

**REQUEST FOR PROPOSAL**

**Hampton-Newport News Community Services Board**  
**Auditing Services Proposal**

**REQUEST FOR PROPOSAL**

Issue Date: February 26, 2018

Title: Hampton Newport News Community Services Board  
Auditing Services Proposal

RFP Number: **RFP# AUD-02- 2018**

Issuing Agency: Hampton-Newport News Community Services Board  
300 Medical Drive  
Hampton, Virginia 23666

Period of Contract: **FROM:** July 1, 2018                      **TO:** June 30, 2019

Sealed Proposals: The Hampton-Newport News Community Services Board will receive sealed proposals until **2:00 PM EST and according to the clock in the Hampton-Newport News Community Services Board Procurement Office, on March 14, 2018,** for furnishing the services described herein.

**Sealed Proposals should be clearly identified as a response to RFP# AUD-02-2018, not to be opened in the mail room, and to be delivered immediately to Yaisa Goodwin, Financial Services, 300 Medical Drive, Hampton, VA 23666.**

If proposals are mailed, send directly to the Procurement Office at the issuing agency address shown above. If proposals are hand delivered, deliver to the Reception Desk at the issuing agency address shown above.

It is the Vendor’s responsibility to assure that proposals are received at the location indicated by the date and time above. This complete document with all attachments must accompany your proposal, with all information and signatures applied as required.

Inquiries:

All inquiries for information should be directed to:

**Yaisa Goodwin MBA, MA      Phone: (757) 788-0065 Fax: (757)757-788-0969**  
**Email: ygoodwin@hnnCSB.org**



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**I. PURPOSE:**

The purpose and intent of this Request for Proposals (RFP) is to enter into a contract with a qualified independent Certified Public Accountant (hereinafter called the "Auditor") to perform a consolidated financial audit for the Hampton-Newport News Community Services Board (hereinafter called the "HNNCSB") for the fiscal year(s) ended June 30, 2018 and its component units. The statutory requirement for operating and administrative Community Services Boards to receive an independent audit is found in § 37.2-501 (B).

Renewals: Four (4) one-year renewals, thereafter, if mutually agreed.

**II. BACKGROUND:**

The HNNCSB operates as an extension of local government for the cities of Hampton and Newport News in the establishment and operation of community mental health, intellectual disabilities and substance abuse programs as provided for in Chapters of Title 37.2 of the Code of Virginia (1950), as amended, relating to the Virginia Department of Behavioral Health and Developmental Services (hereinafter called the "DBHDS").

**III. SCOPE OF SERVICES & WORK SPECIFICATIONS:****A. Financial Audit:**

The Independent Auditor shall audit all funds of the HNNCSB and its related financial entities in accordance with generally accepted auditing standards, standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments, AICPA Audit and Accounting Guide Health Care Organizations, National Council on Government Accounting statement currently in force, Governmental Accounting Standards Board (GASB) interpretations, technical bulletins and concept statements as applicable, and the Specifications for Audits of Authorities, Boards and Commissions issued by the Auditor of Public Accounts, Commonwealth of Virginia. The audit shall result in the preparation of financial statements from the audited records of the HNNCSB with the Auditors' opinion thereon -OR- the rendering of the Auditors' opinion on the financial statements prepared by the HNNCSB. The Independent Auditor should note that the Governmental Health Care Provider Model is adopted. Guidance should be followed as contained in the AICPA Audit and Accounting Guide Health Care Organizations. The Auditors' opinion shall be expressed in the report and include his reasons for qualifying the opinion, disclaiming an opinion, or rendering an



adverse opinion. In addition, the Independent Auditor shall audit the financial statements and provide related tax returns as set forth in the Table 1. Tax returns referred to in Table 1 include Federal and the Commonwealth of Virginia filings.

B. Opinion:

The Independent Auditor also shall express an opinion as to the fair presentation of the combining, individual fund and individual account group financial statements in accordance with generally accepted accounting principles. The Auditor is required to provide an "in-relation-to" report on the supporting schedules and statistical tables based upon his audit of the financial statements.

C. Reporting:

The Auditor is not required to audit the schedule of expenditures of federal awards. However, the Auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

D. Compliance Testing:

In connection with the audit of the financial statements, the Auditor shall perform tests of compliance in accordance with Government Auditing Standards; OMB Circular A-133, Audits of State and Local Governments; the Specifications for Audits of Authorities, Boards and Commissions; the AICPA Audit and Accounting Guide, Health Care Organizations; and other applicable standards.

E. Internal Controls:

In connection with the audit of the financial statements, the Auditor shall perform tests of internal controls in accordance with Generally Accepted Auditing Standards (GAAS); Government Auditing Standards; OMB Circular A-133, Audits of State and Local Governments; and the Specifications for Audits of Authorities, Boards and Commissions produced by the Auditor of Public Accounts of the Commonwealth of Virginia. The tests of internal controls should also include controls as they relate to Client (Patient) Funds and the validation of such funds that should be reported in the financial statements. Client (Patient) Funds include social security payments, disability payments, etc. that are made to the HNNCSB on behalf of clients and/or patients.

F. Submission of Reports:

The Auditor shall provide the HNNCSB with the number of paper copies of the financial statements and Auditor's report thereon and management letter including management responses no later than November 15 of each year as indicated in Table 1 and an electronic copy of each report and each tax return. Where



necessary the Auditor shall prepare requests for extension of filing tax returns.

G. State Requirements:

The Auditor should provide the following information for use by State agencies. This information should be reported as supplemental information in the financial statements. The Auditor should refer to the latest HNNCSB Audit Guide issued by DBHDS for additional reporting requirements and disclosures. This guide can be found at the Department's web site at:

[www.dbhds.virginia.gov/documents/OFRC-AuditGuide2001.pdf](http://www.dbhds.virginia.gov/documents/OFRC-AuditGuide2001.pdf).

1. Include in the audit report 1) a schedule (by disability and total) of the reconciliation of revenues and expenditures to the fourth quarter report and 2) a schedule (by disability and total) of the reconciliation of federal revenues and expenditures to the fourth quarter report.
2. The Auditor should audit the Federal Substance Abuse Prevention and Treatment Block Grant (both revenues and expenditures) for accounting accuracy and expenditure appropriateness as if the grant were a major program (Circular A-133) regardless of dollar amount received by the HNNCSB.
3. Based on a sample, the Auditor shall determine the appropriateness of expenditures charged to Federal funds as guided by OMB Circular A-87.
4. The Auditor shall disclose the local tax dollar funding received by the HNNCSB specified by locality.
5. The Auditor should disclose surety information (company, employees covered, and amount of coverage) per Code of Virginia, §2.1-526.9.

H. Management Letter:

The Auditor should submit a management letter including management's response with each audit. The letter should offer suggestions for improvement in financial management and internal controls.

I. Required Filings:

A copy of the audit contract and winning RFP should be filed with the Virginia Auditor of Public Accounts and the Virginia DBHDS within 30 days after awarding the contract. The HNNCSB is responsible for making these filings.



J. Professional Care:

As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 68, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the auditor becomes aware that the HNNCSB is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management and the audit committee or others with equivalent authority and responsibility that the audit may not satisfy the requirements.

K. Professional Consultation:

The HNNCSB will require consultation from the Auditor on accounting and other management questions during the course of the year.

IV. REPORTING REQUIREMENTS

A. Required Reports:

Based on the audit work performed, the Auditor must issue the following reports:

A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.

A report on the internal control structure based on the Auditor's understanding of the control structure and assessment of control risk. The Auditor shall communicate all reportable conditions (as defined by the AICPA) found during the audit in the report on internal controls. Non-reportable conditions discovered by the Auditor shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls and copied to the Office of Financial Review and Compliance, Virginia DBHDS.

A report on the internal control structure used in administering federal assistance programs. The Auditor shall communicate all weaknesses, which could have a material effect on a federal assistance program in the report on internal controls. Other conditions discovered by the Auditors shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal



controls and copied to the Office of Financial Review and Compliance, Virginia DBHDS.

A report on compliance based on the audit of the financial statements performed in accordance with Government Auditing Standards. The Auditor shall communicate all instances of non-compliance, which could have a material effect on the general-purpose financial statements in the report on compliance. (Financial statements are issued based on those required by Section 1.05 of the AICPA Audit and Accounting Guide – Health Care Organizations).

A report on compliance with specific requirements applicable to major federal assistance programs. The Auditor shall communicate all instances of noncompliance with the specific requirements for major federal assistance programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.

A report on compliance with the general requirements applicable to federal assistance programs. This report should be prepared regardless of whether the HNNCSB has major assistance programs. The Auditor shall communicate all instances of noncompliance with the general requirements in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.

A report on compliance with the requirements applicable to non-major federal assistance programs if transactions from non-major assistance programs were selected for testing during the audit. The Auditor shall communicate all instances of noncompliance with the requirements governing non-major programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.

A report disclosing the status of findings and recommendations from previous audits that have remained uncorrected.



Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the Chairman and Treasurer of the Board of Directors of the HNNCSB, the Executive Director of the HNNCSB, the Director of Finance of the HNNCSB, and the Commissioner of the DBHDS.

B. Draft Reports:

The Auditor shall have drafts of the audit reports and recommendations to management available for review by the HNNCSB Executive Director and Governing Board by October 31, 2018, and subsequent years.

C. Report Preparation:

Report preparation, editing and printing shall be the responsibility of the Auditor.

D. Blended Component Units:

The following entities are considered to be component units for inclusion in the HNNCSB's financial statements. These component units are to be audited as a part of the audit of the HNNCSB's financial statements:

HNNCSB:

The HNNCSB operates as an agent for the cities of Hampton and Newport News, Virginia in the establishment and operation of the community mental health, intellectual disabilities and substance abuse programs as provided for in Chapter 5 of Title 37.2 of the *Code of Virginia* (1950), as amended, relating to the Virginia DBHDS. In addition, the HNNCSB provides a system of community mental health, intellectual disabilities and substance abuse services that relate to, and are integrated with, existing and planned programs. The HNNCSB's Board of Directors is comprised of 15 members appointed by the City Councils of Hampton and Newport News. The fiscal year is July 1 through June 30.

Health Plan Trust:

The CSB, as a governmental entity, sponsors a non-ERISA self-insured medical, dental and short-term disability benefit plans for its employees. The fiscal year is January 1 through December 31.





Trust for Disabled Persons:

On May 18, 1995, the CSB established the HNNCSB Trust for Disabled People (Trust). The CSB, as Trustee, is responsible for administering the Trust, which is available to any beneficiary, as defined in the Trust. Under the Trust, beneficiaries may elect to contribute cash or property for the Trustee to hold, retain, invest, re-invest or manage. The fiscal year is July 1 through June 30.

Discrete Component Units:

Following are the descriptions of legally separate component units for which the CSB is financially accountable that are blended with the CSB. The governing bodies of these component units are substantially the same as the CSB. Additionally, detailed information or separately issued financial statements for these component units can be obtained from the CSB's Director of Financial Services.

HNNCSB Property Company, Inc.:

The HNNCSB Property Company, Inc. (Property Company) was organized in 1994 as a nonprofit organization for the purpose of providing appropriate community-based facilities, both commercial and residential, including affordable housing options, which meet the services and program requirements of the Hampton-Newport News Community Services Board. The fiscal year is July 1-June 30.

Peninsula Community Homes, Inc.:

Peninsula Community Homes, Inc. (PCH) was organized and structured as a nonprofit tax exempt entity in 1997. It was certified as a Community Housing Development Organization (CHDO) for the cities of Hampton and Newport News. Working in partnership with the CSB and its other entities, PCH leveraged federal and state grant funds for the purpose of developing and improving low income housing for individuals with disabilities and which benefits the CSB and its consumers. Due to changes at the federal level, this entity can no longer operate as a CHDO as currently structured and has been inactive for the past 3 years. However, the compliance period for past activities requires the organization to remain current with regards to audits and 990 reporting requirements. The entity has a self-appointing board of directors in accordance with the requirements of CHDO. The fiscal year is July 1 – June 30.



A report on the fair presentation of the Schedule of Expenditures of Federal Awards.

A Summary Statement of Financial Condition. Section 2.1-164 of the Code of Virginia requires the publication of a Summary Statement of Financial Condition. This summary should be published in a newspaper of general circulation in localities that the HNNCSB serves at the time the audit report is issued. The Independent Auditor should prepare the Summary Statement of Financial Condition for publication. The HNNCSB assumes responsibility for the publication. Refer to Number 13 below for additional guidance.

The Independent Auditor APA Form 110 – Joint Activity Element Form for submission to the APA by November 15 of each year.

The Auditor should refer to the latest Community Services Board Audit Guide issued by DBHDS for additional reporting requirements and disclosures. This guide can be found on DBHDS's web page at: [www.dbhds.virginia.gov/documents/OFRC-AuditGuide2001.pdf](http://www.dbhds.virginia.gov/documents/OFRC-AuditGuide2001.pdf).

## V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

### A. Books of Account:

The HNNCSB represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled no later than 45 days immediately following statement date.

### Schedules:

The staff of the HNNCSB will prepare the following information:

1. A final trial balance of each fund;
2. A final trial balance of each subsidiary ledger;
3. A schedule of federal program revenues, expenditures and beginning and ending balances by program;
4. A copy of the final budget presented to the board for the audit period, the original budget for the audit period, and all amendments to the budget;
5. A copy of all capital projects and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
6. A schedule of insurance in force during the year and of insurance expense for the year;
7. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
8. A schedule of all capital outlays during the period;



9. A schedule of all capital asset dispositions during the period;
10. A schedule of accounts payable at statement date;
11. Reconciliation of the final quarter's fringe benefit tax returns;
12. Copies of all contracts w/governmental grantor or grantee agencies;
13. Copies of all other contracts in force at statement date of a material amount; and
14. Such reasonable additional schedules as may be requested for financial audits.

B. Other Assistance:

The staff of the HNNCSB and responsible management personnel will be available during the audit to assist the firm by providing information and explanation.

**VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS**

A. GENERAL REQUIREMENTS:

1. RFP Response:

In order to be considered for selection, offerors must submit a complete response to this RFP. One original and three copies of each proposal must be submitted to the issuing HNNCSB. No other distribution of the proposals shall be made by the offeror.

2. Proposal Preparation

- a. Proposals shall be signed by an authorized representative of the offeror. By signing this bid proposal, the offeror certifies that it will remain in full compliance with:

- The Federal Civil Rights Act of 1964, as amended.
- The Federal Immigration Reform and Control Act of 1986.
- The Virginia Fair Employment Act of 1975, as amended, where applicable.
- The Virginia Conflict of Interest Act.
- The Virginians with Disabilities Act.
- The Americans with Disabilities Act.
- Article 2 Section § 2.2-4311 Employment Discrimination Act of the Virginia Public Procurement Act.
- Article 6 Section § 2.2 Ethics in Public Contracting of the Virginia



## Public Procurement Act.

- The Antitrust laws of the United States and the Commonwealth of Virginia.
- b. All information requested must be submitted. Failure to submit all information requested may result in the purchasing agency requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals that are substantially incomplete or lack key information may be rejected by the purchasing agency. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- c. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- d. Each copy of the proposals should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume. The proposal package should be clearly marked as RFP# AUD-02-2018.
- e. Ownership of all data, materials and documentation originated and prepared for the HNNCSB pursuant to the RFP shall belong exclusively to the HNNCSB and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of the Virginia Public Procurement Act prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

**B. SPECIFIC REQUIREMENTS:**

Proposals should be as thorough and detailed as possible so that HNNCSB may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items as a complete proposal:

1. Title Page



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

## 2. Background/Statement of Work

- A one-paragraph history of the firm, including number of years in business, and size of firm.
- A one-paragraph statement by the prospective Auditor of his understanding of the work to be done, including specific reference to the provisions in the Scope section of this RFP, with descriptions of the audit approach and illustrations of the procedures to be employed.
- The approximate date the audit will begin (including preliminary fieldwork) and end, as well as approximate dates for delivery of the financial statements and/or Auditor's reports.
- Biographies including experience, education, professional designation, and professional affiliations of the individuals who will be directly assigned to the engagement. Also include relevant experience of each in auditing community services boards, municipalities, Federal funds, and recent continuing professional education of each.
- Names, addresses, and telephone numbers of persons who may be contacted for references including, if any, each Community Services Board(s) for which the auditor provided an audit report in the past three years.
- A copy of the firm's most recent peer review.
- A one-paragraph statement by the prospective Auditor states that:
  - The firm is independent of the HNNCSB as that term is defined the Ethical Rules of the AICPA.
  - The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
  - The firm has met the peer review standards of the AICPA and Government Auditing Standards.
  - The firm will provide adequate supervision on a day-to-day basis and that the resulting work papers shall be adequate



and shall be available for routine review by appropriate Auditors of the Federal and State Governments.

- Staff assigned to the audit have met the continuing education requirement by the Government auditing Standards issued by the Comptroller General of the United States.

3. Meetings

Conferences between the Auditor, the HNNCSB employees and/or representatives of the HNNCSB should be scheduled by the selected Auditor before the preliminary work and at the end of the fieldwork. The purpose of the meetings is to keep the HNNCSB fully informed on the scope and progress of the audit.

**VII. FEES:**

Fees for services will be negotiated in accordance with "Competitive Negotiation" as identified in the Virginia Public Procurement Act Section § 2.2-4302.2, as amended. The fee will be in the form of a fixed contract price. Fees for additional services must be mutually agreed upon by the Independent Auditor and the HNNCSB.

**VIII. EVALUATION AND AWARD CRITERIA:**

A. Evaluation Criteria:

Selection criteria will include the following:

1. Proposal submission met all identified requirements.
2. The Auditor's understanding of the HNNCSB's system of accounting obtained through prior experience or discussion with appropriate HNNCSB officials.
3. The prior experience and reputation of the Auditor in auditing governmental units similar to the HNNCSB.
4. Ability to complete the audit and submit the financial statements and Auditor's reports to the DBHDS by the required deadline.

B. Award:

The selection process will be in accordance with "Competitive Negotiation" of the Code of Virginia. The HNNCSB 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 informed interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. This Request for Proposals, is not, however, requesting that offerors furnish estimates of man-hours or cost for services. At the discussion stage, the HNNCSB may discuss non-binding estimates of total costs. Proprietary information from competing offerors shall not be disclosed to the public or to competitors.

At the conclusion of the discussion, on the basis of the selection criteria listed in this Request for Proposals and all information developed in the selection process to this point, the HNNCSB shall select in 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 HNNCSB 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. Should the HNNCSB 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.

## **IX. GENERAL TERMS AND CONDITIONS:**

### **A. The HNNCSB's Procurement Policy:**

This solicitation is subject to the provisions of the HNNCSB's Procurement Policy Manual and any revisions, which are hereby incorporated into this contract in their entirety. A copy of the manual is available for review at the purchasing office.

### **B. Mandatory Use of HNNCSB Form and Terms and Conditions:**

Failure to submit a proposal on the official HNNCSB form provided for that purpose may be a cause for rejection of the proposal. Return of the complete document is required. Modification of or additions to any portion of the solicitation may be cause for rejection of the proposal; however, the HNNCSB



reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to reject such a proposal.

B. Clarification of Terms:

If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the contract officer whose name appears on the face of the solicitation, no later than five days before the due date. Any revisions to the solicitation will be made only by addendum issued by the contract officer.

D. Payment Terms:

Payment will be made monthly on the following schedule as invoiced, September 30, 20%, October 31, 50%, completion of final audit report 90%, completion of all required work 100%. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. However, this shall not affect offers of discounts for payment in less than 30 days. The proposal should indicate the distribution of effort among all entities.

E. Invoices:

Invoices for services ordered, delivered and accepted shall be submitted by the Auditor to the attention of the Chief Financial Officer and mailed to the HNNCSB address. All invoices shall show the contract number assigned to the contract by the purchasing agency and be prepared for each audited entity separately.

F. Default:

In case of failure to deliver goods or services in accordance with the contract terms and conditions, the HNNCSB, after due oral or written notice, may procure them from other sources and hold the Auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the HNNCSB may have.

G. Assignment of Contract:

A contract shall not be assignable by the Auditor in whole or in part without





the written consent of the HNNCSB.

H. Antitrust:

By entering into a contract, the offeror conveys, sells, assigns, and transfers to the HNNCSB all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the HNNCSB under said contract.

I. Anti-Discrimination:

By submitting their proposals, all offerors certify to HNNCSB that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, where applicable, and Section § 2.2-4311 of the Virginia Public Procurement Act (VPPA) which provides:

During the performance of this contract, the Auditor agrees as follows;

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 Auditor. The Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

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

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.

The Auditor will include the provisions of 1 above in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each sub-auditor or vendor.

J. Debarment Status:



By submitting their proposal, all offerors certify that they are not currently debarred from submitting proposals on contracts by any agency of the Commonwealth of Virginia, nor are they an agent of any person or entity that is currently debarred from submitting proposals on contracts by any agency of the Commonwealth of Virginia.

K. Applicable Law and Courts:

Any contract resulting from this solicitation shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Auditor shall comply with applicable federal, state and local laws and regulations.

L. Qualifications of Offerors:

The HNNCSB may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the work and the offeror shall furnish to the HNNCSB all such information and data for this purpose as may be requested. The HNNCSB reserves the right to reject any proposal if the evidence submitted by or investigations of such offeror fails to satisfy the HNNCSB that such offeror is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

M. Immigration Reform and Control Act of 1986:

By submitting their proposals, the offerors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

N. Subcontracts:

No portion of the audit work shall be subcontracted without prior written consent of the HNNCSB. The Auditor will remain fully liable and responsible for all work done by any sub Auditor and assure compliance with all requirements of the contract.

O. Ethics in Public Contracting:

By submitting their proposals, all offerors certify that: (1) their proposals are



made without collusion or fraud; (2) they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or sub Auditor in connection with their proposal; and (3) 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.

**X. SPECIAL TERMS AND CONDITIONS:**

A. Ownership of Material:

Ownership of all data, material, and documentation originated and prepared for the HNNCSB pursuant to the RFP shall belong exclusively to the HNNCSB and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protection of this section prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

B. Insurance:

1. By signing and submitting a proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

During the period of the Contract the HNNCSB reserves the right to require the Auditor to furnish certificates of insurance for the coverages required by the HNNCSB and Commonwealth as indicated.

2. Insurance Coverages Required:

Worker's Compensation-Standard Workers' Compensation Policy.

Broad Form Comprehensive General Liability--\$500,000 Combined Single



Limit, with the Commonwealth of Virginia named as additional insured.

Automobile Liability--\$500,000 Combined Single Limit

NOTE: In addition to the above, various Professional Liability/Errors and Omissions coverages are required for those services indicated below.

Professional/Service Limits

Accounting \$1,000,000 occurrence/\$5,000,000 aggregate

3. The Auditor's signature on this solicitation constitutes certification that if awarded the contract, he shall obtain the necessary coverage as specified within 10 days of notification of award of the contract.

C. Proposal Acceptance Period:

This proposal shall be binding upon the offer for 60 calendar days following the proposal opening date. Any bid or proposal on which the offeror shortens the acceptance period may be rejected.

D. Work Papers:

The Auditor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment. The HNNCSB, its authorized agents, and/or State Auditors shall have full access to and the right to examine any of said materials during said period.

E. Cancellation of Contract:

The Community Services Board reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty upon 60 days written notice to the Auditor. Any contract cancellation notice shall not relieve the Auditor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effect.

F. Extension of Contract:

This contract may be extended by the HNNCSB upon written agreement of



both parties for four (4) successive one year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

- G. Changes to the Contract: The HNNCSB may order changes within the general scope of the contract at any time by written notice to the Auditor. The Auditor shall be compensated for any additional costs incurred as the result of such order and shall give the HNNCSB a credit for any savings. Said compensation shall be determined by mutual agreement between the parties in writing.

**Table 1**

<b>Auditor Responsibility</b>				
Entity	Status	Separate Audit Report (copies)	Tax Return 990	Notes
Hampton-Newport News Community Services Board	Consolidating Entity	Yes (25)	No, Government Agency	
Hampton-Newport News Community Services Board Health Plan Trust	Blended Component Unit	No	No, Government Agency	
Hampton-Newport News Community Services Board Trust for Disabled Persons	Blended Component Unit	No	No, Government Agency	
Hampton-Newport News Community Services Board Property Company, Inc.	Discrete Component Unit	Yes (10)	Yes (990)	
Share -A-Homes of the Virginia Peninsula, Inc.	Discrete Component Unit	Yes (10)	Yes (990)	
Peninsula Community Homes	Discrete Component Unit	No	Yes (990)	



**ATTACHMENT A**

**HAMPTON-NEWPORT NEWS COMMUNITY SERVICES BOARD  
VENDOR CONFIDENTIALITY AGREEMENT**

I acknowledge that all information related to Hampton-Newport News Community Services Board clients is of a confidential nature, and disclosure of which would cause irreparable harm, and agree not to disclose any such information to any other party.

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Signature of Vendor

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Date



**ATTACHMENT B  
VENDOR DATA SHEET**

1. **QUALIFICATION OF VENDOR:** The Vendor must have the capability and capacity in all aspects to fully satisfy all of the contractual requirements. The Vendor must all have a **minimum of five years in auditing services.**
2. **YEARS IN BUSINESS:** Indicate the length of time you have been in business providing this type of service: \_\_\_\_ years \_\_\_\_ months.
3. **REFERENCES:** Indicate below a listing of at least four (4) recent references for whom you have provided **this type of service**. Include the date service was furnished and the name and address of the person the Hampton-Newport News Community Services Board has your permission to contact.

<u>CLIENT</u>	<u>ADDRESS</u>	<u>NAME/PHONE #</u>	<u>SERVICE DATE</u>
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4. **PERSONNEL:** Indicate the size of your present staff and your plans to increase your firm's resources, if necessary, to perform this contract.
5. **INSURANCE:** Attach certificate of insurance to this Attachment B.
6. **BUSINESS LICENSE(S):** Copy of Business License(s) is/are required for submission of Quote.



**ATTACHMENT C**  
**COPY OF Certificate of Insurance**





