(434) 696-2142

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

TABLE OF CONTENTS

- I. GENERAL INFORMATION
- II. CONTRACT TERMS AND CONDITIONS
- III. INSTRUCTIONS FOR SUBMITTING PROPOSAL
- IV. SERVICES REQUIRED
 - A. Scope of Work to be Performed
 - B. Auditing Standards to be Followed
 - C. Reports to be Issued
 - D. Working Paper Retention and Access to Working Papers
- V. DESCRIPTION OF THE COUNTY
 - A. Name and Telephone Number of Contact Persons
 - B. Financial Reporting Entity
 - C. Fund Structure
 - D. Budgetary Basis of Accounting
 - E. Pension Plans
 - F. Computer Systems
 - G. Availability of Prior Reports and Working Papers
- VI. TIME REQUIREMENTS
 - A. Proposal Calendar
 - B. Notification and Contract Dates
 - C. Work Plan
 - D. Entrance, Preliminary and Exit Conferences
 - E. Final Report/Forms/Letters
- VII. ASSISTANCE TO BE PROVIDED TO THE AUDITOR
 - A. Finance Department Assistance
 - B. Schedules to be prepared by the Staff of the County and School Board
 - C. Work Area, Telephone, Photocopying and FAX Machines
- VIII. PROPOSAL REQUIREMENTS
 - A. General Requirements
 - B. Technical Requirements
- IX. EVALUATION PROCEDURES
 - A. Evaluation Committee

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

- B. Review of Proposals
 - C. Evaluation Criteria
 - D. Oral Presentations
 - E. Negotiations
 - F. Final Selection
 - G. Right to Reject Proposals
 - H. Cost Proposal Instructions
 - I. Pricing
-
- X. EVALUATION FORM
-
- XI. Exhibit 1: Response Sheet
-
- XII. Exhibit 2: Cost Proposal Format

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

I. GENERAL INFORMATION

The County is requesting proposals from qualified firms of certified public accountants to audit and render an opinion on the financial statements, including federally funded programs, of the County and the School Board for the fiscal years ending June 30, 2018, 2019, and 2020, with the option of providing such audit services for two (2) subsequent fiscal years. These services shall also include the Comparative Cost Report for the Auditor of Public Accounts and Annual Cost Allocation Plan.

Proposals submitted will be evaluated by the Board's Finance Committee. During the evaluation process, the Finance Committee reserves the right, where it may serve the County's and the School Board's best interest, to request additional information or clarifications from Proposers, or to allow corrections of errors or omissions. At the discretion of the County, the School Board or the Finance Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The County and the School Board reserve the right to retain all proposals submitted and to use any ideas in a proposal, regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between both the County and School Board and the firm or firms selected.

Per the Code of Virginia, Section 15.2-2511, every locality shall contract for the performance of the annual audit not later than April 1 of each fiscal year. In addition, the certified public accountant shall present a detailed written report to the local governing body at a public session by the following December 31. The Board will approve the selection of a firm or firms at their next public meeting which will be on or before April 12, 2018 to seek accordance with the Code of Virginia.

1. Mail or deliver Proposals to Lunenburg County Administration, 11413 Courthouse Road, Lunenburg, VA 23952

1. Submit **one (1) original, clearly marked, five (3) copies, and one (1) electronic media version (flashdrive)** of the Proposal before the opening time stated in the Proposal Invitation.

2. All Proposals shall be signed in ink by authorized principals of the firm and must be received in sealed envelopes with the statement, **"Proposal Enclosed" and the number typed or written in the lower left-hand corner.**

3. Lunenburg reserves the right to accept or reject, in whole or part, any and all Proposals and to waive informalities.

4. Proposals will be opened promptly at **12:00 noon, Thursday, March 22, 2018, in the County Administration Office**, with staff as witness. No late Proposals will be accepted.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

Lunenburg assumes no responsibility for late submissions due to mistake of courier, U.S. Postal Service or any delivery service used for proposal submittal.

5. Proprietary information will not be disclosed during the selection process.
6. Proposals to be binding for ninety (90) days following the Proposal opening date.
7. Exceptions to the specifications or general instructions must be in writing and submitted with the Proposal form.
8. Any questions relative to the technical aspects of the Request for Proposal shall be directed to Tracy Gee, Lunenburg County Administrator, 11413 Courthouse Road, Lunenburg, VA 23952 or tgee@lunenburgva.net.

No interpretation of the meaning of the Request for Proposal documents will be made to any Offeror orally. Every request for such interpretation must be in writing with fax and email communication acceptable. To be given consideration, such requests must be received at least seven (7) days prior to the date fixed for the receiving of Proposals. Any and all such interpretations and any supplemental instructions will be in the form of written Addenda which, if issued, will be posted on the County Website (www.lunenburgva.org), no later than five (5) days prior to the date fixed for the receiving of Proposals. Failure of any Offeror to receive any such Addenda or interpretation shall not relieve said Offeror from obligation under the Proposal as submitted. All Addenda so issued shall become part of the Request for Proposal documents.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

II. CONTRACT TERMS AND CONDITIONS

1. Contract Term

A three (3) year Contract is contemplated but is subject to annual review, the satisfactory negotiation of terms including a price deemed acceptable to the County, and the concurrence of the Board, and the annual appropriation of funds. The Contract period shall be from April 1, 2018 through March 31, 2020. The County shall have the right to renew the Contract for two (2) additional one (1) year terms under the same terms and conditions of the original Contract.

The County and School Board shall give the selected firm written notice of contract renewal sixty (60) days prior to the expiration date of each annual Contract period. The selected firm shall not give less than ninety (90) days advance notice of any cost increase to the County Administrator.

2. Payment for Services

Subject to the annual appropriation of funds, payments to the Contractor shall be made within thirty (30) days after receipt of an approved invoice for services provided upon completion of assigned project. The Contractor's records and documentation supporting such invoices shall be made available to the County upon reasonable request. The Contractor agrees to retain all records, documents and support materials relevant to the CONTRACT for a period of five (5) years following final payment.

3. Independent Contractor

The Contractor is an independent Contractor and nothing contained in the Contract shall constitute or designate the Contractor or any of its agents or employees as employees of the County.

4. Termination and Ownership of Documents:

The County reserves the right to terminate the Contract upon written notice to the Contractor. In the event of termination pursuant to this paragraph which is not the fault of the Contractor, the Contractor shall be paid for all services provided through the date of termination. The Contract will terminate immediately upon failure of the County's Board of Supervisors to appropriate funds for its continuance. All finished or unfinished information or materials, documents, data, studies, surveys, maps, models, photographs, and reports or other materials prepared by or for the Contractor under any resultant Contract shall, at the option of the County, become County property and shall be delivered to and remain the property of the County upon completion of the work or termination of the Contract. The County shall have the right to use and reproduce the data and reports submitted hereunder, without additional compensation to the Contractor.

5. Laws and Regulations

The Contractor shall abide by all Federal, State and Local laws and regulations governing the provision of the services called for in the Contract. The Contractor shall give notice and comply with all laws, ordinances, rules, regulations, and lawful orders of any public authority bearing on the performance of the work.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

6. Additional Services

The County may add to the Scope of Services or make changes in the Scope of Services of a similar nature to those specified in the Scope of Services of this Request for Proposals (RFP) as mutually agreed to at a price mutually agreed upon.

7. Severability

Each paragraph and provision of the resultant Contract will be severable from the entire agreement and if any provision is declared invalid, the remaining provisions shall remain in effect.

8. Indemnification

The Contractor shall, during the term of the Contract including any warranty period, indemnify, defend, and hold harmless the County, its' officials, employees, agents, and representatives thereof from all suits, actions, or claims of any kind, including attorney's fees, brought on account of any personal injuries, damages, or violations of rights, sustained by any person or property in consequence of any neglect in safeguarding Contract work or on account of any act or omission by the Contractor or his employees, or from any claims or amounts arising from violation of any law, bylaw, ordinance, regulation or decree. The Contractor agrees that this clause shall include claims involving infringement of patent or copyright.

9. Ownership of Data and Proprietary Information

Ownership of all data, material and documentation originated and prepared for the County and School Board pursuant to the Request for Proposals shall belong exclusively to either the County or the School Board and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the Proposer shall not be subject to the public disclosure under the Virginia Freedom of Information Act. However, to prevent disclosure the Proposer must invoke the protections of Section 2.2-4342 of the Code of Virginia, in writing, either before or at the time the data or other materials are submitted. The written request must specifically identify the data or other materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire response, line item prices and/or total cost as proprietary or trade secrets is not acceptable and will result in the rejection and return of the Request for Proposals.

10. Ownership of Intellectual Property

All copyright and patent rights to all papers, reports, forms, materials, creations, or inventions created or developed in the performance of this Contract shall become the sole property of the County or the School Board. On request, the Contractor shall promptly provide an acknowledgement or assignment in a tangible form, satisfactory to the County to evidence the County's sole ownership of specifically identified intellectual property created or developed in the performance of the Contract.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

11. Use of Information and Documents

The County and its officials, employees, and agents, and the School Board, and its officials, employees, and agents, will copy and use the response and documents included with the response, for various purposes related to analysis, evaluation, and decision to award. Responses shall be the property of the County. Following the award, the County may be required to allow inspection and copying of documents, and may also use the Proposer's documents in connection with any resulting Purchase Orders with that Proposer. The Proposer is responsible for obtaining any necessary authorizations for all such use of the documents and information, and for assuring that such copying and use is in conformance with laws related to trademarks and copyrights. Any documents or information for which the Proposer has not obtained such authorization, or for which such copying and use is not authorized, shall not be submitted. The undersigned Proposer agrees to indemnify defend and hold the County, and its officials, employees and agents, and the School Board, and its officials, employees and agents, harmless from any claims of any nature, including claims arising from trademark or copyright laws, related to use of information and documents submitted with the Proposer's response.

12. Submission of Proprietary Information

Trade secrets or proprietary information submitted by an Proposer in connection with this quote shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Proposer must invoke these protections prior to or upon submission of the data or the materials, and must identify the data or other materials to be protected and state the reason why protection is necessary. Proposers shall submit, in a separate section of the Proposal, any information considered by the Proposer to be trade secrets or proprietary information, shall clearly identify the information as trade secrets or proprietary information and shall state the reason why protection is necessary. Proposers may not declare the entire quote proprietary nor may they declare proposed pricing to be proprietary. All information contained within the body of the Proposal not in the separate section labeled proprietary shall be public information.

13. County Approvals

The extent and character of the work to be accomplished by the firm Offeror shall be subject to the general control and approval of both the County Administrator, or an authorized representative, and the School Superintendent, or an authorized representative. The selected firm shall not comply with requests and/or orders issued by anyone other than the County Administrator, or their representatives acting within their authority for the County.

14. Subcontracting

The contracted firm will identify all proposed Subcontractors who will be furnishing services under the terms of this Request for Proposals. Subcontractors will conform, in all respects, to the applicable provisions specified for the firms and will further be subject to the approval by the County and the School Board. The contracted firm will be prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of the agreement to any other person, company, or corporation without the previous consent and approval in writing by the County and the School Board.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

The Contractor shall not subcontract or assign portions of the work, other than those specifically defined in the Contract, without the express written consent of the County. A description of any work the Contractor proposes to subcontract shall be submitted to the County for review and approval along with the name and address of the individual, firm, or corporation that is the proposed Subcontractor. This submittal shall also include a list of the key personnel that the Subcontractor will assign to the project. All work performed by any Subcontractor shall be coordinated by the Contractor and the Contractor will be responsible to the County for all work performed by any Subcontractor or special consultant.

15. Termination

Subject to the provisions below, the Contract may be terminated by either party upon thirty (30) days advance written notice to the other party; but if any work or service hereunder is in progress, but not completed as of the date of termination, then this Contract may be extended upon written approval by the County and/or the School Board until said work or services are completed and accepted.

A. Termination for Convenience

In the event that this Contract is terminated or canceled upon request and for convenience of the County and/or the School Board without the required thirty (30) days advance written notice, then the County and/or the School Board shall negotiate reasonable termination costs, if applicable.

B. Termination for Cause

Termination by the County and/or the School Board for cause, default, or negligence on the part of the Contractor shall be excluded from the foregoing provision; termination costs, if any, shall not apply. The thirty (30) days advance notice requirement is waived in the event of Termination for Cause.

16. Assignment

The Contractor will be prohibited from assigning, transferring, conveying, subletting or otherwise disposing of the agreement or its rights, title, or interests therein, or its power to execute such agreement to any other person, company, or corporation with the previous consent and approval in writing by the County and/or the School Board.

17. Exceptions

Any and all exceptions to the specification included in this Request for Proposals must be fully detailed and explained on a separate schedule outlined "Exceptions to RFP". Should the Offeror not indicate and explain all exceptions, its Proposal may be rejected.

18. Proposal Selection

Contract(s) will be awarded by the County to the most responsive and responsible Offeror(s) with a Proposal that conforms to this Request for Proposals and is the most advantageous to the County.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

19. Insurance

The Offeror shall maintain insurance to protect the County from claims under the Workers' Compensation Act, and from any other claim for damages for personal injury, including death, and for damage to property which may arise from operation under this RFP, whether such operations by the Offeror, or anyone directly or indirectly employed by either Offeror or Subcontractor, such insurance to conform to the amounts as prescribed by law:

The insurance requirements are as follows:

"The successful Contractor assumes and agrees to hold harmless, indemnify, protect and defend the County against any and all liability for injuries and damages to Contractor himself and to Contractor's employees, agents, Subcontractors and guests, third parties or otherwise, incident to or resulting from any and all operations performed by Contractor under the terms of this Contract.

In addition to any other forms of insurance for Bonds required under Contracts and specifications pertaining to this project, the County shall require any Vendor to whom or to which it lets any work contemplated hereunder to carry Public Liability Insurance in accordance with the specifications on the following exhibit and a Certificate of Insurance attesting to these required coverages. If any of the work is sublet, similar insurance shall be obtained by or on behalf of the Subcontractor to cover their operation.

The insurance specified shall be with an insurance company acceptable to the parties hereto and licensed to do business in the State of Virginia. All insurance must be obtained before any work is commenced and kept in effect until its completion."

Minimum insurance requirements are as follows:

- a. Workers' Compensation.
- b. Automotive Liability: Bodily injury and property damage insurance shall have limits of \$1,000,000 combined single limits.
- c. Comprehensive General Liability:
Bodily injury liability insurance shall have limits of \$500,000 per occurrence.
Property damage liability insurance shall have limits of \$500,000 per occurrence.

The County, and its officers, employees, and agents, and its officers, employees, and agents, shall both be named as an "Additional Insured" on the Automobile and General Liability policies and it shall be stated on the Certificate of Insurance with the provision that this insurance coverage is primary to any other insurance coverage the County may possess.

20. Non-Discrimination

The County does not discriminate against faith-based organizations in accordance with the Code of Virginia Section §2.2-4343.1 or against any Offeror because of race, religion, sex, national origin, age, disability, or any other basis prohibited under state law relating to discrimination in employment.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

21. Hold Harmless Clause

The Contractor shall, during the term of the Contract including any warranty period, indemnify, defend, and hold harmless the County, its officials, employees, agents, and representatives thereof from all suits, actions, or claims of any kind, including attorney's fees, brought on account of any personal injuries, damages, or violations of rights, sustained by any person or property in consequence of any neglect in safeguarding Contract work or on account of any act or omission by the Contractor or his employees, or from any claims or amounts arising from violation of any law, bylaw, ordinance, regulation or decree. The Vendor agrees that this clause shall include claims involving infringement of patent or copyright.

22. Safety

All Contractors and Subcontractors performing services for the County and School Board are required and shall comply with all Occupational Safety and Health Administration (OSHA), State and County Safety and Occupational Health Standards and any other applicable rules and regulations. Also, all Contractors and Subcontractors shall be held responsible for the safety of their employees and any unsafe acts or conditions that may cause injury or damage to any persons or property within and around the work site area under this Contract.

23. Notice of Required Disability Legislation Compliance

The County is required to comply with state and federal disability legislation: The Rehabilitation Act of 1993 (Section 504), The Americans with Disabilities Act (ADA) of 1990 (Title II), and The Virginians with Disabilities Act of 1990. Specifically, the County, may not, through its contractual and/or financial arrangements, directly or indirectly avoid compliance with Title II of the American with Disabilities Act, Public Law 101- 336, which prohibits discrimination by public entities of the basis of disability. Subtitle A protects qualified individuals with disability from discrimination on the basis of disability in the services, programs, or activities of all State and local governments. It extends the prohibition of discrimination in federally assisted programs established by the Rehabilitation Act of 1973 Section 504 to all activities of State and Local governments, including those that do not receive Federal financial assistance, and incorporates specific prohibitions of discrimination on the basis of disability in Titles I, III, and V of the Americans with Disabilities Act. The Virginians with Disabilities Act of 1990 follows the Rehabilitation Act of 1973 Section 504.

24. Ethics in Public Contracting

The provisions contained in Sections 2.2-4367 through 2.2-4377 of the Virginia Public Procurement Act as set forth in the 1950 Code of Virginia, as amended, shall be applicable to all Contracts solicited or entered into by the County.

The provisions of this article supplement, but do not supersede, other provisions of law including, but not limited to, the Virginia Conflict of Interest Act (§2.1-348 et. seq.), the Virginia Governmental Frauds Act (§18.2-498.1 et. seq.) and Articles 2 and 3 of Chapter 10 of Title 18.2. The provisions apply notwithstanding the fact that the conduct described may not constitute a violation of the Virginia Conflict of Interests Act.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

25. Employment Discrimination by Contractors Prohibited

Every Contract of over ten thousand dollars (\$10,000) shall include the following provisions:

During the performance of this Contract, the Contractor agrees as follows:

a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age or 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 Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, shall state that such Contractor is an equal opportunity employer.

c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient to meet this requirement.

The Contractor will include the provisions of the foregoing paragraphs, a, b, and c in every Subcontract or Purchase Order of over ten thousand dollars (\$10,000), so that the provisions will be binding upon each Subcontractor or Vendor.

26. Drug-free Workplace

Every Contract of over ten thousand dollars (\$10,000) shall include the following provisions:

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 behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every Subcontract or Purchase Order of over ten thousand dollars (\$10,000), so that the provisions will be binding upon each Subcontractor or Vendor.

For the purpose 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 this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the Contract.

27. Exemption from Taxes

The County is exempt from State Sales Tax and Federal Excise Tax. Tax Exemption Certificates indicating the County's tax exempt status will be furnished by the County on request.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

28. Substitutions

NO substitutions, including key personnel, or cancellations permitted after award without written approval by the County's Chief Financial Officer, or his/her designee.

29. Assignment of Contract

This contract may not be assigned in whole or in part without the written consent of the County's Chief Financial Officer, or his/her designee.

30. Debarment

By submitting a Proposal, the Offeror is certifying that he is not currently debarred by the County . The County 's debarment procedure is in accordance with Section 2.2-4321 of the Code of Virginia.

31. Offeror Disclosure

Each Offeror shall certify, upon signing a Proposal, that to the best of their knowledge no County or School Board official or employee having official responsibility for the procurement transaction, or member of his/her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this Contract. If such a benefit has been received or will be received, this fact shall be disclosed with the Proposal, or as soon thereafter as it appears that such a benefit will be received. Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the Contract made, or could affect payment pursuant to the terms of the Contract.

32. Right to Negotiate

The County reserves the right to waive informalities, and to reject any and all Proposals. If the Proposal from the lowest responsible Offeror exceeds available funds, the County reserves the right to negotiate with the apparent low Offeror to obtain a Contract price within available funds. Such negotiations shall be in accordance with Chapter 7, Code of Virginia.

33. Proof of Authority to Transact Business in Virginia

Any Bidder or Offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 of the Code of Virginia shall include in its Bid or Proposal the identification number issued to it by the State Corporation Commission. 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 of the Code of Virginia or as otherwise required by law shall include in its Bid or Proposal a statement describing why the Bidder or Offeror is not required to be so authorized. Any Bidder or Offeror described herein that fails to provide the required information shall not receive an award unless a waiver of this requirement and the administrative policies and procedures established to implement this section is granted by the County Administrator (https://cisiweb.scc.virginia.gov/z_container.aspx). *See also Exhibit I Response Sheet.*

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

34. Immigration Reform and Control Act of 1986

By accepting a Contract award, each Offeror certifies that it does not and will not during the performance of this contract violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits the employment of illegal aliens.

35. Certificate of Compliance

The Contractor agrees, that as a condition for providing the services required under this Contract, to certify that neither the Contractor or Subcontractor nor any of their employee(s) assigned to perform contracted or subcontracted services in the presence of students during the regular school hours or school sponsored activities have been convicted of a felony or any offense involving sexual molestation or physical or sexual abuse or rape of a child; or a crime of moral turpitude.

36. Proposal Incorporated into Awarded Contract

The Contents of the Proposal submitted by the successful Offeror and the Proposal Specifications shall become a part of any Contract awarded as a result of these specifications.

37. Right to Cancellation

Award to the selected Offeror will be made under a Contract arrangement with both the County that is cancelable after the first year or at the end of a fiscal year in the event that continuing funds are not appropriated.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

III. INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Preparation and Submission of Proposals

- a. All Proposals shall be signed in ink by authorized personnel of the firm.

- b. All attachments to the Proposals requiring execution by the firm are to be returned with the Proposals.

2. Withdrawal of Proposals

- a. Pursuant to Code Section 2.2-4330 of the Code of Virginia, as amended, the contracting authority has elected to use the procedure for Proposal withdrawal numbered (I), which reads as follows:

The Offeror shall give notice in writing of his claim of right to withdraw his Proposal within two (2) business days after the conclusion of the Proposal opening procedure.

- b. The Offeror may withdraw the Proposal from consideration if the service proposed was substantially different than the other Proposals due solely to a mistake therein, provided the Proposal was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgmental mistake, and was actually due to an unintentional arithmetic error, or an unintentional omission of a quantity of work, labor, or materials made directly in the compilation of the Proposal, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents, and materials used in the preparation of the Proposal sought to be withdrawn.

- c. The following is the procedure for withdrawal of a Proposal:

- (1) The Offeror must give notice in writing of his claim of the right to withdraw his Proposal within two (2) business days after the conclusion of the Proposal opening procedure.

- (2) No Proposal may be withdrawn under this section when the result would be the awarding of the Contract on another Proposal of the same Offeror.

- (3) No Offeror who is permitted to withdraw a Proposal shall for compensation, supply any material or labor to or perform any Subcontract or other work agreement for the person or firm to whom the Contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn Proposal was submitted, without the approval of the County 's Chief Financial Officer (for the County 's annual audit services) or the School Board's Superintendent (for the School Board's annual audit services) . The person or firm to whom the Contract was awarded and the withdrawing Offeror are jointly liable to the County in an amount equal to any compensation paid to, or for the benefit of, the withdrawing Offeror without such approval.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

(4) No Proposals may be withdrawn after the ultimate closing time set for the receipt of Proposals for a period of ninety (90) days, except as provided in Section 2 above.

3. Form of Proposals

Interested firms are requested to provide in their Proposal as much detail as possible pertaining to their firm's capabilities, experience and approach to the tasks outlined in this Proposal.

4. Clarification of Proposals

The County reserves the right to contact Offerors individually for the purpose of clarifying Proposals.

5. Vendor Incurred Costs

The County is not liable for any cost incurred by Offerors prior to issuance of an agreement, Contract or Purchase Order.

6. Terminology

Terminology used in this request for Proposal might imply or denote a particular Vendor. The terminology used and the organization of the Request for Proposals is not intended to be restrictive in any way. Appropriate interpretation of the intent of the Request for Proposals should be made by the Offeror in these situations.

7. Proposal Property

All Proposals submitted in response to this Request for Proposals becomes the property of both or either the County (for County workpapers). Supporting information will be returned at the request of the Offeror.

8. Confidentiality

All Proposals will be made available for inspection by any interested parties following the final selection date. If an Offeror wishes that any parts of his Proposal remain confidential, it should be stated so clearly in the Proposal submitted by that Offeror.

9. Addenda

Any Addenda to these documents shall be issued in writing; no oral statement, explanations, or commitments by whomsoever shall be of any effect unless incorporated in the Addenda.

10. Miscellaneous Requirements

a. The County will not be responsible for any expenses incurred by a firm in preparing and submitting a Proposal. All Proposals shall provide a straightforward concise delineation of capabilities to satisfy the requirements of this request. Emphasis should be on completeness and clarity of content.

b. All Offerors submitting a Proposal in response to this RFP will be required to make an oral presentation of their Proposal. The County Manager, or designee, will schedule the time and location for this presentation.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

IV. SERVICES REQUIRED

A. Scope of Work to be Performed

- 1) An audit the financial statements of the governmental activities, the business-type activities, including the related notes to the financial statements which collectively comprise the basic financial statements of the County.
- 2) The audit is expected to result in an opinion on the fair presentation of the financial statements, including federally funded programs, in conformity with generally accepted accounting principles in the United States of America. The auditor is to apply procedures and report on the required and other supplementary information included in the Annual Financial Report including a schedule of expenditures of federal awards.
- 3) Preparation of the financial statements which will be reviewed by the appropriate County and School Board personnel prior to their issuance.
- 4) 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 Compliance Supplement, *Audits of State and Local Governments*, and the *Specifications for Audits of Counties, Cities, and County s*.
- 5) The Auditor of Public Accounts requires all local governments to complete Comparative Cost Report Transmittal Forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The County has the auditor prepare the required forms, perform the agreed-upon procedures specified in the *Uniform Financial Reporting Manual*, and submit the forms to the Auditor of Public Accounts by November 30, following the end of each fiscal year.
- 6) In addition, the County requires an examination of the census data reported to the Virginia Retirement Systems (VRS) for each fiscal year end June 30. The examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.
- 7) In addition to completing the annual audit, the accounting firm will be available during normal business hours throughout the contract period to provide the County with advice and guidance on financial accounting and reporting issues, to include GASB pronouncements. Responses to specific questions regarding application of accounting policy or GASB requirements should be provided within thirty-six (36) hours. Also, we request to be informed of any training opportunities the firm may offer such that personnel may participate in continuing education for renewal of CPA licenses, if any are held by County or School staff.
- 8) The audit firm will complete an annual Cost Allocation Plan for the locality, and outline the costs and timelines associated with such.

B. Auditing Standards to be Followed

To meet the requirements of this Request for Proposals, the audit will be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the *Specifications for Audits of Counties, Cities and County s* (Revised June 2017) issued by the Auditor of Public Accounts of the Commonwealth of Virginia and the audit requirements of Title 2 *U.S. Code of Federal*

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) .

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements for the County, the auditor will issue:

- 1) A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles in the United States.
- 2) A report on the internal control structure, inclusive of that used to administer the specific and general requirements for both major and non-major federal financial assistance programs, based on the auditors' understanding of the control structure and assessment of control risk.
- 3) A report on compliance with applicable laws and regulations and the specific and general requirements applicable to major and non-major federal financial assistance programs.
- 4) The County 's Comparative Cost Report Transmittal Forms in electronic format.
- 5) SF-SAC Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations.

In the required reports on internal controls, the auditor will communicate any deficiency in internal control. A *material weaknesses* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected in a timely manner. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The report on compliance will include all material instances of noncompliance. All other instances of noncompliance will be reported in a separate management letter, which will be referred to in the report on compliance.

For any County matters, auditors will be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

- County Board
- County Administrator

If the illegal act or irregularity involves the School Board, then the following parties should also be notified:

- School Board
- School Superintendent
- Director of Finance

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

Auditors will report to the Board and School Board regarding the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.
10. Changes due to newly issued financial reporting standards based on generally accepted accounting principles as established by GASB.

In addition to completing the annual audit, the accounting firm will be available during normal business hours throughout the contract period to provide the County with advice and guidance on financial accounting and reporting issues, to include GASB pronouncements. Responses to specific questions regarding application of accounting policy or GASB requirements should be provided within thirty-six (36) hours. Also, we request to be informed of any training opportunities the firm may offer such that personnel may participate in continuing education.

D. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the County or the School Board of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- The County
 - The School Board
 - Comptroller General of the United States.
 - Parties designated by the federal or state governments, or by the County or the School Board, as part of an audit quality review process.
 - Auditors of entities of which the County or the School Board are a sub-recipient of grant funds.
 - Auditors of entities of which the County is a component unit.
-
- In addition, the firm will respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

V. DESCRIPTION OF THE GOVERNMENT

A. Name and telephone number of contact persons

The auditor's principal contact with the County will be Tracy Gee at (434) 696-2142 or a designated representative, who will coordinate the assistance to be provided by the County to the auditor. The auditor's principal contact with the School Board will be James Abernathy at (434) 676-2467 or a designated representative, who will coordinate the assistance to be provided by the Schools to the auditor.

B. Financial Reporting Entity

The County operates under the Board/County Manager form of government, the governing body is elected by the residents of the County, and the Board appoints the County Manager as Clerk. The Financial Report includes the financial statements of the Lunenburg School Board an entity for which the County is considered to be financially accountable. This discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County . The Lunenburg School Board was created by the County as a separate legal entity to oversee the operations and management of its publicly-funded primary and secondary schools. While the County does not appoint members to the Board, the County approves the School Board's budget and issues debt for the School Board's benefit and provides significant funding for operations. The School Board does not issue separate financial reports. The School Board is also elected by the residents of the County and the School Board appoints the Superintendent, who serves at the pleasure of the School Board.

The County's FY17 Audited Financial Report is available at the County's website:

<http://www.lunenburgva.org/wp-content/uploads/2012/11/FY17-Lunenburg-Audit-Report.pdf>

The County's FY18 budget is also available at the County's website:

<http://www.lunenburgva.org/wp-content/uploads/2014/03/Lunenburg-Budget-AD.pdf>.

C. Fund Structure

1. County Governmental Funds:

- a. General Fund
- b. Reassessment
- c. Solid Waste Management Fund
- d. Solid Waste Construction Fund
- e. Solid Waste Sites Fund
- f. Law Library Fund
- g. Asset Forfeiture
- h. E911 Fund
- i. Cell Tower Fund
- j. Airport Fund
- k. Economic Development Fund
- l. Economic Development Grants Fund
- m. School Fund (part of Cost Allocation Plan)

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

- n. School Food Fund
 - o. School Textbook Fund
 - p. Social Services Fund (part of Cost Allocation Plan)
 - q. Comprehensive Services Act Fund
 - r. Emergency Services Capital Fund
 - s. Project Lifesaver Fund
 - t. Voting Machine Fund
 - u. Capital Outlay Fund
 - v. Debt Service Fund
 - w. Special Welfare
2. Proprietary Funds
- a. Industrial Development Authority

The School Board has three (3) governmental funds. The Operating Fund, the School Cafeteria Fund and the Textbook Fund. The Social Services (VPA) Fund is maintained and reconciled on a monthly basis as a sub-entity of the County. A Treasurer's Accountability Fund is also maintained and reconciled on a monthly basis. The County account for and track capital asset and long-term debt transactions separately relative to their government-wide reporting requirements.

D. Budgetary Basis of Accounting

The County and School Board prepare their budgets on a basis consistent with Generally Accepted Accounting Principles.

E. Pension Plans

The County and the School Board participate in the Virginia Retirement Systems (VRS), an agent and cost sharing multiple employer defined benefit pension plan. Actuarial services for these plans are provided by VRS.

F. Computer Systems

The County's general ledger accounting system is fully computerized with several subsystems that directly interface into the general ledger: accounts payable, cashier, utility billing, and payroll. The governmental accounting software package is BAI Municipal Software. The School Board maintains a different and separate accounting software called RDA Systems, Inc. that does not interface with the County's BAI general ledger software. Therefore, on a monthly basis all of the School Board's transactions are summarized and entered via high level journal entries into their respective funds in the County's BAI general ledger.

G. Availability of Prior Audit Reports and Working Papers

The current audit firm is: Robinson Farmer Cox Associates, 401 Southlake Blvd. Ste. C-1, Richmond, VA 23236 at (804) 378-4200.

The contracted firm will be provided permission by the County to review the prior year working papers maintained by the current audit firm.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

VI. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates:

Request for proposal issued: March 7, 2018

Due date for proposals: March 22, 2018

Selected firms presentation: No later than April 12, 2018

B. Notification and Contract Dates

Selected firm notified: April 13, 2018

Contract date: Effective April 1, 2018

C. Work Plan

The selected auditor will develop a work plan to meet the following deadlines:

1. PBC List of Schedules to be provided by May 1,
2. Preliminary fieldwork to be completed by May 31.
3. Annual School Report to the Virginia Department of Education by September 15.
4. Year-end audit fieldwork to be completed by September 30.
5. Cost Comparative Report filed with the Auditor of Public Accounts by November 30.
6. Presentation of the audited Financial Statements to County Council and School Board no later than their respective mid-December meetings.
7. Data Collection Form and reporting package completed within the earlier of 30 calendar days after receipt of the auditor's reports or 9 months after the end of the audit period.
(Note: the selected auditor will coordinate with the County the electronic submission and certification of the Data Collection Form and reporting package.)

D. Entrance, Preliminary and Exit Conferences

At a minimum, the following conferences are requested:

<i>Conference</i>	<i>Personnel</i>	<i>Purpose</i>	<i>Timing</i>
Entrance	Key County /School Board Finance Dep't Staff and County / School Board Liaisons	*Discuss prior years audit *Discuss preliminary work to be performed — PBC listing *Discuss audit work plan *Areas of particular concern *Establish liaisons for engagement *Identify key testing *Arrange for work space and other needs * Issue engagement letter and obtain signatures prior to start of fieldwork	Prior to start of preliminary fieldwork

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

<i>Conference</i>	<i>Personnel</i>	<i>Purpose</i>	<i>Timing</i>
Prelim Fieldwork Exit	Key County /School Board Finance Dep't Staff and County / School Board Liaisons	*Discuss problems/ concerns noted/ outstanding items *Review plan for final fieldwork and provide PBC including dates for confirmation, etc. *Identify management comments to-date including observation, implication and recommendation for each comment identified	Last day of preliminary fieldwork
Final Fieldwork Entrance	Key County /School Board Finance Dep't Staff and County /School Board Liaisons	*Discuss status PBC items *Update/changes to work plan	Start of final fieldwork
Final Fieldwork Exit Conference	Key County /School Board Finance Dep't Staff and County /School Board Liaisons	*Outstanding items *Summarize results of fieldwork *Review significant findings *Discuss final entries to be posted to financial system *Identify management comments including observation, implication and recommendation for each comment identified	Last day of final fieldwork
Cost Allocation Plan	Key County/School Finance/Social Services/Treasurer	*collect data *summarize results *complete for submission	Required by law

E. Final Report/Forms/Letters

The selected auditor will assist in preparing the Financial Report, the Data Collection Form and the Comparative Report Transmittal Form. Meetings/conference calls/email exchanges may be scheduled as necessary regarding these items. The County and School Board recognize that these are non-audit services and that selected auditor is not assuming management responsibilities regarding the preparation of these items. All deadlines must be met regarding these items as noted above in Section C Work Plan. Bound copies and an electronic version of the audited Financial Report, Management Letter and Auditor's Communication Letter must be provided in accordance with deadlines as noted in this RFP.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

**VII. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT
PREPARATION**

A. Finance Department Assistance

The County and School Board Finance Department staff and responsible management personnel will be available during the audit to assist the selected auditor by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the County, as necessary.

B. Schedules to be prepared by the staff of the County

The auditor will provide the County a specific list of schedules and work papers to be prepared by staff to facilitate the audit of general ledger account balances.

C. Work Area, Telephones, Photocopying and FAX Machines

The County and the School Board will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to telephones, photocopying facilities, and FAX machines with the understanding they are to be used in relation to the County audit and the School Board audit. The County and the School Board will provide on-site inquiry access to the financial system.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

VIII. PROPOSAL REQUIREMENTS

A. General Requirements

1. Submission of Proposals

Proposals must be received by 12:00 noon on Thursday, March 22, 2018 in the County Administration Office, 11413 Courthouse Road, Lunenburg, VA 23952 in order to be considered.

2. Format

One (1) original, (3) copies and one (1) electronic media version of the final entire document.

3. Title Page - Response Sheet (See Exhibit 1)

Offerors must use the format of the Response Sheet in Exhibit 1 and this will serve as the title page of the RFP response. The firm's name, address, telephone and fax number as well as the name, email address and title of person submitting the proposal must be properly completed including a signature in ink.

4. Offerors must include a Table of Contents.

5. Offerors must include a signed Transmittal Letter briefly stating the Proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes it is best qualified to perform the engagement, and a statement that the proposal is firm and irrevocable offer for ninety (90) days.

6. Offerors must include responses to Items 1 through 7 in Section B Technical Requirements.

7. Offerors will submit a completed W-9 form with their Proposal. In the event of a Contract award, this information is required in order to issue Purchase Orders and payments to your firm. A copy of this form can be downloaded from <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.

8. Offerors must state that its Proposal was made without connection with any other person, company, or parties making a similar Proposal and that it is in all respects fair and in good faith without collusion or fraud.

9. Any licensing agreement required by the Offeror must be fully described in the Proposal.

B. Technical Requirements

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the Request for Proposal's requirements. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the Request for Proposal.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

While additional data may be presented, the following subjects, (item Nos. 1 through 7) must be included. They represent the criteria against which the Proposal will be evaluated.

1. Independence

Provide a statement that the firm is independent of the County as defined by generally accepted auditing standards contained in Government Auditing Standards (December 2017), issued by the Comptroller General of the United States. The firm should also list and describe its professional relationships with the County, or any of its agencies or component units, including the School Board, for the past five (5) years together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2. License to Practice in the Commonwealth of Virginia

The Proposer must provide evidence that the firm is properly licensed to practice in Virginia.

3. Firm Qualifications and Experience

a. State the size of the firm.

b. State the size of the firm's governmental audit staff.

c. State the location of the office from which the work on this engagement is to be performed.

d. State the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

3. Quality Control Review Report and Other Reports, if any

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement indicating whether that quality control review included a review of specific government and/or school district engagements.

The firm will also provide information on the results of any federal or state desk review or field reviews of its audits during the past three (3) years. In addition, the firm will provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

4. Partner, Supervisory and Staff Qualifications and Experience

a) Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

- Indicate whether each such person is registered or licensed to practice as a certified public accountant in Virginia.
- Provide information on the government, school district and school activity fund auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

b) Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.

c) Indicate how the quality of staff over the term of the agreement will be assured.

5. Daily Staff Supervision

Indicate how the firm will provide adequate supervision on a day-to-day basis.

6. Similar Engagements With Other Government Entities and Schools

If the firm has more than one office in Virginia, list all local government entities (Cities, Counties and Counties) in Virginia that the firm is providing similar services and which office is assigned responsibility for those services.

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum five (5) performed in the last five (5) years that are similar to the engagements described in this Request for Proposal.

- a. These engagements should be ranked on the basis of total staff hours.
- b. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The Proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this Request for Proposal.

Provide the following information on their audit approach:

- a) Proposed phases of the engagement.
- b) Approach to be taken to gain and document an understanding of the County 's and School Board's internal control structure and the overall internal control risk assessment.
- c) Approach to be taken in determining laws and regulations that will be subject to audit test work.
- d) Type and extent of analytical procedures to be used in the engagement as well as compliance vs. substantive testing to be performed.
- e) Approach to be taken in drawing audit samples for purposes of testing compliance as well as scope and dollar cut-off levels by major category of assets, liabilities, revenue and expenditures and fund balances.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

IX. EVALUATION PROCEDURES

A. Evaluation Committee

Proposals submitted will be evaluated by the Board's Finance Committee consisting of three representatives from the Board.

B. Review of Proposals

The Evaluation Committee will use a point formula during the review process to score proposals. Each member of the committee will first score each technical proposal by each of the criteria described and presented in Section XI. The full committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm.

The committee will request oral presentations and conduct interviews with the top ranked firms (usually the top two (2) or three (3), depending on the number of Proposals received).

C. Evaluation Criteria

The Proposal Requirements set forth certain criteria which will be used in the evaluation of proposals and selection of the successful firm (*see Section XI*). In addition, recommendations from parties whom comparable work has been performed may be considered.

D. Oral Presentations

During the evaluation process, the Proposal Evaluation Committee will request the top ranked firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the committee may have on a firm's proposal and allow both parties to make necessary clarifications and discuss non-binding cost estimates. This is tentatively scheduled for the week of March 12, 2018; all Proposers must be available during this week to make an oral presentation should they be selected. If a firm is selected for an oral presentation, it should be prepared to submit one (1) original, 5 (10) copies, and one (1) electronic version of their cost proposal in a sealed envelope.

E. Negotiations

Final cost negotiations shall then commence with the top ranked firm(s) and continue until selection of the most responsive, responsible and qualified firm. If one (1) firm is clearly more qualified and suitable, the County and School Board, based on consultation with the Evaluation Committee, reserves the right to immediately commence negotiations with that firm.

F. Final Selection

The Board will make a decision to select a firm or firms based upon the recommendation of the Finance Committee. The firm will be selected during the week of March 26, 2018. A Contract will be executed by no later than April 13, 2018 due to the meeting date of April 12, 2018.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

G. Right to Reject Proposals

Submission of a Proposal indicates acceptance by the firm of the conditions contained in this Request for Proposal unless clearly and specifically noted in the Proposal submitted and confirmed in the Contract between the County and the firm selected.

H. Cost Proposal Instructions

The cost proposal is to include the initial 3 year period (FY2018, 2019 and 2020 listed separately) and each of the 2 optional one year renewal period (FY21 and FY22 listed separately). The Cost Proposal must be submitted at the same time as the services proposal.

I. Pricing

The subsequent Contract will be a firm, fixed price agreement. The fee(s) will remain firm and will include all charges that may be incurred in fulfilling the requirements of the Contract during the first three hundred sixty five (365) days.

The request for a price change shall include at a minimum, (1) the cause for adjustment; (2) proposed effective date; and (3) the amount of the change requested with documentation to support the requested adjustment (i.e., appropriate Bureau of Labor Statistics, Consumer price index, etc.).

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

X. BASIS FOR AWARD

During Committee discussion, emphasis will be placed on professional competence, to provide the required services. All 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. At the discussion stage, the County may discuss non-binding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, non-binding cost estimates. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors.

At the conclusion of informal interviews, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the County shall select, in the order of preference, one (1) 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 is satisfactory and advantageous to the County and 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.

Notwithstanding the foregoing, if the terms and conditions for multiple awards are included in the Request for Proposal, the County may award Contracts to more than one (1) Offeror.

Should the County determine in writing and in their sole joint discretion that only one (1) Offeror is fully qualified, or that one (1) Offeror is clearly more highly qualified and suitable than the others under consideration, a Contract may be negotiated and awarded to that Offeror.

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

XI. EVALUATION FORM (All County and School Board Services)

Criterion	Points
Professional Qualifications and Experience of Offeror <ul style="list-style-type: none"> a. Specialized experience in governmental accounting issues, expertise and qualifications of the Offeror b. Record of the Offeror in accomplishing similar work in the required time. c. Quality of work previously performed by the Offeror. 	30
Responsiveness and Overall Quality of the Proposal: <ul style="list-style-type: none"> a. Quality and completeness of the submitted proposal b. Content of the proposal 	10
Professional Qualifications and Experience of Personnel: <ul style="list-style-type: none"> a. Specialized experience, expertise and qualifications of Partner and Manager assigned to this audit b. Specialized experience, expertise and qualifications of Staff and other Specialists (if identified) 	30
Services to be provided: <ul style="list-style-type: none"> a. Specific methodology to be used in performing the audit b. Capability to meet the fieldwork timeline and filing requirements 	30
Total	_____/100

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

Title Page - Response Sheet (*Exhibit 1*)

RFP NUMBER: #2018-01 County of Lunenburg RFP for Professional Audit Services and
Cost Allocation Plan

COMPANY NAME: _____

VIRGINIA STATE CORPORATION COMMISSION NUMBER: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

NAME & TITLE OF PERSON SUBMITTING PROPOSAL: _____

E-MAIL ADDRESS: _____

SIGNATURE (in ink): _____

DATE OF PROPOSAL: _____

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

Cost Proposal Format (*Exhibit 2*)

		<u>FY18</u>			<u>FY</u> <u>19</u>			<u>FY</u> <u>20</u>	
<u>Description</u>	<u>Hou</u> <u>rs</u>	<u>Rate</u>	<u>Tot</u> <u>al</u>	<u>Ho</u> <u>urs</u>	<u>Rat</u> <u>e</u>	<u>Tot</u> <u>al</u>	<u>Ho</u> <u>urs</u>	<u>Rat</u> <u>e</u>	<u>Tot</u> <u>al</u>
<i>Prelim Fieldwork</i>									
Partner									
Manager									
Staff									
Specialist									
Other (specify)									
<i>Final Fieldwork</i>									
Partner									
Manager									
Staff									
Specialist									
Other (specify)									
Preparation of Financial Report									
Cost Comparative Report (Auditor of Public Accounts)									
Data Collection Form (Federal Audit Clearinghouse)									
Examination of Census Data submitted to VRS									
Cost Allocation Plan									

**REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS PROFESSIONAL
AUDIT SERVICES FOR THE COUNTY OF LUNENBURG
RFP NUMBER: #2018-01**

		<u>FY21</u>			<u>FY</u> <u>22</u>			<u>Tot</u> <u>al</u>	
<u>Description</u>	<u>Hou</u> <u>rs</u>	<u>Rate</u>	<u>Tot</u> <u>al</u>	<u>Ho</u> <u>urs</u>	<u>Rat</u> <u>e</u>	<u>Tot</u> <u>al</u>	<u>Ho</u> <u>urs</u>	<u>Rat</u> <u>e</u>	<u>Tot</u> <u>al</u>
<i>Prelim Fieldwork</i>									
Partner									
Manager									
Staff									
Specialist									
Other (specify)									
<i>Final Fieldwork</i>									
Partner									
Manager									
Staff									
Specialist									
Other (specify)									
Preparation of Financial Report									
Cost Comparative Report (Auditor of Public Accounts)									
Data Collection Form (Federal Audit Clearinghouse)									
Examination of Census Data submitted to VRS									
Cost Allocation Plan									