



**TOWN OF LEESBURG, VIRGINIA  
REQUEST FOR PROPOSAL NO 100161-FY12-03  
AUDIT SERVICES**

Issue Date: February 15, 2012

Due Date: March 16, 2012, 5:00 PM

RFP No. 100161-FY12-03

Postal Address: Town of Leesburg  
Procurement Division  
25 W Market St  
Leesburg, Virginia 20176

Purchasing Contact: Kathy S. Elgin, CPPO  
Chief Procurement Officer  
Phone: 703-737-7176  
Email: [kelgin@leesburgva.gov](mailto:kelgin@leesburgva.gov)

NOTICE OF ADDENDUM – All addenda will be posted to the Town’s bid board located at [www.leesburgva.gov](http://www.leesburgva.gov) and will be sent to the email address used by the Bidder when “Registering” on the bid board. It is the bidder’s responsibility to provide a valid email address thereby ensuring receipt of all posted addenda.

TABLE OF CONTENTS

I. Introduction and Background Information .....3

II. Contract Term .....4

III. Scope of Work .....5

IV. Proposal Submission Requirements.....9

V. Evaluation Criteria .....13

VI. Final Selection .....13

VII. Instructions and Contract Terms and Provisions .....14

VIII. Attachments

Attachment A - RFP Submission Form .....20

Attachment B - Sample Contract .....21

IX. Documents available on Town website at [www.leesburgva.gov](http://www.leesburgva.gov) :

2011 CAFR

2012-2013 Adopted Budget

2012-2017 Capital Improvements Program

**I. INTRODUCTION AND BACKGROUND INFORMATION**

- A. General Information** - The Town of Leesburg (the “Town”) is requesting proposals from qualified certified public accounting firms to audit its financial statements beginning with the fiscal year ending June 30, 2012.
  
- B. Contract Term** – It is the intent of the Town to enter into a three-year contract beginning with services for the fiscal year ending June 30, 2012. This contract will provide for up to two additional one-year renewal options subject to the review and recommendation of the Finance Director, the satisfactory negotiation of terms (including a price acceptable to both the Town and the selected firm), and the annual availability of an appropriation.
  
- C. Background** - The Town serves an area of 12 square miles with an estimated 2012 population of 43,500. The 2010 census population of the Town was 42,616. The Town's fiscal year begins on July 1 and ends on June 30.

*Services* - The Town provides the following services to its citizens:

- General governmental services including: police, refuse collection and disposal, water and sewer utility, airport, parks and recreation, and maintenance of streets and roadways.
- The Town has a total payroll, including benefits of \$36.2 million covering 335 full-time and 75.26 part-time employees.
- The Town is organized into fifteen departments. The accounting and financial reporting functions of the Town are centralized.
- More detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report for fiscal year 2011 and Budget for fiscal year 2012-2013.

*Fund Structure* - The Town uses the following fund types and account groups in its financial reporting:

| <u>Number of Individual<br/>Fund Type/Account Group</u> | <u>Number With Legally<br/>Adopted Annual Budgets</u> |
|---|---|
| General Fund  | 1   |
| Special Revenue Funds                                   | 0   |
| Capital Projects Fund                                   | 1   |
| Enterprise Funds  | 2   |

**NOTE:** Effective June 29, 2012 the Airport Fund (currently an enterprise fund) will be closed and merged into the General Fund. Therefore, for FY 2012, there will only be one enterprise fund to be audited. (Per Ordinance 2012-O-002 adopted on January 24, 2012 by Town Council.)

*Budgetary Basis of Accounting* - The Town prepares its budgets on a basis consistent with generally accepted accounting principles.

*Federal and State Financial Assistance* – In 2011, the Town received federal assistance directly from the federal government or as pass through funds from the following departments:

- Department of Justice
- Department of Transportation
- National Endowment for the Arts
- Department of Energy
- Department of Homeland Security

*Pension Plan* - The Town participates in the Virginia Retirement System, which is a Multiple-Employer Defined Benefit Plan. The Virginia Retirement System provides actuarial services for this plan. The Town also offers its employees a choice of deferred compensation plans in accordance with Internal Revenue Code 457.

*Component Units* – The Town has no component units.

*Joint Ventures* - The Town does not participate in any joint ventures.

*Magnitude of Finance Operations* - The finance department is headed by Norman D. Butts, Director of Finance, and consists of seventeen full-time and three part-time employees. The principal functions performed and the numbers of employees assigned to each are as follows:

|  |   |
|--|---|
| ▪ Director (CFO)   | 1 |
| ▪ Deputy Director (accounting reporting & control)   | 1 |
| ▪ Assistant Director / Operations  | 1 |
| ▪ Senior Accountant  | 1 |
| ▪ Staff Accountant   | 1 |
| ▪ Lead Customer Service Representative   | 1 |
| ▪ Accounting Associates (payables, real estate, personal property, business licenses, customer service, utility billing) | 7 |
| ▪ Parking Enforcement Officers (part-time)   | 2 |
| ▪ Accounting Associate (part-time)   | 1 |
| ▪ Customer Service Technician  | 1 |
| ▪ Purchasing Officer   | 1 |
| ▪ Budget Analyst   | 2 |

*Computer Systems* - The Town uses the MUNIS software developed by Tyler Technologies to process their accounting and general ledger information. Utility billing is also completed from this system.

The Town is currently scheduled to integrate real estate and personal property tax by August 2012. The system currently used for billing and collections of taxes is SunGard H T E.

- II. CONTRACT TERM** - This contract shall begin on the date of award for the audit of the fiscal year ending June 30, 2012 and continue through the completion of the audit of the fiscal year ending June 30, 2014. Upon mutual agreement of both parties, this contract can be renewed for two additional one year periods. This contract is renewable contingent on the availability of an annual appropriation.

Any contract awarded pursuant to this RFP will be conditional upon an annual appropriation made by the Town of Leesburg Town Council of funds sufficient to pay compensation due the Contractor under the contract. The contract will provide that if such an appropriation is not made in any fiscal year and the Town lacks funds from other sources to pay compensation due under the contract, the Town will be entitled, at the beginning of or during such fiscal year, to terminate the contract. In that event, the Town will not be obligated to make any payments under the contract beyond the amount properly appropriated for contract payments in the immediate prior fiscal year. The Town will provide the successful Contractor with written notice of contract termination due to the non-appropriation of funds at least thirty (30) calendar days before the effective date of termination. However, the Town's failure to provide such notice will not extend the contract into a fiscal year in which funds for contract payments have not been appropriated.

**III. SCOPE OF WORK**

**A. Auditing and Reporting Services**

1. Comprehensive Annual Financial Report (CAFR) - The auditor shall express an opinion of the fair presentation of the Town's basic financial statements as presented in the CAFR in conformity with generally accepted accounting principles.

The auditor shall also perform certain procedures in regards to the required supplementary information and supporting schedules of individual funds.

2. Single Audit - In addition with the audit of the financial statements, the auditor shall examine, perform tests, and report on the Schedule of Expenditures of Federal Awards and all related reports according to OMB Circular A-133 Compliance Supplement requirements.

Due to the inherent risks with the new transparency and accountability requirements over the expenditures of ARRA awards, the auditor shall perform sufficient tests on ARRA grants to insure that the Town is complying with the requirements and reporting these grants according to the American Recovery and Reinvestment Act of 2009.

3. APA Transmittal Forms - The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the Uniform Financial Reporting Manual. The Auditor shall prepare the required forms, 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 the fiscal year.

4. GFOA Certificate of Achievement - The auditor shall provide special assistance to the Town in order for the Town to continue to meet the requirements of the Government Finance Officers' Association of the United States and Canada (GFOA) "Certificate of Achievement for Excellence in Financial Reporting".

This special assistance may include but is not limited to: Review the Town's disposition of the comments generated from the GFOA review of the prior year's CAFR; and, Review the CAFR for compliance with GFOA's requirements for the Certificate of Achievement.

5. GASB / FASB Pronouncements - The auditor shall keep the Town fully informed of new Governmental Accounting Standards Board's (GASB) pronouncements and any applicable Financial Accounting Standard Board (FASB) pronouncements. If the Town encounters any difficulties in implementing and complying with the specific reporting requirements mandated by the GASB, the Town may request the auditor's assistance to enable it to comply with these reporting requirements.

6. Public Presentation of Audit - The auditor shall present a summary report to the Town Council at a public session no later than January 31.

7. OS/POS - The Town currently anticipates it will prepare one or more official statements (OS/POS) in connection with the sale of debt securities, which will contain the basic financial statements and the auditor's report thereon. The auditor shall be required, if requested by the Town, to provide a separate opinion on the basic financial statements to be used with debt offerings; otherwise, the Town prefers to include in the OS/POS the most recently completed basic financial statements and the Auditor's report thereon without further review of the basic financial statements or the OS/POS by the auditing offeror.

- B.** Auditing Standards To Be Followed - The Auditor shall audit all funds of the Town in accordance with the auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; and the Specifications for Audits of Counties, Cities and Towns of the Auditor of Public Accounts, Commonwealth of Virginia.

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

- C.** Availability of Prior Auditors Reports and Working Papers - Interested proposers who wish to review prior years' audit reports and management letters should send an email to [bidquestions@leesburgva.gov](mailto:bidquestions@leesburgva.gov). The Town will use its best efforts to make prior audit reports and supporting working papers available to proposers to aid their response to this request for proposals. The audit firm of PBGH, LLP, 558 S. Main St., PO Box 1226, Harrisonburg, VA 22803 performed the Town's audit for the last five fiscal years. Their contact is Mike Garber at (540) 434-5975.
- 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 years, unless the firm is notified in writing by the Town 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:
1. State Audit Agencies
  2. U.S. General Accountability Office (GAO)
  3. Parties designated by the federal or state governments or by the Town as part of an audit quality review process.
  4. Auditors of entities of which the Town is a sub-recipient of grant funds.
  5. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
- E.** Contact Persons/Locations Of Offices – After contract award, the auditor's principal contact with the Town will be Kim Williams, Deputy Director of Finance/Controller, who will coordinate the assistance to be provided by the Town to the auditor. Mrs. Williams can be notified by writing at 25 W. Market St., Leesburg, VA. 20176, or by telephone at (703) 771-2798 and by Facsimile at (703) 771-2799 or by email at [kwilliams@leesburgva.gov](mailto:kwilliams@leesburgva.gov).
- F.** Town's Time Requirements - The Town is subject to certain mandated reporting deadlines imposed by legal regulations, which must be met. These include the following:
- The Comprehensive Annual Financial Report together with transmittal forms is due to the Auditor of Public Accounts, Commonwealth of Virginia, no later than November 30 of each year.
- The Comprehensive Annual Financial Report together with the application for the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program should be filed no later than December 31 of each year.
- To meet these mandated reporting deadlines, the Town requires the following deadlines of the auditor:
1. An entrance conference for the purpose of discussing prior audit problems, the auditors work plan, prepared-by-client schedules and the interim work

to be performed should be scheduled with the Town, no later than June 30, 2012 for the first year of the Contract. An entrance conference will not be held for subsequent years of the contract unless specifically requested by the Town or the auditor.

2. During the course of the audit, the auditor will meet on an as-needed basis with the Town's Deputy Director of Finance/Controller.
3. The auditor shall provide the Town with both a calendar of the scheduled work and a list of required prepared-by-client schedules, system generated reports, and letters necessary for both interim work and final test work no later than June 30, 2012 for the first year of the contract, and by May 15 for subsequent years.
4. The auditor shall complete all fieldwork no later than October 31.
5. The auditor shall provide the Town with a draft CAFR by November 10, final review comments by November 20 and issue their Auditors' opinions by November 30.
6. The auditor shall provide APA Transmittal Report and Letter by November 30.

**G. Assistance To Be Provided To The Auditor And Report Preparation**

1. Finance Department - The Finance Department has the responsibility for maintaining the general accounts of the Town and is the central oversight and coordinating agency for the town wide audit of financial statements. The Finance Department will provide the support necessary for the completion of a successful audit and will complete all the prepared by client work papers for the auditor prior to the start of fieldwork.

The Finance Department in conjunction with IT staff will be available to provide systems documentation and explanations. The auditor will be provided computer time and the use of the Town's computer hardware and software for testing purposes. The auditor will be required to notify the Deputy Director of Finance/Controller in writing before any system audit is carried out. The auditor shall furnish the Deputy Director of Finance/Controller an estimate of the usage of computer time required at the beginning of each month. Audit jobs and other work to be submitted must conform to Town's established procedures.

2. Town Departments - All Town departments will assist the auditor by assembling and making available information pertinent to the examination and providing knowledgeable personnel to meet with the auditor to explain agency operations.
3. Office Accommodations - The Town will provide the auditor with reasonable office accommodations. The auditor will also be provided with access to the internet, telephone lines, photocopying facilities and FAX



machines. All work conducted on the Town's premises shall be accomplished between the Town's standard office hours of 8:30 a.m. and 5:00 p.m., Mondays through Fridays, unless otherwise prearranged. While auditor personnel are at the Town's sites, they are required to comply with all rules and regulations of the Town with specific mention being made of complying with rules and regulations governing conduct with respect to health and safety not only as they relate to themselves, but also to Town of Leesburg personnel.

4. Report Preparation - The auditor will be responsible for preparing the final copies of the financial reports. In addition, the auditor will be responsible for the clerical preparation of the CAFR table of contents, letter of transmittal and all notes to the financial statements. Printing shall be the responsibility of the Town.

H. **SITE VISITS** - Town of Leesburg reserves the right to make on-site visitations to assess the capabilities of individual auditors and to contact references provided with the proposals.

#### IV. PROPOSAL SUBMISSION REQUIREMENTS

- A. General Requirements - The purpose of the Technical proposal is to demonstrate the qualifications, competence and capacity of the Offerors seeking to undertake an independent audit of the Town in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the offeror and of the particular staff to be assigned to this engagement. It should also specify an Offeror's approach that will meet the request for proposals requirements.

The technical proposal should address all the points outlined in the RFP. The proposal should be prepared simply, providing a straightforward, concise description of the offeror's capabilities to satisfy the requirements of the RFP. The submitted proposal shall form an integral part of the resulting Contract by reference. Therefore, Offerors should exercise extreme care in describing what services are included or excluded in the proposal.

The Town will follow the evaluation process and selection criteria described later in this RFP. In order to enhance this process and provide each offeror an equal opportunity for consideration, adherence to a standardized proposal format is required. The format of each proposal must contain the following elements organized into separate chapters or sections. The maximum pages allowed for each element is listed. Any sections, which exceed this maximum, may not be considered.

|                                      | Maximum # of Pgs. |
|--------------------------------------|-------------------|
| Table of Contents                    | 1                 |
| RFP Submission Form                  | 1                 |
| Offeror's cover sheet listing:       |                   |
| Contact person and telephone number, |                   |

|  |    |
|--|----|
| Statement of independence  |    |
| Statement of license to practice in Virginia   | 2  |
| Letter of transmittal and/or executive summary   | 1  |
| Profile and Government Experience of the Offeror   | 4  |
| Qualifications and Government Experience of the<br>assigned Staff (Maximum Pages Per Person) | 2  |
| Audit approach and work plan   | 10 |
| Ability to meet the Town's time requirements   | 1  |
| Commitment to provide continuity of assigned Staff   | 1  |
| References of Government clients   | 2  |

These elements parallel the basis of the Town's proposal evaluation criteria. The Town is not responsible for failure to locate, consider, and evaluate qualification factors presented outside of this format. The following paragraphs provide guidelines to each Offeror for information that must be include in the proposal.

- B.** Independence - The offeror shall provide an affirmative statement that is independent of the Town as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards and the Ethics Rules of the AICPA.

The offeror shall also list and describe the offeror's professional relationships involving the Town 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.

- C.** License to Practice in Virginia - An affirmative statement shall be included that the offeror and all assigned key professional staff are properly licensed to practice as certified public accountants in the Commonwealth of Virginia. Also, an affirmation that the offeror meets any and all other specific qualification requirements imposed by state or local law should be provided.

- D.** Profile and Government Experience of Offeror - The proposal should provide:

- The organization and size of the offeror, and whether it is local, regional, national or international in operations;
- The size of the offeror's governmental staff;
- The location of the office from which the work on this engagement is to be performed and the nature of the professional staff to be employed in the engagement on a full-time basis and the number and nature of the staff to be employed on a part-time basis;
- The description of the range of activities performed by the local office such as audits, accounting, tax services or management services;

- A summary of the offeror's staff and management rotation policy and depth of available experiences so as to not impair the technical government experience provided to the Town;
- A description of the offeror's experience with the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program;
- An outline of the professional development programs provided to and required of your audit staff, describing the government-specific;
- The offeror is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements; in addition, the offeror shall provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. The offeror shall provide information on the circumstances and status of any disciplinary action taken or pending against the offeror during the past three (3) years with state regulatory bodies or professional organizations.

**E.** Qualifications and Government Experience of the Assigned Staff - Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Provide resumes and information on the specific government auditing experience (e.g. utilities, retirement plans, investments, federal grants etc.) of each person together with information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Also, identify the other engagements, if any, to which these staff will be assigned during the period of time they are performing audit services for the Town.

**F.** Audit Approach and Work Plan - The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as the Town's CAFR, organizational chart, manuals and programs, and financial and other management information systems. The offeror should clearly distinguish tasks that the Auditor will undertake as distinguished from those which are the responsibility of the Town.

- Offerors will be required to provide the following information on their audit approach:
- Discussion regarding the overall approach and process in conducting the audit;
- Explanation regarding how you would propose to use Town staff, if at all, to assist during the audit, indicating the approximate time required and/or the types of information or schedules required;

- Manner in which you intend to use computer-assisted auditing procedures and statistical sampling techniques. Indicate sample size if possible. Describe the approach to be taken in drawing audit samples for the purposes of compliance testing;
- Extent of use of EDP software in the engagement;
- Type and extent of analytical procedures to be used in the engagement;
- Approach to be taken to gain and document the understanding of the Town's internal control structure;
- Approach to be taken in determining laws and regulations that are subject to Auditor's test procedures;
- Specialized government audit manuals and/or programs utilized;
- Discussion on how the audit staff plans to audit computerized systems;
- Procedures followed in the technical review of audited financial statements prior to their issuance;
- Statement verifying the Offeror's understanding of the specific reporting requirements outlined on this engagement;
- Comment on how the audit team will assist the Town in continuing to receive the GFOA "Certificate of Achievement for Excellence in Financial Reporting" Award; and
- Description of any anticipated potential audit problems, the Auditor's approach to resolving these problems and any special assistance that will be requested from the Town.

**G.** Ability to Meet the Town's Time Requirements - The Offeror shall provide details regarding the proposed work schedule to meet the Town's time requirements (see III. F.). Provide time estimates for each significant phase of work and the staff level to be assigned. Individual staff members should be named and their titles provided. Any planned use of specialists should be specified. Also, provide a task-by-task schedule of the time required to complete the project. The proposal should also discuss documentation and/or authorizations, which will be required from the Town, anticipated problem areas, proposed solutions to the problem areas, etc. The Offeror should clearly specify who has primary responsibility for each task; the Offeror or the Town's staff.

**H.** Commit to Provide Continuity of Assigned Staff - Please indicate what amount of assurance the offeror can give to the Town that the principal supervisory and management staff will continue for the full duration of the engagement.

**I. References** - This section of the Offeror's proposal must:

- List or describe representative clients currently served by the local office focusing on clients similar in size and complexity to the Town.
- Provide the current name, address, and telephone number of at least three (3) specific local government references the offeror has served either currently or in the past two years; preferably those where one or more of the assigned staff provided the same or similar services as requested herein.
- Each reference should indicate the scope of services provided to each referenced client.

**J. NONBINDING COST ESTIMATE** – As this is a professional services contract, the Town will request non-binding cost estimates under separate cover from one or more of the highest rated and fully qualified Offerors at a later date.

When requested, the cost estimate shall include estimated number of hours and hourly rates for all job categories that will be used to accomplish work under this contract. All costs for reimbursable items such as travel, printing and reproduction along with a percentage (%) markup of all reimbursable items provided by an outside source such as printing and courier express must be included. If any subcontractors are to be used, a percentage markup of their cost shall be included.

The auditor's fee must be priced assuming the Town will implement any GASB's planned reporting changes required over the period of the contract. In proposing fees for the contract period, the offeror should assume the Town will continue to grow in size and complexity if the offeror believes there are extraordinary changes to the Town that could require a fee increase, these should be identified. The cost estimate is to include fees for each contract year of service, FY 2012 through FY 2016.

**V. EVALUATION CRITERIA** - It is anticipated that an offeror will be selected and a contract executed between both parties by June 1, 2012. The Selection Committee will evaluate proposal base on the following criteria:

1. Qualifications and government experience of the offeror
2. Qualifications and government experience of the assigned staff
3. Audit approach and work plan
4. Ability to complete audit by required deadlines
5. Commitment to provide continuity of audit staff
6. References from clients similar in size and complexity to the Town

**VI. FINAL SELECTION** - The Town Council will approve the award of a contract to a firm based upon the recommendation of the committee. It is anticipated that the evaluation

committee will have made a recommendation for Town Council approval on April 17, 2012. Following notification of the firm selected, it is expected a contract will be executed between both parties no later than June 1, 2012.

## VII. INSTRUCTIONS AND CONTRACT TERMS AND PROVISIONS

- A. Submission of Proposals** - One original and three copies of the proposal must be received by the Procurement Officer at the Town of Leesburg, 25 W. Market St, Leesburg, VA 20176. Proposals must be received by due date noted on the cover page of this RFP. **It is the Offeror's sole responsibility to ensure that the Town receives their proposal.** Each proposal must be sealed in a container and marked in the lower left corner as follows:

RFP No: 100161-FY12-XX  
FOR: Audit Services

Only those Proposals stamped **BEFORE** the hour specified as the due date will be accepted by the Procurement Office.

- B. Right to Reject Proposals** - 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 the Town and the firm selected. The Town reserves the right to waive informalities, to reject any or all Bids after all have been examined or to accept the Bid of the Offeror which it deems most favorable to the interests of the Town.
- C. Inquiries** – ALL Inquiries concerning the request for proposals and the subject of the request for proposals must be made in writing to: Kathy Elgin, CPO, [bidquestions@leesburgva.gov](mailto:bidquestions@leesburgva.gov). Inquiries should include the text “Audit Service Questions” in the subject line.

Contact with personnel of the Town other Kathy Elgin, CPO during the submission phase of this RFP may be grounds for elimination from the selection process.

- D. Disposition of Proposals** - All materials submitted in response to this RFP will become the property of the Town. One (1) copy of each proposal shall be retained for official files and will become a public record after the award and will be open to public inspection. It is understood that the proposal will become a part of the official file on this matter without obligation on the part of the Town except as to the disclosure restrictions contained in Section F “Disclosure.”
- E. Disclosure** - In compliance with the Town's purchasing policy, all proposals will be available for public inspection after the contract award. Trade secrets and proprietary information submitted by a vendor in connection with a procurement shall not be subject to public disclosure under the Virginia Freedom of Information Act, however, the Offeror must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the

specific area or scope of data or other materials to be protected and state reasons why protection is necessary. An all-inclusive statement that the entire proposal is proprietary is unacceptable. A statement that costs are to be protected is unacceptable.

- F. Cost Incurred in Responding** - This solicitation does not commit the Town to pay any costs incurred in the preparation and submission of proposals or in making necessary studies or designs for the preparation thereof.
- G. Prime Vendor Responsibilities** - Offerors may propose services that are provided by others, but any services proposed must meet all of the requirements of this RFP. If the Offeror's proposal includes services provided by others, the Offeror will be required to act as the prime vendor for all such items and must assume full responsibility for the procurement delivery and quality of such services. The Offeror will be considered the sole point of contact with regard to all stipulations, including payment of all charges and the meeting of all requirements of this RFP.
- H. Laws and Regulations** - The Offeror's attention is directed to the fact that all applicable Commonwealth of Virginia laws, municipal ordinances and the rules and regulations of all authorities having jurisdiction over the contract shall apply to the contract throughout, and they will be considered to be included in the contract the same as though herein written out in full.
- I. Conflict of Interest Statement** - The conflict of interest statement attached to this RFP must be executed and returned with the proposal documents. See Section III of Attachment A.
- J. Ethic in Public Contracting** – Offeror will familiarize itself with the “Ethics in Public Contracting” section of the Virginia Public Procurement Act found in the Code of Virginia, Article 6, Section 2.2-4367 through 2.2-4377, and will abide by such provisions in submission of its proposal and performance of any contract awarded.
- K. Non-Discrimination** - Offeror agrees that it will adhere to the non-discrimination requirements set forth in the Code of Virginia, Section 2.2-4310, which will be incorporated into any contract awarded.

The Contractor also agrees to comply, and to require all suppliers and subcontractors paid in whole or in part from funds made available under the contract to comply, with Section 122(A)(1) of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512), as amended to wit:

“No person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity of a State government or unit of local government, which government or unit receives funds made available under Subtitle A (of

title 1 of the Act).

Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

Any prohibition against discrimination on the basis of religion, or any exemption from such prohibition, as provided in the Civil Rights Act of 1964 or title VIII of the Act of April 11, 1968, hereafter referred to as the Civil Rights Act of 1968, shall also apply to any such program or activity.”

- L. Anti-collusion** - The signer of the proposal must declare that all persons, companies and parties interested in the contract as principals are named therein; that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud; and that the signer of the proposal has authority to contractually bind the Offeror. Also, see Section IV of the RFP Submission Form, Attachment A.
- M. Contract Execution** - The successful Offeror will be required to execute the attached contract, Attachment B. Questions or concerns with any of the contract terms and conditions are to be addressed in the original proposal.
- N. INSURANCE:** Any contractor engaged to perform work on Town property shall not start work until they have obtained and provided at a minimum, proof of the insurance required below. Additionally the contractor shall not allow any subcontractor to commence work until all similar insurance required of the Subcontractor has been obtained.

These certificates must be forwarded to the Procurement Office BEFORE work can begin.

Insurance Requirements:

|                      |   |
|----------------------|---|
| Workers Compensation | Statutory Worker's Compensation and Employers' Liability insurance under the Commonwealth of Virginia statutory requirements. |
| Bodily Injury        | \$2,000,000 each person<br>\$2,000,000 each occurrence  |
| Property Damage      |   |
| Automobile           | \$2,000,000 each accident   |
| General Liability    | \$2,000,000 each accident<br>\$2,000,000 per occurrence   |

\*Notice of cancellation must be on insurance certificate- No change, cancellation, or non-renewal shall be made in any insurance coverage without a thirty day written notice to the Purchasing Officer. The contractor shall furnish a new certificate prior



to any change or cancellation date. The failure of the contractor to deliver a new and valid certificate will result in suspension of all work and payments until the new certificate is furnished.

\*The Town must be named as an additional insured. This proof must be in the form of a copy of the endorsement to your policy.

- O. DRUG-FREE WORKPLACE TO BE MAINTAINED BY CONTRACTOR; REQUIRED CONTRACT 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 on 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 \$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 this chapter, 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.

- P. AUTHORITY TO BIND FIRM IN CONTRACT** - An official authorized to bind the Bidder shall sign each Bid. Bids must be firm for the sixty (60) days immediately following the date of submission of the sealed bid. At the end of the 60-day period, the bid may be withdrawn at the written request of the Bidder. If the bid is not withdrawn, it will remain in effect until an award is made or the solicitation is cancelled.’

- Q. EMPLOYMENT DISCRIMINATION PROHIBITED** – Offeror agrees that it will adhere to the non-discrimination requirements set forth in the Virginia Code Section 2.2-4311 of the Virginia Public Procurement Act and repeated below, which will be incorporated into any contract awarded. All public bodies shall include in every contract of over \$10,000 the provisions in *i* and *ii* herein:

1. During the performance of this contract, the contractor agrees as follows:
  - i. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin 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.

- ii. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
  - iii. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each subcontractor or vendor.

**R. DISPOSITION OF BIDS** – All materials submitted in response to this IFB will become the property of the Town. One (1) copy of each bid shall be retained for official files and will become a public record. These records will be available for public inspection after award of contract. It is understood that the bid will become a part of the official file on this matter without obligation on the part of the Town except as to the disclosure restrictions contained in Section 8. “Disclosure: Trade Secrets and Proprietary Information”.

**S. DISCLOSURE: TRADE SECRETS AND PROPRIETARY INFORMATION** – In compliance with the Virginia Public Procurement Act (the “VPPA”), all bids will be available for public inspection. Trade secrets and proprietary information submitted by a vendor in connection with a procurement shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Bidder must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the specific area or scope of data or other materials to be protected and state the reasons why protection is necessary. An all-inclusive statement that the entire bid is proprietary is unacceptable. A statement indicating that costs are to be protected is unacceptable.

**T. ETHICS IN PUBLIC CONTRACTING** – The Offeror agrees that it will adhere to Article 6 – “Ethics in Public Contracting” requirements set forth in the Virginia Code Section 2.2-4367 thru 2.2-4377 of the VPPA.

**U. FAITH-BASED ORGANIZATIONS** -The Town of Leesburg does not discriminate against Faith-Based organizations.

**V. LICENSE REQUIREMENT** – All firms doing business for the Town of Leesburg are required to be licensed in accordance with the Town’s “Business, Professional, and Occupational Licensing (BPOL) Tax” Ordinance. Wholesale and retail merchants without a business location in Leesburg, VA are exempt from this requirement. Questions concerning the BPOL Tax should be directed to the Department of Finance, telephone 703-777-2420. The BPOL license number, if applicable, must be indicated on the pricing page of this Invitation for Bid.

**W. MODIFICATION OR WITHDRAWAL OF BID**

- 1. A Bid may not be modified, withdrawn, or cancelled by the Bidder during the stipulated time period following the time and date designated for the receipt of Bids, and each Bidder so agrees in submitting a Bid.

2. Prior to the time and date designated for receipt of Bids, a Bid submitted may be modified or withdrawn by notice to the party receiving Bids at the place designated for receipt of Bids. Such a notice shall be in writing over the signature of the Bidder. A change shall be so worded as not to reveal the amount of the original Bid.
3. Withdrawn Bids may be resubmitted up to the date and time designated for the receipt of Bids, provided that they are then fully in conformance with these Instructions to Bidders.
4. Bid security shall be included with any Bid resubmitted.

**X. USE BY OTHER LOCALITIES** - As authorized in Section 2.2-4304 of the Code of Virginia this procurement is being conducted on behalf of and may be used by public bodies, agencies, institutions and localities of the several states, territories of the United States, and the District of Columbia with the consent of the contractor.

ATTACHMENT A- RFP SUBMISSION FORM – AUDIT SERVICES

SECTION I – COMPANY IDENTIFICATION AND OWNERSHIP DISCLOSURE

Company \_\_\_\_\_  
 Address \_\_\_\_\_  
 Contact Person \_\_\_\_\_ Title \_\_\_\_\_  
 Telephone No. \_\_\_\_\_ Fax No. \_\_\_\_\_ Email \_\_\_\_\_  
 Organized under the laws of the State of \_\_\_\_\_  
 Principal place of business at \_\_\_\_\_  
 Federal Id Number \_\_\_\_\_ Registered Agent \_\_\_\_\_

Following are the names and addresses of all persons having ownership of 3% or more in the company (attach more sheets if necessary):

| Name  | Address |
|-------|---------|
| _____ | _____   |
| _____ | _____   |
| _____ | _____   |

The Town of Leesburg requests, as a matter of policy, that any consultant or firm receiving a contract of award resulting from a formal solicitation issued by the Town shall make certification as specified below. Receipt of such certification, shall be a prerequisite to the award of contract and payment thereof.

SECTION II – EMPLOYEES NOT TO BENEFIT - I (we) hereby certify that if the contract is awarded to our firm, partnership, or corporation, that no employee of the Town of Leesburg, or members of his/her immediate family, including spouse, parents or children has received or been promised, directly or indirectly, any financial benefit, by way of fee, commission, finder’s fee, political contribution or any similar form of remuneration on account of the act of awarding and/or executing this contract.

SECTION III – CONFLICTS OF INTEREST - This solicitation is subject to the provisions of VA Code Ann. Section 2.1-639.2 et seq., the State and Local Government Conflict of Interests Act. The Offeror [ ] is [ ] is not aware of any information bearing on the existence of any potential organizational conflict of interest.

SECTION IV – COLLUSION - I certify that this offer is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting an offer for the same services, materials, supplies, or equipment and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of the State and federal law and can result in fines, prison sentences, and civil damage awards. I hereby certify that the responses to the above representations, certifications, and other statements are accurate and complete. I agree to abide by all conditions of this RFP and certify that I am authorized to sign for my company.

Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Name (Printed) \_\_\_\_\_ Title \_\_\_\_\_

OFFEROR MUST RETURN THIS FORM WITH PROPOSAL

**ATTACHMENT B - CONTRACT NO. 100161-FY12-03**

**AUDIT SERVICES**

This **CONTRACT** (the “**CONTRACT**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the **TOWN OF LEESBURG, VIRGINIA** (the “**TOWN**”), a municipal corporation, and \_\_\_\_\_, having a usual place of business at \_\_\_\_\_ (the “**CONTRACTOR**”).

The Contractor and the Town, in consideration of the mutual covenants, promises, and agreements herein contained, agree as follows:

1. **Provision of Services. The Contractor hereby agrees to provide the following services to the Town:**

Audit all funds of the Town in accordance with the auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns* of the Auditor of Public Accounts, Commonwealth of Virginia.

2. **Contract Documents.** The Contract Documents consist of this Contract, the RFP, the Town Purchase Order and the \_\_\_\_\_ proposal, dated \_\_\_\_\_. Where the terms of this Contract and the Contractor’s proposal are at variance, the provisions of this Contract shall prevail.

3. **Contract Term.** The term of this Contract shall consist of a three year contract with the period of time beginning with the fiscal year ending June 30, 2012. This contract provides for up to two one-year renewal options subject to the annual review and recommendation of the Finance Director, the satisfactory negotiation of terms (including a price acceptable to both the Town and the selected firm), the concurrence of the Town Council and the annual availability of an appropriation.

4. **Contract Amount.** In return for the services identified above, the Town certifies that sufficient funds are budgeted and appropriated and shall compensate the Contractor within thirty (30) days after receipt of a proper invoice for the amount of payment due or thirty (30) days after receipt of services, whichever is later, and in accordance with paragraph numbered 5 of this Contract.

The Town agrees to pay the Contractor at the hourly rates shown on the attached rate schedule. The total annual cost shall not exceed \$\_\_\_\_\_.

5. **Method of Payment.** The Contractor shall submit invoices to the Town with all supporting documentation and shall be reimbursed as follows:

|                                |     |
|--------------------------------|-----|
| Completion of Interim Work     | 25% |
| Completion of Substantive Work | 25% |

|  |     |
|--|-----|
| Completion of Fieldwork                            | 25% |
| Submission of CAFR and Reports to the APA AND TOWN | 25% |

Payment will be made upon receipt of an invoice, which details the hours worked and services performed. The invoice must be mailed to the address specified below and must reference the purchase order number.

Kim Williams, Deputy Director of Finance, Town of Leesburg, 25 W. Market St, Leesburg, VA 20176

6. **Applicable Law and Courts.** This contract resulting from this solicitation shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the Circuit Court of Loudoun County. The Contractor shall comply with applicable federal, state and local laws and regulations.
7. **Assignment of Contract.** This Contract shall not be assignable by the Contractor in whole or in part without the prior written consent of the Town.
8. **Audit.** The Contractor shall retain all books, records, and other documents relative to this Contract for five (5) years after final payment, or until audited by the Town, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
9. **Indemnification.** Contractor agrees to indemnify, defend and hold harmless the Town, its officers, agents, and employees from any claims, damages and actions of any kind or nature, whether at law or in equity, arising from or caused by any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the Town.
10. **Notice Address.**The following persons shall be contact persons for the parties, and notice given them, by certified return receipt requested mail to the addresses shown, shall constitute valid notice under the requirements of this agreement:

For TOWN:

For CONTRACTOR:

The parties may amend such addresses by written notice to the opposite party at the given address.

11. **Termination by Town without Cause.** The Town may terminate this Contract for any reason upon ten (10) days notice and upon payment of any and all sums already earned

under the terms of Paragraphs numbered 4 and 5 of this Contract and reasonable expenses incurred in reliance upon the Contract.

12. **Integration Clause.** This contract shall constitute the whole agreement between the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Contract shall supersede all previous communications, representations or agreements, written or verbal, between the parties hereto related to the subject of this Contract.

In witness whereof, the parties below execute this Contract as of the date first above written.

TOWN OF LEESBURG

[ENTER NAME OF CONTRACTOR]

SIGNATURE

AUTHORIZED  
SIGNATURE

NAME

\_\_\_\_\_

NAME

\_\_\_\_\_

TITLE

\_\_\_\_\_

TITLE

\_\_\_\_\_

DATE

\_\_\_\_\_

DATE

\_\_\_\_\_