

REQUEST FOR PROPOSALS

Sealed proposals will be received at the

WESTERN TIDEWATER REGIONAL JAIL
Attn: Tim Wertheimer
Director, Administration and Support Services
2402 Godwin Blvd
Suffolk, Virginia 23434

Until 4:00 p.m. October 6 .2017 for providing

Financial & Auditing Services For Western Tidewater Regional Jail

Please Note: The RFP will be posted at both eVA and at www.wtrj.org under the Procurement tab. Reference RFP 082817 Audit Services. All questions submitted will be answered and posted on the Jail's website along with the intent to award and the official award of the contract.

Purpose: The Western Tidewater Regional Jail Authority request proposals from independent certified public accountants (the Auditor) to perform financial audit services in accordance with a term contract for the fiscal years ending June 30, 2018, 2019, and 2020 with two additional one-year renewal options for fiscal years ending June 30, 2021 and 2022.

Scope of Services: **Financial Audit—Comprehensive Annual Financial Report (CAFR)** — The Auditor shall conduct an audit of the governmental Enterprise Fund and Fiduciary Fund activities, the aggregate discretely presented component units, each major fund, the inmate canteen fund, and the aggregate remaining fund information of the Western Tidewater Regional Jail Authority in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The audit shall result in the rendering of the Auditor's opinion on the financial statements prepared by the Authority. The Auditor's opinion shall be unqualified unless the Auditor furnishes the Authority, in a timely basis, the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion. The scope of the Auditor's opinion will

include the basic financial statements comprising of financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funds. The Authority implemented the provision of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Compliance Audit — The Auditor shall conduct an audit in accordance with Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations, and Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The Auditor shall issue the following reports in connection with this audit: Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance; Report on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants; and Schedule of Findings and Questioned Costs. In addition, the Auditor shall complete, in a timely manner, Form SF-SAC, Data Collection Form for Reporting on Audits of States, Local Governments, and Non- Profit Organization in accordance with Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

Management Letter - The Auditor shall issue a letter to the Authority noting any material matters involving the internal control structure and other operational matters that were brought to the Auditor's attention during the performance of the financial audit. The letter should also contain recommendations for improvement, if any.

Comprehensive Annual Financial Report - The Auditor will assemble and format information provided by Management for their annual submission to the Government Finance Officers Association to obtain the Award for Excellence in Financial Reporting.

Schedule and Timing

1. Prior to the start of the audit fieldwork, the Auditor shall meet with the Authority's Director of Administration to plan and coordinate the audit. Throughout the audit engagement, the Auditor shall keep the Jail Superintendent informed of the progress of the audit. The Auditor shall also meet with the Jail Superintendent prior to the completion of the audit fieldwork to address any issues relating to the audit.
2. The Authority shall complete all schedules and supporting work

papers necessary for the timely completion of the audit fieldwork no later than the end of the 2nd week of August of each year.

3. The Authority shall deliver required documents such as detailed general ledger, financial statements, and other documents as required by the Auditor as requested
4. The Auditor shall complete and deliver Form SF-SAC, Data Collection Form for Reporting on Audits and States, Local Governments, and Non-Profit Organizations within 20 days of delivery of audit opinions to the Authority.
5. The Auditor shall issue the management letter at the time of delivery of audit opinions to the Authority.
6. The Auditor shall complete the agreed-upon procedures and issue a report on the Comparative Report Transmittal Forms by the 2nd Wednesday of November of each year.
7. The Auditor shall complete the agreed-upon procedures and issue a report on the Local Governmental financial Test Worksheet within 180 days after the Authority's fiscal year end.
8. The Auditor shall complete the agreed-upon procedures and issue a report on the Schedule of Jail Canteen and other Revenue and Expenses Information by the 2nd Wednesday of November of each year.
9. The Auditor will also assist and be a resource, whenever applicable, to perform other tasks as designated by the Authority and the Director to attain additional awards through GFOA or to enhance the accuracy and validity of information provided to the Authority Board or outside entities.

Report Preparation

1. The Authority shall be responsive for the preparation, editing and printing of the Comprehensive Annual Financial Report. The Director of Administration will furnish draft financial statements and schedules to the Auditor of all statements and schedules to be included in the CAFR. The Auditor shall discuss any necessary revisions with the Director of Administration. All revisions will be subject to the approval of the Jail Superintendent

2. The Auditor's opinion letters shall be addressed to the Authority Board Chairman and Members of the Western Tidewater Regional Jail Authority. The Auditor shall submit twenty (20) copies of the opinion letters, each on original letterhead, suitable for inclusion in the Authority's CAFR.
3. The management letter shall be addressed to the Authority Board Chairman and Members of the Western Tidewater Regional Jail Authority. The Auditor shall submit twenty (20) copies of the management letter, each on original letterhead.
4. The Auditor may be required to make a presentation to the Western Tidewater Regional Jail Authority Board.

Assistance to the Auditor

1. The Director of Administration shall be available during the audit to provide assistance to the Auditor as needed.
2. The Authority shall prepare schedules/supporting work papers including, but not limited to, the following:
 - All required financial statements and schedules/data to be included in the CAFR;
 - Cash schedule - summary of cash balances by fund type;
 - Various other schedules supporting the cash balances and transactions;
 - Schedule of investments by type for footnote disclosure and reconciliation by fund;
 - Schedule of revenues and collections;
 - Various other schedules supporting revenue accounts etc...
 - Various schedules supporting capital assets for the governmental activities, including infrastructure and each proprietary fund;
 - Debt schedule - summary of debt by type;
 - Various other detailed debt schedules;
 - Schedule of accrued vacation and compensatory time;
 - Schedule of Virginia Retirement System contributions;
 - Various supporting schedules, as needed.
3. The following is a current listing of the funds and component units of the Authority:

Proprietary Fund Types
Operating Fund *

Discretely Presented Component Units

Canteen Fund *
Wellness Fund

Fiduciary Funds

Work Release Fund
Inmate Fund

* Notes a major fund at the end of Fiscal Year ending June 30, 2017

Inquiries:

Respondents are encouraged to ask questions which may be directed to the Authority Director, Administration and Support Services, Tim Wertheimer, at (757) 942-0555. All questions should be sent via email to Mr. Wertheimer at timwert@wtrj.org. All questions will be answered via a posting on the Authority's website at www.wtrj.org under purchasing as well as any revisions to this RFP and any additional documentation.

Response Deadline:

All responses must be in a sealed envelope and clearly marked: "Sealed Response - Financial Audit Services — Western Tidewater Regional Jail Authority." All responses must be received no later than Friday, October 6, 2017, by 4:00 p.m. EST.

Proposal Submission:

In order to be considered for selection, respondents must submit a complete, signed response to the RFP. Five (5) hard copies of each response must be submitted to the Western Tidewater Regional Jail, by 4:00 p.m. on Friday, October 6, 2017. In addition, an electronic copy of the full proposal and a redacted copy of the proposal shall be submitted at such time. The redacted copy will be posted on our website and will contain no proprietary or confidential information.

Proposal Format:

The proposal shall be prepared in accordance with the format listed below noting that the total response submitted should not exceed 30 pages. Legibility, clarity and completeness are essential.

Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of the contact person and date.

Profile of Firm

1. Provide a brief overview of your firm, including size of organization, description of organizational structure, and organization's experience in serving governmental entities.
2. State the location of the office from which the work is to be performed and list pertinent information regarding this office, such as the range of services provided and number of personnel designated to serving governmental entities.

Audit Approach

1. Briefly state your understanding of the work to be performed.
2. Indicate the scope of the proposed audit approach and techniques to be used to successfully accomplish the requested services.

Work Plan and Timeline

1. Outline each of the proposed major tasks required to complete the engagement and estimate the approximate amount of time required for each.
2. Indicate the estimated number of professional hours, by person or class, allocated to each major task.
3. Indicate the approximate dates that fieldwork will begin and end, for both preliminary and final fieldwork. Also indicate estimated dates for delivery of audit reports. The date of the field work is expected to begin as close to the third week of August as possible and completion of the audit be before the 2nd Wednesday of November. The auditor's lead person on the audit will be present on that 2nd Wednesday of November to present the audit report and answer any questions the Authority may have at the Authority Board's scheduled monthly meeting. If this schedule cannot be met, the Auditor is to inform the Director and the Superintendent of the reason this schedule is not obtainable. The Auditors will supply at the earliest convince, any Adjusting Journal Entries to the Director so that any adjustments are made to allow him to close the fiscal year-end in the accounting software.
4. Provide a non-binding fee estimate.

Mandatory Criteria

1. Affirm that your firm, the partner, and the manager assigned to the audit engagement are properly licensed to perform the scope of the services requested.

2. Affirm that your firm meets the independence standards defined in the Ethical Rules of the AICPA and the *Government Auditing Standards*.
3. Affirm that your firm meets the peer review standards of the AICPA and *Government Auditing Standards*.
4. Affirm that the staff assigned to the audit has complied with the general standards on qualifications, including continuing education requirements, of the *Government Auditing Standards*.
5. Indicate a positive commitment to perform the work within the required time frame.

Peer Review Report Include a copy of your firm's most recent peer review report This section may be included as an appendix.

References Provide a list of organizations that may be contacted for reference including name, title and phone number. Also note the types of services provided to each organization listed. This section may be included as an appendix. The list should include as many Regional Jails in Virginia as possible.

Resumes Please set forth the team members that would be committed to this engagement and include resumes for each individual. Resumes should include a list of relevant training and experience in auditing governmental entities. This section may be included as an appendix.

Additional Requirements: All information requested in this Request for Proposal must be submitted. Failure to submit all information requested will result in the rejection of the proposal.

Responses should be limited to no more than thirty (30) pages, excluding appendices.

Each copy of the response should be bound in a single volume.

The Authority reserves the right to waive informalities in bids and to purchase any part of or the whole of the items listed in the proposal.

The Authority reserves the right to accept or reject any and all proposals. The Authority reserves the rights to negotiate with the selected contractor in order to best serve its needs, in respect to cost and effectiveness.

The Authority advises that all proposals submitted under this RFP will become the property of the Authority and will not be returned.

Basis for Selection: An evaluation team will identify two or more Auditors for interviews, based on the evaluation criteria stated below. At the conclusion of the interview, the evaluation team will select, in order of preference, those offerors whose proposals are deemed most meritorious. Negotiations will be conducted with the offeror ranked first. If a satisfactory contract can be negotiated at a price considered fair and reasonable, the award will be made to that offeror. If a satisfactory contract with the offeror ranked first cannot be negotiated, negotiations may be conducted with the offeror ranked second, and so on until a satisfactory contract has been negotiated or all proposals are rejected.

The evaluation team will pay particular attention to:

1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed;
2. Soundness of approach to be used in carrying out the engagement and in managing the proposed tasks;
3. Reasonableness of time estimates allocated to each major task of the work plan and the estimated number of hours by person or class;
4. The respondents' qualifications including expertise in successfully serving governmental entities;
5. Breadth and depth of the firm's financial audit experience with comparable local governments, school boards, and jail authorities; and
6. Relevant training and experience of individuals assigned to the engagement.

<u>Schedule:</u>	RFP issued	8/28/2017
	Responses due	10/6/2017
	Firms selected for interview	10/13/2017
	Interviews to be performed	10/23-27/2017
	Selection Complete	11/1/2017

Terms & Conditions:

In the event the Auditor shall fail to faithfully and properly perform each and every provision of this contract, the Authority shall have the right, which right is hereby expressly reserved, to cause said audit and

accounting services to be made or completed by another certified public accountant at the cost and expense of the Auditor to the extent of any fees paid, and shall further have the right to apply any sum that may be due the Auditor hereunder toward the payment of the cost and expense for the making and/or completion of the accounting and auditing services.

The Auditor may be offered the right of first refusal for the conduct of the additional financial and/or compliance audits. The cost of such audits, required at varying times during the term of the engagement, should not be included in the proposal submitted as a result of this RFP. When additional audits are required, the Auditor will be requested to submit a proposal for the specific audit such proposal shall be subject to review and negotiation. The Authority reserves the right to reject any proposal deemed inadequate in coverage or excessive in cost. In the event that such proposal is refused, the Authority will solicit proposals from other eligible firms. Working papers will be retained for at least seven (7) years and will be available for examination by authorized representatives of cognizant Federal and state agencies as well as the Authority.

Every contract in excess of ten thousand dollars (\$10,000) executed with the Auditor shall include the following provisions:

During the performance of this contract, The Auditor agrees:

1. That the Auditor 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 Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.
2. The Auditor, in all solicitations or advertisements for employees placed by or on behalf of the Auditor, will state such Auditor 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.

In the event the Auditor considers that services of a special nature are required because of unusual findings or unforeseen situations during the audit and accounting services engagement, a written report will be made to

the Jail Superintendent. This report shall describe the circumstances plus an estimate of additional compensation. Compensation in excess of that previously agreed to for the term of the engagement will be paid only upon written authorization by the Jail Superintendent. The authorization must be executed prior to the performance of the additional services that would be cause of additional compensation.

It is understood and agreed between the parties to any agreement resulting from this proposal that the Authority will be bound hereunder only to the extent of funds available for which may hereafter become available for the purposes of this agreement.

It is further understood and agreed between the parties to any agreement resulting from this proposal that the Authority will not be obligated to purchase or pay for services covered by this agreement unless and until they are ordered, delivered or performed by the Auditor.

Any resulting contact will be subject to cancellation by either party upon written notice, one to the other, at least ninety (90) days prior to the end of the fiscal year to be audited.

Other:

- A. Cancellation of Proposals - The Authority reserves the right to cancel the Request for Proposals, and to waive any non-conformance in proposals or any other irregularities received, whenever the designee of the Authority determines that such rejection or waiver is in the best interest of the Authority.
- B. Ethics - By submitting their signed proposals, all Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, Supplier, Manufacturer or Subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- C. Laws and Regulations - All applicable state laws, municipal ordinances, and rules and regulations of the authority having jurisdiction over the contract shall apply to the contract throughout, and they will be deemed to be included in the contract the same as though written in full herein.
- D. Hold Harmless and Indemnification Clause - The Auditor agrees to

indemnify and hold harmless the Western Tidewater Regional Jail and to protect and defend it against all claims and suits arising from actions of omission or commission of its employees, agents or subcontractors, whether for alleged tort or breach of contract, made by any party, including but not limited to its employees, subcontractors, material men, workmen, neighboring property owners, invitees, guests, and agents or employees of the Western Tidewater Regional Jail, in the performance of the Auditor's work, from and against any and all claims, losses or expenses, including but not limited to attorney's fees, which either or both of them may suffer, pay or incur as a result of claims or suits due to, arising out of or in connection with any and all such damage, real or alleged. The Auditor shall, upon written demand by the Authority, insure and defend at the Auditor's sole expense any and all suits or defense of claims.

- E. Insurance - The establishment of minimum limits of insurance by the Authority does not in any way reduce or limit the liability responsibilities of the Auditor.

The Auditor shall maintain in full force and effect during the life of this contract such insurance as required by this contract.

Certification of Insurance

The contractor shall carry the required amounts of insurance specified below throughout the contract period and submit a Certificate of Insurance certifying the appropriate coverages.

Such certificates shall provide that the Insurance will not be canceled or reduced without prior notice to the Western Tidewater Regional Jail.

1. Workers Compensation - Statutory requirements and benefits.
 2. Professional Liability - \$ 1,000,000 - Minimum coverage limit.
- F. Standards of Conduct - The Auditor shall be responsible for controlling employee conduct, for assuring that its employees are not boisterous or rude, and assuring that they are not engaging in any destructive or criminal activity.
- G. Required Virginia State Corporation Commission I.D. Number for All Foreign and Domestic Businesses Authorized To Transact Business in the Commonwealth - In accordance with the Code of Virginia § 2.2-4311.2, it is required that all Bidders or Offerors organized as a stock or non-stock corporation, limited liability companies, business trusts, or limited partnerships or registered as a registered limited liability partnerships, be authorized to transact business in the Commonwealth

pursuant to Title 13.1 or Title 50 and that they include in their bid or proposal the identification number issued to it by the Virginia State Corporation Commission. Any business entity described above that enters into a contract with the Authority pursuant to procurement law shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or canceled at any time during the term of the contract. The Authority may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this requirement.

All Bidders or Offerors shall submit with their bid or proposal response a statement or documentation providing one of the following:

1. The company's Virginia State Corporation Commission identification number and Virginia registered agent.
2. The application number furnished by the Virginia State Corporation Commission when the company applies for an identification number and the Virginia registered agent.
3. Any Bidder or Offeror that alleges it is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50, or, as otherwise required by law shall include in its bid or proposal a statement or documentation as to why the Bidder or Offeror is not legally required to be so authorized. The final determination will be made by the Authority.

Failure to submit either the State Corporation Commission number, or the application tracking number, or the statement or documentation of the offered exemption as required above may result in rejection of the bid or proposal as non-responsive by the Authority.

- H. Required Compliance With Federal Immigration Reform and Control Act - In accordance with the Code of Virginia § 2.2-4311.1, the Offeror warrants that it does not and shall not during the performance of this contract, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and control Act of 1986.