

**CHESTERFIELD COUNTY
PURCHASING DEPARTMENT
CHESTERFIELD, VIRGINIA
(804) 748-1617
October 28, 2009**



REQUEST FOR PROPOSAL #09-9953

FINANCIAL AUDITING SERVICES

DUE: December 1, 2009

*Request For Proposal Prepared By
Jo Carol Mayton, CPPB
Principal Contract Officer
Purchasing Department
www.chesterfield.gov/purchasing*

1. **PURPOSE**

Chesterfield County (County) on behalf of the County, Chesterfield County Public Schools (School Board), the Appomattox Regional Governor's School (ARGS), and the Greater Richmond Convention Center Authority (GRCCA), is soliciting sealed proposals from qualified and licensed certified public accountants to establish a contract through competitive negotiations for performing financial auditing services.

2. **GENERAL TERMS AND CONDITIONS**

- 2.1 Submittals, in **(six) (6)** copies, marked "**Financial Auditing Services**" will be received no later than **5:00 P.M.**, Local Time Prevailing, on **December 1, 2009**, in:

Chesterfield County Purchasing Department
Room 118, 1st Floor of the 3-Story building adjacent to
the 5-Story Administration Building
9901 Lori Road
Chesterfield, Virginia 23832-0001
Monday-Friday, 8:30 a.m. – 5:00 p.m.

IMPORTANT NOTIFICATION:

The Purchasing Department has moved and is now in Room 118 on the first floor of the three story building adjacent to the 5-Story Administration Building (enter through lobby of 5-Story building). The street address will remain unchanged. Bidders/offerors who elect to hand deliver their bids/proposals on the receipt date are cautioned to allow extra time to

- 2.2 Should you decide to utilize an express delivery service, please note that we are located at the Intersection of Ironbridge Road (State Route 10) and Lori Road. **Proposals will not be accepted via Fax machine or Internet E-mail.**
- 2.3 Mark outside of envelope with **RFP #09-9953** and proposal subject, "**Financial Auditing Services**".
- 2.4 Time is of the essence and any proposal or addenda pertaining thereto received after the announced time and date for submittal, whether by mail or otherwise, will be rejected. It is the sole responsibility of the offerors for ensuring that their proposals are stamped by Purchasing Department personnel before the deadline indicated in Section 2.1. Proposals and/or any addenda pertaining thereto, received after the announced time and date of receipt, by mail or otherwise, will be returned. However, nothing in this RFP precludes the County from requesting additional information at any time during the procurement process.
- 2.5 In the event that Chesterfield County government offices are closed due to inclement weather and/or emergency situations at the time set aside for a pre-proposal meeting and/or receipt of proposals, the pre-proposal meeting and/or published due date will default to the next open business day at the same time.
- 2.6 If you are an individual with a disability and require a reasonable accommodation, please notify the Purchasing Department at (804) 748-1617, three working days prior to need.
- 2.7 Nothing herein is intended to exclude any responsible firm or in any way restrain or restrict competition. On the contrary, all responsible firms are encouraged to submit proposals. The County reserves the right to award in part, in whole, and/or to award to multiple contractors, or to

reject any or all proposals received. Any requirements listed herein are intended to describe qualifications, certifications and/or experience considered to be vital and should be used as guidelines for proposal submission. Firms not meeting specific requirements listed herein are encouraged to list and/or demonstrate alternate qualifications, certifications and/or experience for consideration.

- 2.8 Any proposal submitted **MUST** include the Signature Sheet which has been signed by an individual authorized to bind the offeror. All proposals submitted without such signature may be deemed non-responsive.
- 2.9 RFP Process: Offerors are to submit written proposals which present the offeror's qualifications and understanding of the work to be performed. The offeror's proposal should be prepared simply and economically and should provide all the information which it considers pertinent to its qualifications for the project and which respond to the Scope of Services and Evaluation Criteria listed herein. Emphasis should be placed on completeness of services offered and clarity of content. Offeror is requested to respond to each section/subsection in the order in which it appears in the RFP.
- 2.10 For information pertaining to the award on this procurement transaction, offerors may access public notification electronically at www.chesterfield.gov/purchasing
- 2.11 Proprietary Information: Section 2.2-4342 F of the *Code of Virginia* states: "Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of §2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§2.2-3700 et seq.); however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary." Proposals not in compliance with section 2.2-4342 F will be subject to disclosure.
- 2.12 Total Quality Improvement Initiative: In order to continuously improve the efficiency and effectiveness of all public services provided, Chesterfield County has adopted and implemented the TOTAL QUALITY concept in its approach to organizational management. Listed herein for all prospective offerors to the County is an overview of the County's TOTAL QUALITY IMPROVEMENT (TQI) initiative. Offerors should review this information in order to familiarize themselves with the management philosophies and environment of the County prior to responding to Request for Proposals.

Chesterfield County is a leader in the application of innovative and successful management approaches. The County's leadership has resulted in numerous awards and broad recognition of the County and its employees. A constantly growing demand for additional and enhanced services has prompted the County to seek even higher levels of innovation and service excellence.

The TQI initiative is led by front line workers, supervisors, department directors, and the County's Leadership Group. Their intensive involvement in quality improvement demonstrates the County's commitment to the TQI values and principles of the initiative.

The TQI initiative includes specific guidelines for values and principles regarding the involvement of every employee within the organization. Implementation of TQI demonstrates the County's commitment to the importance of each individual.

A high standard of ethics, fairness, integrity, trust, responsibility, and creativity are integral concepts of the TQI Initiative. The County's organizational values center on customer focus, ethical behavior, teamwork, leadership, continuous improvement, open communications, employee involvement, progressive thinking, and data driven decisions. Adherence to these values is expected of all employees of the County, and the County, therefore, expects that all vendors will strive for and continuously improve their customer service.

- 2.13 The County's Definition of Total Quality Improvement: TQI is the employee, customer, and team oriented approach to work, problem solving, and decision making that depends upon individual employee commitment to improving work processes through the analysis and utilization of data.
- 2.14 Chesterfield County's TQI Mission Statement: Providing a first choice community through excellence in public service. To achieve excellence, all employees of the County will participate in the continuous evaluation and quality improvement of our services in order to meet or exceed customer expectations.
- 2.15 Commitment to Diversity and Chesterfield Businesses: Chesterfield County is a growing progressive community consisting of an increasingly diverse population. This diversity provides for a dynamic and robust community that promotes growth. Chesterfield County believes that all of its citizens should benefit from this economic growth without regard to race, color, religion or economic status. The county is committed to increasing the opportunities for participation of minority-owned businesses, women-owned businesses, and businesses located in Chesterfield County to ensure diversity in its procurement and contract activities. These businesses are encouraged to respond to all Invitations for Bids and Requests for Proposals. In addition, the county strongly encourages each contractor and/or supplier with which the county contracts to actively solicit minority-owned businesses, women-owned businesses, and businesses located in the county as subcontractors/suppliers for their projects.

Upon award/completion of work, the County will require the contractor to furnish data regarding subcontractor/supplier activity with Minority-Owned Businesses (MOB), Women-Owned Businesses (WOB), and Chesterfield Businesses (CB) on a Certification of Subcontractor/Supplier Activity form. The form will be provided to the contractor by the Purchasing Department. This information will enable the County to document the dollar level of activity and measure the success of its purchasing and contracting efforts in this endeavor.

Definitions:

Women-Owned Business (WOB) - a business that is at least 51% owned by one or more women who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interests is owned by one or more women who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more women. (*Code of Virginia 2.2-4310*)

Minority-Owned Business (MOB) – a business concern that is at least 51% owned by one or more minority individuals who are U.S. citizens or legal resident aliens, or in the case of a corporation, partnership, or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals who are U.S. citizens or legal resident aliens, and both the management and daily business operations are controlled by one or more minority individuals. (*Code of Virginia 2.2-4310*)

Chesterfield Business (CB) - any private business enterprise, located within the jurisdictional boundaries of Chesterfield County.

- 2.16 Cooperative Procurement (Use of this contract by other public bodies): This procurement is being conducted by Chesterfield County in accordance with the provisions of 2.2-4304 of the Virginia Public Procurement Act (VPPA). Except for contracts for architectural and engineering services, if agreed to by the contractor, other public bodies may utilize this contract. The Contractor shall deal directly with any public body it authorizes to use the contract. Chesterfield County, its officials and staff are not responsible for placement of orders, invoicing, payments, contractual disputes, or any other transactions between the Contractor and any other public bodies, and in no event shall the County, its officials or staff be responsible for any costs, damages or injury resulting to any party from use of a Chesterfield County contract. Chesterfield County assumes no responsibility for any notification of the availability of the contract for use by other public bodies, but the Contractor may conduct such notification.
- 2.17 Non-Appropriation: The continuation of the terms, conditions, and provisions of this contract beyond the fiscal year is subject to approval and ratification by the Chesterfield County Board of Supervisors (and the Chesterfield County School Board, as applicable) and appropriation by them of the necessary money to fund said contract for each succeeding year.
- 2.18 Choice of Law and Venue: Any disputes under a resulting contract, that cannot be resolved between the County of Chesterfield and the contractor, must be resolved in the Circuit Court of Chesterfield County, Virginia. Any resulting contract shall be governed by the laws of the Commonwealth of Virginia.
- 2.19 Termination: It shall be the sole right of the County, to terminate any contract upon written notification to the Contractor.
- 2.20 Modification: The resulting contract shall not be amended, modified, or otherwise changed except by the written consent of the Contractor and the County given in the same manner and form as the original signing of this Contract.
- 2.21 Nondiscrimination Clause: In accordance with Section 2.2-4311 of the *Code of Virginia*, every contract for goods or services over \$10,000 shall include the following provisions:
- A. During the performance of this contract, the Contractor agrees as follows:
1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the 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.
 2. 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.
 3. 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.
- B. The Contractor shall include the provisions of the foregoing paragraphs in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

- 2.22 Right To Audit: Contractor's records shall be open to inspection and subject to audit and/or reproduction, during normal working hours, by the County to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims submitted by Contractor of any of its payees pursuant to execution of the contract. Such records subject to examination shall also include, but not be limited to, those records necessary to evaluate and verify direct and indirect costs (including overhead allocations) as they may apply to costs associated with this contract.

For the purpose of such audits, inspections, examinations and evaluations, the County shall have access to said records from the effective date of this contract, for the duration of the work, and until two (2) years after the date of final payment by the County to Contractor pursuant to this contract.

The County shall have access to Contractor's facilities, shall have access to all necessary records, and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article. The County shall give Contractor reasonable advance notice of intended audits.

Contractor shall require all subcontractors, insurance agents, and materials suppliers (payees) to comply with the provisions of this article by insertion of the requirements hereof in a written contract agreement between Contractor and payee. Failure to obtain such written contracts which include such provisions shall be reason to exclude some or all of the related payees' costs from amount payable to Contractor pursuant to this contract.

If an audit inspection or examination in accordance with the article, discloses overcharges (of any nature) by Contractor to the County in excess of five percent (5%) of the total contract billings, the actual cost of the County's audit shall be paid by Contractor.

- 2.23 Insurance: The contractor shall purchase and maintain in force, at his own expense, such insurance as will protect him and the County from claims which may arise out of or result from the Contractor's execution of the work, whether such execution be by himself, his employees, agents, subcontractors, or by anyone for whose acts any of them may be liable. The insurance coverage shall be such as to fully protect the County, the Engineer (if applicable) and the general public from any and all claims for injury and damage resulting by any actions on the part of the contractor or his forces as enumerated above. The Contractor shall furnish a Certificate of Insurance, naming Chesterfield County, Chesterfield County School Board, Appomattox Regional Governor's School, and Greater Richmond Convention Center Authority as additional insured. Should any of the policies be canceled before the expiration date, the issuing company will mail 30 days written notice to the certificate holder. The Contractor shall furnish insurance in satisfactory limits, and on forms and of companies which are acceptable to the County's Attorney and/or Risk Management and shall require and show evidence of insurance coverages on behalf of any subcontractors (if applicable), before entering into any agreement to sublet any part of the work to be done under this Contract.

The Contractor shall maintain during the term of this contract the following coverage and minimum limits, with insurance companies rated no less than VII and A by A.M. Best Company

General Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per occurrence
Auto Liability	\$1,000,000 per occurrence
Workers' Compensation	Virginia statutory limits
Umbrella/Excess	\$1,000,000 per occurrence

The Contractor shall be responsible for maintaining current certificates of insurance on file with the County, and the Insurance Company shall be responsible for notifying the County thirty (30) days prior to the expiration, cancellation, non-renewal, or material change in the coverage.

2.24 Instructions Regarding Insurance Certificates: The Contractor and his insurance company should carefully review the insurance requirements applicable to this job. All requirements must be met before the County will execute the contract. In particular, we would call your attention to the following:

- A. Please note that the Insurance Certificate must state that the Commercial General Liability and the Umbrella Liability Insurance Policies name **Chesterfield County, Chesterfield County School Board, Appomattox Regional Governor's School, and Greater Richmond Convention Center** as additional insured. This requirement may be met by placing the following language on the Certificate. Many Certificates have a space headed "**Description**" where the language may be inserted as follows:

Chesterfield County, Chesterfield County School Board, Appomattox Regional Governor's School, and Greater Richmond Convention Center is additional insured or that

Chesterfield County, Chesterfield County School Board, Appomattox Regional Governor's School, and Greater Richmond Convention Center is additional insured with respects to General Liability; and/or Umbrella Liability policies.

- B. The Insurance Certificate must also contain the required statement concerning notice of cancellation or other change in coverage. The statement used on some Certificate forms is not acceptable. The statement which is required by the contract documents reads as follows:

"Such certificate shall provide that in the event of the cancellation of the policy or policies listed on such certificate, not less than 30 days notice in writing shall be given to the County."

NOTE: This requirement may be achieved through modifications to the cancellation clause by striking the words 'endeavor to' in the second line and by striking the clause reading 'but failure to mail such notice shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.' OR In lieu of modifying the cancellation clause, Chesterfield County may be listed an additional insured as an endorsement to the policy or by endorsement to the policy the insurer will provide 30 day cancellation notice to Chesterfield County. The endorsement should be on a separate form and attached to the certificate.

- C. The Certificate Holder should be listed as:

Chesterfield County
c/o Purchasing Department
P. O. Box 51
Chesterfield, VA 23832-0001
IFB/RFP #

- D. Certificate of Insurance must be signed.

2.25 Drug Free Workplace: During the performance of this contract, the contractor agrees to:

- A. Provide a drug-free workplace for the contractor's employees
- B. 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
- C. State in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace
- D. Include the provisions of the foregoing clauses in every subcontract or purchase order 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.

- 2.26 Environmental Management: Contractor shall be responsible for complying with all applicable federal, state, and local environmental regulations, if any. Additionally, the Contractor must meet all Chesterfield County Environmental Management System (EMS) requirements. For questions or additional information, contact the Office of Environmental Management at (804) 717-6531.
- 2.27 Faith-based Organization: Chesterfield County does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, Section 2.2-4343.1.
- 2.28 Finance Charges: Chesterfield County will not pay any finance charges imposed on any invoices submitted by the contractor relative to this RFP.
- 2.29 Contractor Background Checks: In order to preserve the integrity and security of county government operations, contract workers may be required to undergo a criminal background check conducted by Chesterfield County. The County will conduct these checks for any worker it believes will have unsupervised access to County designated Security Sensitive areas. Contract workers providing goods, services or construction in these designated areas are required to confine themselves to the area of the work. Based on the results of the background check, the contract worker may be disqualified from providing work/services for Chesterfield County.
- 2.30 Sensitive Information Handling: Any information in the possession of the county/schools which is specific to a student, citizen, county/school business function, private business entity or other government entity which is not generally available to the public shall be designated Sensitive Information. Contract workers will under no circumstances remove Sensitive Information from county facilities. Any Sensitive Information which must reside temporarily on a hard drive or portable storage device (USB Key, CD ROM, memory card, etc.) for processing must remain within the county facility. No Sensitive Information may be remotely accessed by contract workers by dial in, VPN, web interface or other means without expressed consent of the department head and the Information Security Manager (county) or Director of Technology (schools). Any access to county/schools information by contract workers from outside the county intranet shall be in accordance with existing Information Systems Technology (IST)/Chesterfield County Public Schools (CCPS) Technology department security policies and procedures. Contract worker

network connected computer equipment will be subject to all applicable IST/CCPS policies and procedures. Any exception to this application of policies shall be approved by the CCPS Department of Technology / county Information Security Manager and Chief Information Officer or designees.

- 2.31 Precedence of Terms and Conditions: Any and all Special Terms and Conditions contained in this Request for Proposal that may be in variance or conflict with these General Terms and Conditions shall have precedence over these General Terms and Conditions. If no changes or deletions to General Terms and Conditions are made in the Special Terms and Conditions, then the General Terms and Conditions shall prevail in their entirety.
- 2.32 Vendor Rewards/Gift Programs: It is the policy of the County not to participate in any rewards programs offered by vendors and not to accept any gifts or gift cards, or other rewards from vendors for purchases made by the County. If you customarily provide, or if you plan to provide, rewards programs, gifts or gift cards, or other rewards to your customers for purchases made by such customers, you must identify this fact in your proposal and demonstrate in the proposal how you have applied the value of such rewards to a reduction in the price of the goods and/or services being offered to the County.
- 2.33 Illegal Aliens: In accordance with the *Code of Virginia*, Section 2.2-4311.1, the Contractor hereby agrees that he does not and shall not, during the performance of this contract, knowingly employ unauthorized aliens as defined in the federal Immigration Reform and Control Act of 1986.
- 2.34 Addenda: Any changes or supplemental instructions to this Request for Proposal shall be in the form of written addenda. All addenda are downloadable from the Purchasing Department web site at www.chesterfield.gov/purchasing. Each offeror is responsible for determining that all addenda issued have been received. All addenda so issued shall become part of the RFP and any resulting contract documents.
- 2.35 Negotiating Contract Reductions: The County reserves the right, at any time during the contract term or any extension of the term, to renegotiate with the contractor a reduction in the compensation paid to the contractor that is less than the compensation initially agreed to by the contractor and the County at the time of contract execution/issuance of the purchase order. The County may initiate such negotiations whenever the County determines that it is in the County's best fiscal interests to do so. Notwithstanding any other provision of this contract/purchase order to the contrary, the County may terminate this contract/purchase order immediately and without penalty if the County is unable to renegotiate the compensation with the contractor to an amount which the County determines to be appropriate.

3. **BACKGROUND INFORMATION**

3.1 General Information

- A. Chesterfield County, Virginia, encompassing a land area of approximately 446 square miles and a population of approximately 314,000, is an integral part of the Richmond metropolitan area. The County is a rapidly growing suburban, residential area, with concurrent commercial growth and industrial development.
- B. The Chesterfield County government is organized under the County Administrator form of government. The governing body of the County is a five-member Board of Supervisors (the Board), which establishes policies for the administration of the County. Members are elected for four-year terms. The next election for the entire Board will be in November 2011. The Board established by the Board.

- C. The Chesterfield County Public School system is directed by a five-member elected School Board. Members are elected for four-year terms. The next election for the entire School Board will be in November 2011.

3.2 The Financial Reporting Entity and Operations

- A. The financial reporting entity includes all of the funds of Chesterfield County, the primary government (hereafter referred to as the County), as well as all of its component units. As of June 30, 2008, four discretely presented component units, including the School Board, the Chesterfield Health Center Commission, the Economic Development Authority of Chesterfield County and the Watkins Centre Community Development Authority, are included in the reporting entity because of the County's financial accountability for these organizations.
- B. At June 30, 2009, the School system operated 38 elementary schools, 14 middle schools, 11 high schools and a vocational technical center. The County appropriates General Fund revenues to support School Board expenditures because the School Board cannot levy taxes or incur indebtedness under Virginia law.
- C. The County provides a full range of municipal services. Major programs include public safety, health and welfare, parks, recreation and cultural activities and community development. Additionally, the County operates an airport and a water and wastewater utility system.
- D. The County participates in the following (significant) separately functioning authorities, boards and commissions as of June 30, 2009:
 - 1. Appomattox River Water Authority – Joint Venture
 - 2. Capital Region Airport Commission – Joint Venture
 - 3. Greater Richmond Convention Center Authority – Joint Venture
 - 4. Greater Richmond Transit Company – Joint Venture
 - 5. Riverside Regional Jail Authority – Joint Venture
 - 6. South Central Wastewater Authority – Joint Venture
 - 7. Central Virginia Waste Management Authority – Jointly Governed
 - 8. Greater Richmond Partnership – Jointly Governed
 - 9. Richmond Metropolitan Convention and Visitors Bureau – Jointly Governed
 - 10. Richmond Regional Planning District Commission – Jointly Governed
 - 11. Virginia's Gateway Region Board – Jointly Governed
 - 12. Chesterfield Industrial Development Authority – Related Organization
- E. The County has served as the fiscal agent for the Greater Richmond Convention Center Authority (GRCCA) since July 1, 1998. GRCCA is a political subdivision of the Commonwealth of Virginia created by the City of Richmond and the Counties of Chesterfield, Hanover and Henrico for the purpose of expanding, owning and operating and maintaining a regional convention center facility. GRCCA is governed by a five-member commission comprised of the Chief Administrative Officer of each of the four incorporating political subdivisions and the President/CEO of the Retail Merchants Association of Greater Richmond. The expanded facility, completed in February 2003, was financed primarily by issuance of \$158.4 million Hotel Tax Revenue Bonds. GRCCA is included as an agency fund of the County.

3.3 Personnel/Payroll

- A. At June 30, 2008 the County had 3,458 full time employees, issuing an average of 4,319 paychecks per payroll period for both full and part time employees. The School Board, HCC, and ARGS payrolls are processed separately from the County, and they have approximately 9,109, 350, and 66 employees, respectively.

3.4 Accounts Payable

- A. The County Accounts Payable section processes disbursements for the County, School Board, ARGS, and GRCCA. During fiscal year 2008, approximately invoices were processed. The HCC currently processes approximately 4,659 invoices per year separately from the County.

3.5 Tax Collections

- A. The total property tax levy in fiscal year 2008 was \$411.7 million. Current tax collections, including Personal Property Tax Relief Collections, were \$393.7 million and delinquent tax collections were \$12.1 million.

3.6 Financial Information

- A. With the exception of the cash accounts which are the responsibility of the County Treasurer, the official accounting records of the County are maintained by the Accounting Department. The County's records are maintained in an automated general ledger, accounts payable, purchasing, budgetary control, fixed assets and miscellaneous accounts receivable system licensed from SunGard Public Sector, with various separate sub-systems for payroll (Integral and custom time and attendance), tax collection (custom system), etc. These accounting records are maintained in accordance with GAAP.

- B. The following are the current funds of the government:

1. Governmental Funds

- a. General Fund – The General Fund (major fund) is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues for fiscal year 2008 totaled \$713.9 million with approximately \$367.8 million of this total derived from general property taxes. Expenditures for fiscal year 2008 totaled \$683.5 million.
- b. Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purchases. The County currently has three special revenue funds including the Grants and Comprehensive Services Funds within the primary government and the School Operating Fund within the component unit. The School Operating Fund had revenue sources totaling \$597.9 million and expenditures of \$591.3million.
- c. Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other major capital assets (other than those financed by

proprietary funds). Expenditures of \$40.7 million were recorded in the County Capital Projects Fund (major fund) in fiscal year 2008 and \$80.0 million of expenditures were recorded in the School Board Capital Projects Fund (major fund). Funding for these expenditures was primarily provided by issuance of bonds and certificates of participation and transfers from the General Fund.

- d. Permanent Funds - Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The County has one permanent fund, the T. F. Jefferson Memorial Fund, within the primary government.

2. Proprietary Funds

- a. Enterprise Funds - Enterprise funds are used to account for operations that are financed in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. The County currently has the following enterprise activities:

- Water and Wastewater – The County's water and wastewater systems historically have been financially self-supporting. In fiscal year 2008, the Water Fund (major fund) reported an operating income of \$582,000 and the Wastewater Fund (major fund) reported operating income of \$729,000.
- Airport – Operating revenues of the Airport, totaling approximately \$816,000 in fiscal year 2008, are made up primarily of hangar rental fees. The County elects not to fund depreciation through user charges for the Airport. When depreciation is added back to the Airport's operating loss of \$954,000, the adjusted operating income for fiscal year 2008 would be \$31,700. Airport operations are privatized and handled by a Fixed Based Operator. The County maintains a small staff which performs maintenance, grounds management, and administrative functions.

- b. Internal Service Fund - Internal service funds of the primary government are used to account for the operations of the vehicle and communication maintenance, construction management, and risk management functions. Resources to meet the cost of operations are derived from interfund charges on a cost-reimbursement basis.

3. Fiduciary Funds

- a. Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and cannot be used to support the government's programs. Fiduciary funds include private-purpose trust funds, pension

trust funds, other post employment benefit (OPEB) trust funds and agency funds. There is one pension trust fund and two OPEB trust funds in the primary government and one pension trust fund in the School Board component unit. Agency funds are custodial in nature and do not involve measurement of results of operations. As of June 30, 2008, the County accounted for six agency funds, including GRCCA, within the primary government and one agency fund (school activity funds) within the School Board component unit.

- b. The School Activity Fund is used to promote the general welfare, education and morale of all students and to finance the normal, legitimate co-curricular activities of the student body organizations. The accounting records are maintained on the Manatee Accounting System at each school, and are recorded in accordance with the Regulations of the Board of Education of the Commonwealth of Virginia. The accounts of the School Activity Fund are organized into six account groups which are comprised of up to 262 sub-accounts at each school. The report prepared by Internal Audit along with activity funds audited by the external auditor will be combined into one set of audited financial statements by the external auditor.

4. Capital Assets and Long-Term Debt

- a. At June 30, 2008, the capital assets, net of depreciation, of the primary government totaled approximately \$1,576 million, \$17.6 million for the schools and \$23.4 million for the Health Center Commission.
- b. At June 30, 2008, the long-term obligations of the primary government totaled \$619.1 million, the schools totaled approximately \$25.9 million. The County currently has a AAA bond rating from all three major rating agencies (Moody's, Fitch, Standard & Poor). The County's Utilities Department also has a AAA bond rating from all three major rating agencies.
- c. On November 2, 2004, the citizens of the county voted to authorize the County to issue general obligation bonds in the maximum amount of \$341.7 million for school, public safety, library, parks & recreation, and road projects. The debt will be issued over a series of years in accordance with the County's Capital Improvement Program.

5. Federal and State Assistance

- a. The County receives grants from the Federal Government and the Commonwealth of Virginia for a variety of programs. A Schedule of Expenditures of Federal Awards for the year ended June 30, 2008 for specific programs in place at that date is included in the County's CAFR and can be viewed on the County's Web site for the Accounting Department at www.chesterfield.gov.

6. Pension Plans

- a. The County contributes to the Virginia Retirement System (VRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for political subdivisions in the

Commonwealth of Virginia. Professional and non-professional employees of the School Board are also covered by the VRS.

- b. The County also contributes to the Chesterfield County Supplemental Retirement System (System), a single employer, defined benefit pension plan established and administered by the County to provide pension benefits for certain qualified County employees in addition to any benefits which may be received under the Virginia Retirement System or Social Security.
- c. The School Board also contributes to a supplemental retirement plan. The plan is named "Supplemental Retirement Plan for employees of Chesterfield County Schools". It is a qualified Deferred Income Payment Plan with defined benefits.
- d. The County and School Board contribute to separate accounts within a pooled post employment benefits plan that provides health and dental insurance during retirement for certain qualified retirees and their dependents. The County and School Board joined other Virginia localities by opting to participate in the Virginia Association of Counties/Municipal League pooled Trust Fund for the purpose of investing OPEB contributions. The OPEB Trust is reported in separate columns for County and the School Board in the primary government's financial statements.

7. Internal Audit Function

- a. The County and School Board maintain an internal audit function.

3.7 Other Information

- A. The County's financial statements have been examined by independent certified public accountants for the last 40 fiscal years. The County has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association for the past 28 consecutive fiscal years and expects to receive it for the fiscal year 2009 report. In addition, the Budget and Management Department received an award for Distinguished Budget Presentation from GFOA, making Chesterfield one of only a few local governments in the country to receive the award for twenty two years.
- B. The County received the coveted ACE award in 1999 and 2004 for demonstrating an ongoing commitment to continuous improvement. The ACE awards were preceded by the County receiving the U. S. Senate Productivity and Quality Award.
- C. The County and School Board are partnering to implement a new, integrated financial and human resource/payroll information system to replace existing mainframe software procured between 1984 and 1991. A team of employees are currently working with SunGard Public Sector to implement their software application called IFAS, Integrated Financial & Administrative Solution. The financials phase of the project (Phase 1) was implemented in August 2008 and Human Resources/Payroll (Phase 2) will be implemented in January 2010.

4. PROJECT DESCRIPTION

- 4.1 Chesterfield County, on behalf of the County, Chesterfield County Public Schools (School Board), the Appomattox Regional Governor's School (ARGS) and the Greater Richmond Convention Center Authority (GRCCA) is seeking proposals from qualified independent certified public accountants to perform a financial audit for each of the fiscal year(s) ending June 30, 2010, 2011, and 2012, 2013, and 2014. Proposals are being solicited for audit services of (1) the County and School Board; (2) the School Activity Funds of the School Board; (3) the ARGS; and (4) the GRCCA;. A description of the County's government and pertinent background information is included in Section 14 - Background Information. A copy of the County's complete Comprehensive Annual Financial Report (CAFR) can be viewed on the County's Web site for the Accounting Department at www.chesterfield.gov.

5. SCOPE OF SERVICES

- 5.1 County's Comprehensive Annual Financial Report – The Financial statements of the County and School Board shall be audited in accordance with 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; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Commonwealth of Virginia's Auditor of Public Accounts. The audit shall result in the rendering of the auditor's opinion on the financial statements prepared by the County and School Board. If the auditor's opinion is other than unqualified, the reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion shall be furnished to the County on a timely basis.
- 5.2 Internal Controls When Auditing Financial Statements – The Auditor should consider, test, and report on internal controls in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities and Towns*.
- A. A detailed management letter of County and School Board issues with recommendations for improvement in internal controls, accounting systems, and procedures should be submitted by the Contractor. This detailed letter should be issued under separate cover and presented to both County Administration and the Budget and Audit Committee of the Board of Supervisors. In addition, a separate detailed management letter containing only School Board issues with recommendations should be prepared and presented to the Audit Committee of the School Board.
- 5.3 Compliance Auditing When Auditing Financial Statements – The Auditor should perform tests and report on compliance with certain provisions of laws, regulations, contracts, grant agreements, etc., in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities and Towns*.
- 5.4 Major Federal Programs – The Auditor should perform procedures with respect to the County and School Board's major federal programs, including American Recovery and Reinvestment Act programs, in accordance with provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
- A. The auditor should undertake to keep the County fully informed as to new accounting and reporting requirements based on Generally Accepted Accounting Principles (GAAP), including new GASB pronouncements.

- B. During each fiscal year of this contract, the auditor should provide a minimum of 6 hours of continuing professional education in governmental accounting and reporting and/or related subjects to the County's professional accounting staff.

5.5 School Activity Funds

- A. The report prepared for the School Activity Funds should include an opinion on the summary of cash receipts and disbursements of the Activity Funds of the School Board and ARGS as well as the cash transactions of the Activity Funds of each of the 63 schools, a vocational technical center, and 1 governor school in the system. The Auditor shall be responsible for drafting and examining these statements. A separate management letter and report should be prepared to the ARGS Administration and ARGS Board.
- B. The Auditor should consider, test, and report on internal controls in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities and Towns* when auditing the Activity Funds. A detailed management letter with recommendations for improvement in internal controls, accounting systems, and the procedures should be prepared and issued under separate cover and presented to both school administration and the Audit Committee of the School Board.
- C. The School Activity Funds in summary are included as an Agency Fund of the School Board in the County's CAFR.

5.6 Appomattox Regional Governor's School (ARGS)

- A. A separate financial report is prepared and distributed for ARGS. The Auditor should include an opinion on the ARGS statements in accordance with GAAP. The County will compile financial statements, related disclosures and introductory information for the audit as well as prepare confirmation letters and representation letters.
- B. The Auditor should consider, test, and report on internal controls in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities and Towns* when auditing ARGS. A detailed management letter with recommendations for improvement in internal controls, accounting systems, and procedures should be prepared and issued under separate cover and presented to ARGS administration and the ARGS Board.
- C. ARGS is included as an Agency Fund of the School Board in the County's CAFR.

5.7 Greater Richmond Convention Center Authority (GRCCA)

- A. A separate financial report is prepared and distributed for GRCCA. The financial statements of GRCCA should be audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The audit should result in the rendering of the auditor's opinion on the financial statements prepared by the County and a report on the consideration of internal control over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, and grants.

- B. A detailed management letter with recommendations for improvement in internal controls, accounting systems and procedures should be prepared under separate cover and presented to County Administration and the Authority's Commission through the Finance Committee.
 - C. The GRCCA is included as an Agency Fund in the County's CAFR.
- 5.8 Comparative Report Transmittal Forms – The Auditor of Public Accounts ("APA") requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the Uniform Financial Reporting Manual. The County should prepare the required forms for submission to the Auditor. The Auditor should perform the agreed upon procedures specified in the Uniform Financial Reporting Manual.
- 5.9 Sheriff's Office Compliance – The Auditor should perform agreed upon procedures specified by the Auditor of Public Accounts regarding the County's compliance with the Code of Virginia Section 15.2-1609 through Section 15.2-1625 to identify all sources of funds of the Sheriff's Office and determine whether there are adequate internal controls that function as intended.
- 5.10 Financial Assurance for Solid Waste Disposal Facilities – The Auditor should perform agreed upon procedures based upon mandates of the Environmental Protection Agency and the Virginia Department of Environmental Quality to solely assist the County with respect to demonstrating compliance with the local government's financial test as required to meet financial assurance requirements in accordance with Section 20.70-210 of the *Financial Assurance Regulations of Solid Waste Disposal Facilities*.
- 5.11 Audit Schedule
 - A. The County, School Board, and ARGS records shall be examined so that field work is completed no later than October 15 and the CAFR, ARGS report, Comparative Report Transmittal Forms and a management letter is completed for distribution no later than November 20.
 - B. The School Activity funds records shall be examined so that field work is completed no later than September 30 and the report is completed for distribution no later than October 15.
 - C. The GRCCA records shall be examined so that field work is completed no later than September 15 and the report is completed for distribution no later than September 30.
- 5.12 Meetings
 - A. Meetings - The County should schedule conferences between the Auditor and the members of the County's Audit Committee at the beginning and end of the engagement. The purpose of the first meeting is to discuss the scope of the County's and School Board's audits and the Auditor's audit plans. The purpose of the final meeting is to report on the opinions received by the County, to provide required communications, and to discuss management letter comments.
 - B. Similar meetings are also required for the Chesterfield County Public Schools Activity Funds and the ARGS.
 - C. The Auditor's field staff will schedule conferences with accounting staff on a regular basis. The purpose of these meetings is for the auditors and staff to keep each other informed of

the progress of the audit. Additionally, the Auditor's field staff will meet with departmental management to discuss drafted audit findings.

5.13 Reports

- A. Required Reports Included in CAFR – Based on the audit work performed, the following reports shall be provided:
- B. The Independent Auditor's Report should include an opinion on the fair presentation of the basic financial statements in conformity with accounting principles which are generally accepted in the United States of America, an opinion on the supplementary information and the schedule of expenditures of federal awards in relation to the basic financial statements taken as a whole and disclaimer statements related to the required supplementary information and the introductory and statistical sections included in the CAFR.
- C. A Report on Internal Control Over Financial Reporting and on Compliance and Other Matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*. The Auditor should report other weaknesses in internal controls and instances of noncompliance not meeting the definition of a significant deficiency or material weakness or having a material effect on the financial statement in a separate letter to management.
- D. A Report on Compliance with Requirements Applicable to Major Federal Programs and on Internal Control Over Compliance in accordance with OMB Circular A-133. Communication of all included in the report or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs the Auditor should reference the Schedule in the report on compliance. Communication of all reportable conditions (as defined by the AICPA) affecting federal award programs should be included in the report. Further, the Auditor should identify any significant deficiencies or material weaknesses in his report.
- E. A Report on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants. Communication of instances of noncompliance with the requirements required to be reported in accordance with the Specifications for Audits of Counties, Cities and Towns should be included in the report.
- F. Required Reports – Other – Based on the audit work performed, the following reports shall be provided:
- G. A report on the application of agreed upon procedures relative to Sheriff's Office funds. The report shall be forwarded to the County for submission to the Auditor of Public Accounts.
- H. A report on the application of agreed upon procedures relative to financial assurance for solid waste disposal facilities. The report shall be forwarded to the County for submission to the Virginia Department of Environmental Quality.
- I. A report on the application of agreed upon procedures relative to the Comparative Report Transmittal Forms. This report shall be forwarded to the County for submission with the forms to the Auditor of Public Accounts.

- J. An Independent Auditor's Report on the basic financial statements for use as a separate report in official statements for bond issues.
- K. The Auditor should prepare appropriate sections of the Data Collection Form related to the audit of federal programs.
- L. The Auditor should make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to:
 - 1. The County Director of Accounting, the Director of Internal Audit, and the County Administrator if the incident is County related.
 - 2. The Assistant Superintendent for Business and Finance, the Director of Internal Audit, and the Superintendent if the incident is School Board or ARGS related.
 - 3. The County Director of Accounting, Chairman of the Finance Committee and the Chairman of the Authority's Commission if the incident is GRCCA related.
- M. The County is responsible for CAFR preparation, editing, and printing.
- N. The Auditor should furnish a final copy of the Auditor's Reports and recommendations to management after approval of the draft reports for inclusion in the CAFR.
- O. The Auditor should present the CAFR to the local governing body at a public session as required by 15.2-2511 of the *Code of Virginia*.
- P. 4.11.4 Submission of Report to the Government Finance Officers Association – The County will send its CAFR and GRCCA's CAFR to the Government Finance Officers Association of the United States for review in its certificate of achievement program.
- Q. Submission of Reports to the APA – The County is responsible for submitting copies of the CAFR to the APA.
- R. Submission of Reports to Federal and State Agencies – The County is responsible for submitting copies of the CAFR Data Collection form, and Summary Schedule of Prior Audit Findings to appropriate state and federal agencies. The Auditor shall sign off on the Data Collection form by December 15.
- S. Submission of Transmittal Forms to the APA – The County will submit one copy of the Comparative Report Transmittal Forms, including the Auditor's report, to the APA by November 30 following the end of the fiscal year.

6. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

6.1 County Responsibilities:

- A. Development of a schedule of audit tasks with appropriate due dates and assignments of responsibilities for completion of the tasks.
- B. Closing of the County's books and records for each fiscal year by September 15.

- C. Providing access to documents in either electronic or paper form, as appropriate, and preparation of work papers, schedules and analyses of funds required for completion of the audit.
- D. Compilation of financial statements and related disclosures for inclusion in the annual report of the County and ARGS.
- E. Compilation of introductory information, statistical tables, schedules and supplementary information for inclusion in the County report.
- F. Typing of financial statements compiled by County staff, confirmation letters, representation letters, and miscellaneous correspondence.
- G. Printing and binding of the County and ARGS audit reports.
- H. Preparation of Comparative Report Transmittal forms as required by the Auditor of Public Accounts.
- I. The County's Internal Audit Department will provide 300 hours of staff assistance in completing selected audit tasks. The Internal Audit Department will coordinate its activities in upcoming fiscal years and will make its work papers available for review.
- J. The County's Internal Audit Department will audit the Jail Canteen and Inmate Trust funds, which are agency funds of the County, and provide financial statements and workpapers to the Auditor by October 15 of each year.
- K. The County's Internal Audit Department will audit 25% of the School Activity Funds (approximately 16 schools) on an annual basis and provide financial statements and workpapers to the Auditor by September 30 of each year.
- L. The County's Waste and Resource Recovery Division will provide all documents and schedules necessary for the Auditor's completion of the agreed upon procedures for the financial assurance for solid waste disposal facilities audit.
- M. School Board Responsibilities in Connection with the Preparation of the Audited Statements of the School Activity Funds for the School Board and the ARGS:
- N. Closing of each school's books for each fiscal year during the last week in July.
- O. Collecting of documents required for completion of the audit.
- P. Typing of confirmation letters, representation letters, and miscellaneous correspondence.
- Q. Preparing each school's schedule of cash receipts and disbursements.

6.2 GRCCA Responsibilities:

- A. Closing of the GRCCA books and records for each fiscal year during the last week in August.
- B. Providing access to documents in either electronic or paper form, as appropriate and preparation of work papers, schedules and analyses required for completion of the audit.

- C. Typing confirmation letters, representation letters, and request for legal letters.
- D. Compilation of financial statements and related disclosures for inclusion in the annual report of the GRCCA.
- E. Compilation of introductory information, Management Discussion and Analysis, statistical tables and schedules for inclusion in the GRCCA report.
- F. Printing and binding of the GRCCA audit report.

7. CONTRACT TERM

- 7.1 The initial term of this contract shall be for that period of time necessary to complete the work for fiscal years ending June 30, 2010, June 30, 2011, and June 30, 2012.

8. RENEWAL

- 8.1 The resulting contract may be renewed by the County for (2) additional successive audits for fiscal years ending June 30, 2013, and June 30, 2014 under the terms and conditions of the original contract.
- 8.2 Upon a determination by the County to renew this contract for additional terms, written notification will be given to the Contractor.
- 8.3 Any price increases for fiscal years ending June 30, 2011 and June 30, 2012, June 30, 2013, and June 30, 2014 shall be negotiated annually based on the following:
 - A. The contract price(s) for the fiscal year June 30, 2011 audit shall not exceed the contract price(s) of the original contract increased by more than the percentage increase/decrease of Table 4 - Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U. S. City Average, by expenditure category and commodity and service group - "Other Services" category of the Consumer Price Index (CPI) of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. The source for this index shall be <http://www.bls.gov/cpi>.
 - B. If during any subsequent renewal periods, the County elects to exercise the option to renew the contract, the contract price(s) for the subsequent renewal period shall not exceed the contract price(s) of the previous renewal period increased by more than the percentage increase/decrease of Table 4 - Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U. S. City Average, by expenditure category and commodity and service group - "Other Services" category of the Consumer Price Index (CPI) of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. The source for this index shall be <http://www.bls.gov/cpi>.

9. EXTENSION OF CONTRACT

- 9.1 The County has the right to extend this contract up to and not to exceed one hundred eighty (180) days following any term on the contract.

10. **PROPOSAL SUBMISSION INSTRUCTIONS**

10.1 Detailed Submittal Format – Proposals should include the following information:

A. Title Page

1. Indicate the RFP subject, the name of the offeror's firm, address, telephone number, name of contact person, and e-mail address.

B. Letter of Transmittal that includes the items listed below:

1. History of the firm, including number of years in business and size of firm. Identify headquarters and nearest office and identify the office which will serve as the managing office for the project.
2. A statement of understanding of the work to be performed as described under Section 5 Scope of Services, with descriptions of the audit approach and illustrations of the procedures to be employed. This statement should include, at a minimum, the following points:
 - a. Use of statistical sampling.
 - b. Use of computer audit techniques and specialists, including the extent of automation of workpapers.
 - c. Organization of audit team and approximate percentage of time each member would spend on the audit.
 - d. Management letter approach (also provide a sample letter).
 - e. Typical assistance generally expected from the County and School Board staff.
 - f. Proposed use of the County's Internal Audit staff.
 - g. Describe approach to the use of basic financial statements in other public documents (i.e. when basic financial statements are used in official statements for bond issues).
3. A work schedule including the approximate date the audit will begin (including preliminary field work) and end, and the approximate dates for delivery of the Auditor's reports.
4. Throughout the year, a client may need the assistance of the Auditor for various issues that may arise. Describe any additional services that would be available, free of charge, to clients on a year round basis (i.e. training/seminars for County staff, tax consultation, publications, phone calls to the Auditor for guidance concerning technical questions, etc.).
5. Biographies, including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing local governments, and recent continuing professional education of each.

6. Describe the policies and procedures and/or approach regarding changes in staff assigned throughout the audit engagement contract that ensures knowledgeable staff are always on the engagement.
7. Provide a list (minimum of five references) from similar projects/contracts completed/held for the current year (2009) and the five preceding fiscal years. References should be of clients serviced from the office which will provide service under the County's contract who can attest to the firm's knowledge, quality of work, timeliness, diligence, and flexibility. Indicate the type(s) of services performed and the number of years served for each. Provide the name of a contact person for each reference and the individual's e-mail address and telephone number.
8. A copy of the report on the firm's most recent peer review.
9. An acknowledgement that:
 - a. The firm is independent of the County of Chesterfield, Virginia, as that term is defined in the Ethical Rules of the AICPA.
 - b. Appropriate licensing to perform the audit, as provided by applicable laws of the Commonwealth of Virginia, has been obtained.
 - c. The firm has met the peer review standards of the AICPA and *Governmental Auditing Standards*.
 - d. The firm will provide adequate supervision on a day-to-day basis.
 - e. Staff assigned to the audit have met the continuing education requirements required by *Governing Auditing Standards*, issued by the Comptroller General of the United States.

11. EVALUATION CRITERIA

- 11.1 These criteria are to be utilized in the evaluation of qualifications for development of the shortlist of those offerors to be considered for interviews and/or negotiations. Individual criteria will be assigned varying weights at the County's discretion to reflect relative importance. Offerors are required to address each evaluation criterion in the order listed and to be specific in presenting their qualifications.
- A. Demonstrated ability to comprehensively perform all services detailed in the RFP.
 - B. Offeror's approach/methodology employed in performing audit services.
 - C. Overall qualifications and capacity of the firm to perform the services required. Experience and qualifications of the proposed personnel assigned to provide the services, to include experience administering contracts for local governments/school boards/political subdivisions similar to the Chesterfield County Government, Chesterfield County Public Schools, ARGs, and GRCCA.
 - D. Proposed schedule for performing services indicating the ability to meet required deadlines.

12. **SELECTION PROCEDURE**

- 12.1 The County shall engage in individual discussions with two or more offerors deemed fully qualified, responsible, and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such 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 estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors. At the conclusion of discussion, outlined in this paragraph above, 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 two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the public body 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 offeror. Should the County determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

13. **REFERENCES**

- 13.1 References may or may not be reviewed or contacted at the discretion of the County. Typically, only references of the top ranked shortlisted offeror or offerors are contacted. The County reserves the right to contact references other than, and/or in addition to, those furnished by an offeror.

14. **INQUIRIES**

- 14.1 Questions of a technical nature which may arise as a result of this solicitation may be directed to Louis G. Lassiter, Director of Internal Audit at (804) 748-1240. Any other questions may be directed to Jo Carol Mayton, Principal Contract Officer, at (804) 748-1834, or by email to purchasing@chesterfield.gov. Inquiries must be received at least 7 business days prior to the due date in order to be considered. Contact initiated by a bidder/offeror concerning this solicitation with any other County representative, not expressly authorized elsewhere in this document, is prohibited. Any such unauthorized contact may result in disqualification of the bidder/offeror from this transaction.

SIGNATURE SHEET

My signature certifies that the proposal as submitted complies with all Terms and Conditions as set forth in **RFP #09-9953**.

My signature also certifies that the accompanying proposal is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business or commerce, or any act of fraud punishable under Title 18.2, Chapter 12, 498.4 of the *Code of Virginia*, 1950 as amended. Furthermore, I understand that fraud and unlawful collusion are crimes under the Virginia Governmental Frauds Act, the Virginia Government Bid Rigging Act, the Virginia Antitrust Act, and Federal Law, and can result in fines, prison sentences, and civil damage awards.

My signature also certifies that this firm has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to the County of Chesterfield, and that there are no principals, officers, agents, employees, or representatives of this firm that have any business or personal relationships with any other companies or persons that could be considered as a conflict of interest or a potential conflict of interest to the County of Chesterfield, pertaining to any and all work or services to be performed as a result of this request and any resulting contract with the County of Chesterfield. Furthermore, offeror is in compliance with the *State and Local Government Conflict of Interests Act 2.2-3100*, supplemented by Article 6, 2.2-4367-69 of the *Code of Virginia*. Specifically, no county employee, county employee's partner, or any member of the county employee's immediate family holds a position with the offeror such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five percent.

To receive consideration for award, this signature sheet must be returned to the Purchasing Department as it shall be a part of your response.

Complete Legal Name of Firm: _____

Address: _____

Federal Tax ID Number: _____

Signature of Authorized Representative: _____

Typed Name and Title: _____

Please provide the primary contact person for questions and concerns relative to this project:

Contact Name and Title: _____

Phone: (____) _____ **Fax:** (____) _____ **Email:** _____

We hereby provide the following information to Chesterfield County regarding our business. We understand that it is provided for statistical purposes only and all firms submitting proposals will receive equal consideration.

Minority-Owned Business: Yes _____ No _____

Women-Owned Business: Yes _____ No _____

Chesterfield Business: Yes _____ No _____