



## DUMFRIES, VIRGINIA

Virginia's Oldest Continuously Chartered Town  
CHARTERED 1749 INCORPORATED 1961

John Wilmer Porter Building  
17755 Main Street  
Dumfries, Virginia 22026-2386  
Tel: 703-221-3400 / Fax: 703-221-3544  
[www.dumfriesva.gov](http://www.dumfriesva.gov)

# Town of Dumfries Request for Proposals for Professional Audit Services

## Introduction

This is the Town of Dumfries Request for Proposals for Professional Audit Services, issued July 10, 2015. Direct requests for information to: Dan Taber, Town Manager, 17755 Main Street, Dumfries, Virginia 22026; phone (703) 221-3400; fax: (703) 221-3544; email: [dtaber@dumfriesva.gov](mailto:dtaber@dumfriesva.gov). Sealed proposals will be accepted prior to 5:00 p.m., local time prevailing, on July 31, 2015. Proposals received after the stated due date and time shall not be considered.

**No Pre-proposal Conference will be held for this procurement.**

## Information Requests

All questions/requests for information shall be submitted in writing, addressed to: Town of Dumfries, Town Treasurer, Retta Ladd; 17755 Main Street, Dumfries, Virginia 22026 and to be assured consideration, must be received prior to 5:00 p.m., July 24, 2015. Questions may be submitted by fax to (703) 221-3544, or by email to [rladd@dumfriesva.gov](mailto:rladd@dumfriesva.gov)

After reviewing any questions/requests submitted, the Town will issue an addendum to respond to items it deems necessary. Changes to this Request for Proposals will be made only by written addendum issued by the Town Treasurer.

## Proposal Submission

Please submit all proposals by mail, hand delivery or express carrier to the Daniel E. Taber, Town Manager, Town of Dumfries, 17755 Main Street, Dumfries, Virginia 22026.

## **GENERAL INFORMATION**

### Audit Services

The Town of Dumfries (hereinafter the "Town") hereby solicits proposals from qualified certified public accountants and accounting professionals (hereinafter the "Auditor") in order to conduct an independent audit of the accounts, books and records of the Town, its Constitutional Officers and its component entities for each of the fiscal year(s) ending June 30, 2015 through June 30, 2018.

The successful Auditor(s) shall furnish all labor, materials, equipment and supervision necessary for providing audit services.

## **SCOPE OF SERVICES**

### **Audit Work Papers**

The Auditor's programs and work papers shall be available for routine review by the Treasurer for the Town of Dumfries (hereinafter "Town Treasurer") upon request. The Auditor shall retain work papers related to the Town audit for three years after final issuance of audit reports, and make such work papers available to its successor in the event of contract termination without additional charge to the Town or successor auditor. The Town shall have all rights, title, and interest in or to all specified or unspecified interim and final products, work plans, project reports and/or presentations, data, documentation, computer programs and/or applications, and documentation developed or generated during the completion of this project, including without limitation, unlimited rights to use, duplicate, modify, or disclose any part thereof, in any manner and for any purpose, and the right to permit or prohibit any other person, including the Auditor, from doing so.

### **Confidentiality**

The Town possesses certain confidential systems and data. The Auditor agrees to protect the confidentiality of such documents and data. Furthermore, the Auditor shall indemnify and hold the Town harmless for any damages, direct or consequential that may arise from the Auditor's breach of confidentiality.

## **AUDITING SERVICES**

### **Financial Statements**

The Auditor shall audit all funds of the Town in accordance with generally accepted auditing standards; the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations; and the Specifications for Audits of Counties, Cities and Towns. The audit shall result in the rendering of the Auditor's opinion on the financial statements prepared by the Town, including general purpose financial statements. The Auditor's opinion shall be unqualified, unless the Auditor immediately notified the Town the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion.

### **Supplemental Schedules and Statistical Schedules**

The Auditor shall apply procedures and report on the statistical tables and supplementary schedules included in the Comprehensive Annual Financial Report (CAFR), including the statements of the treasurer's accountability, the analysis of funding progress for pension plans, and the schedule of federal financial assistance.

### Internal Controls and Compliance

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls and compliance in accordance with Generally Accepted Auditing Standards (GAAS), Government Auditing Standards, OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the Specifications for Audits of Counties, Cities and Towns.

### Comparative Report Transmittal Forms

The Auditor of Public Accounts (APA) requires all local governments to complete the Comparative Report Transmittal Forms in accordance with the provisions of the Uniform Financial Reporting Manual. The Auditor shall prepare the required forms for submission to the APA. The Auditor shall perform the agreed-upon procedures specified in the Uniform Financial Reporting Manual and prepare their letter on those procedures within ten days of receiving such forms from the Town, but in any event by November 30 following the end of the fiscal year.

### Schedule of Revenues for Communication Service Taxes

As passed by the General Assembly, statute HB568 requires every Town, city and town to prepare a schedule of revenues to reflect the method of charging for communication service taxes collected. The schedule shall reflect each of the repealed taxes and fees, local consumer utility tax on telephone service (LAN line and wireless), state and local E-911 taxes and fees, portion of gross receipts tax in excess of .5%, cable television system franchise fee, and video programming excise tax. The audit shall verify the schedule, prepare an Independent Accountants' Report and file the report with the Office of the Auditor of Public Accounts. The Auditor shall perform these procedures and file the report by October 1 of the fiscal year.

### Report Preparation and Presentation

The Auditor shall prepare the CAFR and present the CAFR to the local governing body at a public session by December 31 as required by Section 15.2-2511 of the Code of Virginia. The reports of the Auditor will be published in and with the Town's Comprehensive Annual Financial Report; the Town's website; and, any official statements published for bond issuance purposes. The Auditor will be provided the opportunity (without additional cost to the Town) to review all documents that include an audit opinion prior to publication. The Auditor is responsible for submitting twenty bound copies of the CAFR to the Town, and the Town will provide a copy thereof to the Auditor of Public Accounts and the appropriate state and federal agencies. The Town will send its CAFR to the Government Finance Officers Association for review in its certificate of achievement program.

### Audit Schedule

The Town records shall be examined so that fieldwork is completed to finalize the CAFR, including a management letter and auditors reports prior to October 30<sup>th</sup> of each year. The

presentation of CAFR to the Dumfries Town Council shall be no later than the last board meeting in November of each year. Attached are two copies of the last two fiscal years CAFRs for the Town of Dumfries. **See Exhibit A.**

#### Assistance Provided by the Town

The Town will assemble the required supporting documentation, prepare the necessary confirmations and correspondence, and provide other accounting data needed by the external auditors. The Town shall provide suitable space for the Auditor to conduct their field review and testing, shall provide or make available any records or other supporting documentation the Auditor may reasonably require to conduct the audit and will otherwise cooperate in the completion of the audit in any way reasonably required by the Auditor. Following the completion of the annual financial report, the Auditor will print and distribute to the Town Treasurer twenty bound copies of the report.

#### Meetings

The Town will schedule conferences between the Auditor and the Town before the Auditor begins the preliminary work on the auditing services and at the end of completing the auditing services. The purpose of the meeting prior to preliminary work is to discuss the Town engagement letter and the Auditor's audit plans. The purpose of the final meeting is to report on the opinion and reports provided by the auditor, to provide required communications and to conduct any necessary discussions.

The Auditor shall schedule conferences with the Town Treasurer and the Town Manager on a regular basis. The purpose of these meetings is for the Auditor and Town to keep each other informed of the progress of the audit. The Auditor shall make an immediate written report to the Town Treasurer of all changes in key Auditor personnel assigned to the Town's Audit.

#### Treasurer's Turnover Audit

Audit services for a Treasurer Turnover audit may be required. The audit is to determine the accountability of the outgoing Treasurer as of the date of termination in accordance with the APA standards.

If applicable, a detailed management letter of issues with recommendations for improvement in internal controls, accounting systems and procedures will be prepared and issued under separate cover to the Town Treasurer. The Auditor shall make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the Town Treasurer and the Town Manager.

#### Additional Audit Services

Additional audit services may be required under the terms of this contract on an "as needed" basis. Such work may take the form of additional audits of particular activities, operations, or organizations or the analysis of a specific transaction or series of transactions. Additional audit

services shall be coordinated through the Town Treasurer or Town Manger and will be compensated on an hourly rate basis.

### GASB Pronouncements

Advice, comments and suggestions may be requested from the Auditor from time to time in interpreting and applying the provisions of Governmental Accounting Standards Board (GASB) guidance to the reporting requirements.

## **CRITERIA FOR PROPOSALS**

### Submission Requirements

An original, so marked, and 3 copies, so marked, for a total of 4 copies of your proposal document are required. Submit proposals in a sealed envelope, and put the RFP title, due date and time on the outside of the envelope. Auditors are responsible for having their proposal stamped by the Town before the deadline for receipt of proposals. The Town will not assume responsibility for reproduction where an insufficient number of copies have been supplied. In any such case, the Town will notify the Auditor of the deficiency and request that the appropriate number of copies be delivered within 24 hours. Failure to comply with this or other requirements of this Request for Proposal shall be grounds for the Town to reject such proposals. Telegraphic or facsimile submission of proposals is not acceptable and any such proposals will not be considered. Nothing herein is intended to exclude any responsible Auditor or in any way restrain or restrict competition. All responsible Auditors are encouraged to submit proposals.

### Use of Information and Documents

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

### Submission of Proprietary Information

Trade secrets or proprietary information submitted by an Auditor in connection with this procurement transaction shall not be subject to public disclosure under the Virginia Freedom of

Information Act; however, the Auditor must invoke these protections prior to or upon submission of the data or the materials, and must identify the data or other materials to be protected and state the reason why protection is necessary. [Virginia Code Section 2.2-4342(F)]. Auditors shall submit, in a separate section of the proposal, any information considered by the Auditor to be trade secrets or proprietary information, shall clearly identify the information as trade secrets or proprietary information and shall state the reason why protection is necessary. Auditors may not declare the entire proposal proprietary nor may they declare proposed pricing to be proprietary. References may be made within the body of the proposal to proprietary information; however all information contained within the body of the proposal not in the separate section labeled proprietary shall be public information.

### Terms and Conditions of Proposal

Mandatory provisions of this Request for Proposals are indicated by the inclusion of the words "shall" or "must" to identify the Auditor's obligations.

The Town's proposed contract and this Request for Proposals contain terms and conditions the Town of Dumfries favors and intends to use for the resultant contract. If the Auditor wishes the Town to consider any changes to these documents, such changes must be submitted as part of the Auditor's proposal. Any Auditor receiving a contract award shall be required to execute a contract in substantial compliance with the Town's standard contract and will be required to furnish all other required contract documents including tax identification or social security number within fifteen days after receipt of notification that the contract is ready for signature; otherwise, the Town may award the contract to another Auditor.

Proposals having any erasures or corrections must be initialed by the Auditor in ink. The Town will not be responsible for any expense incurred by any Auditor in preparing and submitting a proposal.

### Format and Content

The proposal should address the items included in the Scope of Services and in the Criteria for Proposal Evaluation. Proposals should provide straightforward and concise responses to requests for information and descriptions of qualifications and capabilities. Each copy of the proposal should be bound with all documentation in a single volume if practical. Failure to do so will result in a lowered evaluation. Incomplete proposals may be determined nonresponsive.

### Qualifications of Auditor

In submitting the proposal, the Auditor must do the following:

- 1) Identify the Auditor's office that will serve as the managing office for the project. State the number of years the Auditor and managing office have been in business. Identify the locations of other offices that will be involved in performing scope of services and their role in those services. Provide confirmation that the Auditor is appropriately

licensed and certified by the Virginia Board of Accountancy to provide auditing services to the Town and is independent of the Town and its component unit.

- 2) If possible, provide information on the specific individual (s), who will be assigned to work, with the Town, including: name(s), qualifications, educational background, examples of experience with similar assignments and references.
- 3) Describe the Auditor's participation in state and national government financial and audit organizations such as the Government Finance Officers Association (GFOA), Association of Local Government Auditors (ALGA), etc. Also describe the Auditor's participation in the GFOA certificate program, AICPA-sponsored or other comparable quality programs.
- 4) Describe the Auditor's qualifications as they relate to each of the services desired by the Town.
- 5) Describe the Auditor's current workload and ability to complete project in a timely manner.
- 6) Provide a list of the local office's municipal government clients for the three preceding fiscal years. Indicate the type(s) of services performed and the number of years served for each. Also, indicate the years in which each client received a GFOA Certificate of Achievement for Excellence in Financial Reporting. Provide the name of a reference and the individual's telephone number for each client listed for which services were provided in fiscal years 2012 to 2014. Indicate the local office's experience in providing additional services to local government clients by listing, for the last three years, the name of each government, the type(s) of service performed and the year(s) of engagement.
- 7) Provide a copy of the Auditor's most recent peer review.
- 8) Provide information about the availability of support services (e.g., phone support, meetings) when needed.
- 9) Describe the Auditor's training opportunities available to Town staff.
- 10) Describe special services, information resources, computer programs, etc. relevant to the auditing services requested, that the proposing Auditor or individual can provide to the Town.
- 11) Describe your experience in relation to the scope of audits for the Town.
- 12) Describe capability to audit computerized accounts receivable systems.
- 13) Describe the detailed audit plan for the Town.

- 14) Describe procedures used to transmit audit adjustments and the reasons for them along with management recommendations to the Town Treasurer.

#### Qualifications of Assigned Staff

- 1) Describe the experience in government audits of each person assigned to the engagement, the particular branch office out of which these individuals work, years on each job and position while on each engagement. Describe the relevant educational background of each individual assigned to the audit. This should include seminars and courses attended within the past three years, identifying governmental education separately.
- 2) Describe in some detail any additional resources which the Auditor would have available for reviews of Information Technology and specific technical matters involved in this audit.
- 3) Indicate the estimated hours by position that audit staff will be assigned to perform the scope of services, with hours on-site at the Town and off-site identified separately.
- 4) Indicate experience with treasurer turnover audits and additional audit services.
- 5) Describe the audit staff's assignments and availability to complete the audit on in a timely manner.
- 6) Describe the participation of senior staff assigned to the audit, and availability of audit staff to respond to questions within the scope of engagement and the hourly charge, if any, for services outside the scope of the audit.
- 7) Describe the employment longevity of audit staff who will be assigned to perform the audit.

#### Auditor's Understanding of Scope of Services and Approach to Services

In submitting his proposal, the Auditor provide the following:

- 1) Describe the understanding of and approach to the project as presented herein.
- 2) Describe the time of each significant phase of audit work and the level of staff devoted to each phase.
- 3) Describe the type of audit program used (tailor-made, standard government or standard commercial).
- 4) Provide illustrations of audit procedures to be employed.

- 5) Indicate areas in which the Auditor will focus particular attention.
- 6) Describe the information technology audit approach.
- 7) Describe the typical assistance expected from the Town's staff, generally.
- 8) Describe the management letter.
- 9) Provide a tentative schedule for completing services within the deadlines specified herein in which you estimate the number of hours to complete the audit.
- 10) Describe the working papers retention policy.
- 11) Provide a detailed description of expected expenses to be incurred, i.e. mileage, per diem, telephone, etc.

#### Fees for Services

The Auditor shall submit to the Town non-binding estimates of professional fees for the proposed Scope of Services. Such estimates will be used in the ranking of Auditors in accordance with the Virginia Public Procurement Act. Prior to contract award, it is the Town's intent to negotiate a fixed fee for each year of the contract by type of service (i.e. audit, treasurer turnover, school activity fund, etc.) for each engagement.

Please provide the fee proposal to conduct the basic audit function, along with the fee schedule for additional services that may be required beyond the scope of the basic auditing services. Any fee increases shall be immediately disclosed to the Town Manager of the Town of Dumfries, and fee increases must be confirmed and accepted by the Town Manager, or his designee. The proposal should include an estimation of the increased fees, if any, and the reason for the proposed increase.

#### Insurance

The proposal should address the insurance coverage of the Auditor. A sample insurance certificate submitted as part of the proposal is the preferred method of indicating coverage. (Original certificates of insurance signed and provided by authorized representatives of the insurers or, at the Town's request, certified copies of insurance policies evidencing that the required insurance is in effect, shall be provided to the Town Treasurer prior to award of the contract, and within seven days of any written request a certificate, and for each year for five years after Final Payment for the Work.)

The Auditor shall be required to maintain in force such insurance, in amounts and types acceptable to the Town, as will protect itself and the Town from claims which may arise out of or result from the execution of the work, whether such execution be by itself, its employees, agents, subcontractors or by anyone for whose acts any of them may be liable. This coverage should include, at a minimum, Worker's Compensation & Employers' Liability (if required by statute), Commercial General Liability (including premises/operations, independent Auditors, products and

completed operations, contractual liability and personal injury liability) and Automobile Liability Insurance. All insurance shall be provided by companies authorized to conduct business in the Commonwealth. Insurers should have a rating of “A-”, Class VII, or better, in the latest evaluation of A. M. Best Company, or as otherwise approved by the Town. Applicable insurance policies should be endorsed to provide that the policy is not subject to cancellation, non-renewal or material reduction in coverage until 30 days prior written notice has been given to the Town Treasurer of the Town of Dumfries, Virginia and its elected and appointed officials, officers, consultants, agents and employees should be named as additional insureds on the Auditor’s Commercial General Liability insurance.

#### Other Information

Include other relevant information the Auditor deems necessary to describe its qualifications to provide the services needed to successfully complete the work described in the Scope of Services or which the Auditor deems are relevant to its selection. Based on the information provided in this Request for Proposals, the Auditor should identify all materials and services expected from the Town in addition to general assistance.

### **CRITERIA FOR PROPOSAL EVALUATION**

#### Qualifications of the Auditor

The Town will consider the overall qualifications and experience of the Auditor, the project team and any subcontractors, including previous experience in providing these services and any information supplied by references in conjunction with the contract language and agreements required, including exceptions to the Town's standard contract form and additional terms, conditions and Instructions to Auditor and the quality and specificity of proposal response. The Town will also consider the following:

- 1) Overall qualifications of the Auditor assigned to the contract, including previous experience in providing the requested services.
- 2) Auditor’s Understanding of Scope of Services and Approach to Services
- 3) Proposed methodology for completion of required services.
- 4) Type of programs utilized in providing services.
- 5) Proposed schedule.
- 6) Availability of support services (e.g., phone support, meetings) when needed.

### **METHOD OF AWARD**

Following evaluation of the written proposals as submitted, selection shall be made of two or more Auditors deemed to be fully qualified and best suited among those submitting proposals, on the

basis of the factors involved in the Request for Proposals, including the fee for services if so stated in the Request for Proposals. Negotiations shall then be conducted with the Auditors so selected, and the Town will award the contract upon the conclusion of the evaluation and negotiation process.

Fee for services shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Auditor so selected, the Town shall select the Auditor which, in its opinion, has made the best proposal, and shall award the contract to that Auditor or to multiple Auditors should the Town decide this to be in its best interest. Should the Town determine in writing and in its sole discretion that only one Auditor is fully qualified, or that one Auditor is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Auditor.

### **CONTRACT TERM, RENEWAL, PRICE ESCALATION AND TERMINATION**

The term of this contract shall be from the date of contract signing through the completion of all work required to complete audit services for each fiscal year, through fiscal year ending June 30, 2018, with three (3) options to renew and extend the terms of this contract for an additional three (3) year period.

For future contract periods, price increases shall be limited to the percentage increase in the Consumer Price Index, Urban Wage Earners and Clerical Workers (CPI-W), U. S. City Average, All Items for the most recently published twelve months as published by the U. S. Department of Labor, Bureau of Labor Statistics. The base price to which any adjustments will be made shall be the prices in effect during the contract term prior to the proposed term.

The Auditor shall give the Town Treasurer written notice of its intention to terminate the contract, or not to renew the contract, at least 60 days prior to the proposed termination or renewal date of the Contract.

### **GENERAL TERMS AND CONDITIONS**

(References to “Auditor” in this section are to the successful Auditor who enters into a contract with the Town.)

#### **Certifications**

By submitting its proposal, the Auditor certifies that it has not combined, conspired or agreed to intentionally rig, alter or otherwise manipulate, or cause to be rigged, altered or otherwise manipulated its proposal for the purpose of allocating purchases or sales to or among persons, raising or otherwise fixing the prices of the goods or services, or excluding other persons from dealing with the Town.

By submitting its proposal, the Auditor certifies that its proposal is made without collusion or fraud and that it has not offered or received any kickbacks or inducements from any Auditor, supplier,

manufacturer or subcontractor in connection with its proposal; and that it has 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.

#### Independent Auditor

The Auditor is an independent Auditor and nothing contained in the contract shall constitute or designate the Auditor or any of its agents or employees as employees of the Town.

#### Rejection and Award of Proposals

The Town reserves the right to accept or reject any or all proposals, to waive informalities, and to reissue any request for proposals and to award contracts to multiple Auditors if so stated. A Notice of Contract Award for this solicitation shall be posted on a bulletin board outside the Town for a period of at least 10 calendar days. Any contract resulting from this Request for Proposal shall not be exclusive to the successful Auditor unless so stated in the Request for Proposals. The Town reserves the right to contract with Auditors not party to the resultant contract for similar work if it determines this to be in its best interest. If this is a cooperative procurement, each entity referenced will award a contract in accordance with its respective independent procurement policies and procedures and as it deems will best serve its interests.

#### Withdrawal of Proposals

An Auditor may withdraw its proposal prior to the deadline for submission upon written request and presentation of proper identification. By submitting a proposal, the Auditor agrees that the proposal will not be withdrawn for a period of 90 days following the due date for proposals.

#### Auditor Registration/Licensure

If required in order to perform any of the work in this Request, the Auditor certifies that the Auditor has the appropriate License or Certificate and classification(s) required to perform the work included in the scope of the bid documents, prior to submitting the bid, in accordance with Title 54.1, Chapter 11 of the Code of Virginia and in accordance with the laws, rules and regulations of the Commonwealth of Virginia, Department for Professional and Occupational Regulation, Virginia Board for Auditors in granting the License or Certificate and classifications. If required for the work called for in the Request, the Auditor shall also obtain a business license from the Town Treasurer. Foreign corporations transacting business in Virginia are required to have a certificate of authority from the Virginia State Corporation Commission prior to signing any contract with the Town.

#### Contract Termination

Unless specified otherwise, any resultant contract may be terminated by the Town, in whole or in part, whenever the Town determines that such a termination is in its best interests. Any such termination shall become effective on the date stated in a written notice of termination mailed to

the Auditor as provided in the Notification paragraph below. The notice of termination shall state the extent to which performance shall be terminated. The Auditor shall be paid for all goods delivered or services successfully completed prior to the termination date.

If funds are not appropriated for this contract for any Town fiscal year, the contract shall terminate automatically, without prior notice, after the last day for which funds were appropriated. Contract termination pursuant to this section shall not be considered a contract default, and the Town shall not be liable for future payments or for cancellation or termination charges.

### Ownership of Documents

All finished or unfinished information or materials, documents, data, studies, surveys, drawings, maps, models, photographs, and reports or other materials prepared by or for the Auditor under any resultant contract shall, at the option of the Town, become Town property and shall be delivered to and remain the property of the Town upon completion of the work or termination of the Contract. The Town shall have the right to use and reproduce the data and reports submitted hereunder, without additional compensation to the Auditor.

Any documents or other materials provided to the Auditor by the Town shall be returned to the Town upon delivery of the final products and/or services. Any reports, work products, or other materials produced by the Auditor in order to supply the products or services contracted for shall become the property of the Town and shall be sent to the Town upon delivery of the final products and/or services unless otherwise requested by the Town. Failure to deliver the reports, work product or other material produced by the Auditor in order to supply the services contracted for shall be cause for withholding any payments due.

### Licenses and Permits

The Auditor shall secure and pay for all permits, governmental fees and licenses necessary for the proper execution and completion of the Auditor's work which are legally required prior to and during the work, including software licenses or other intellectual property permissions, unless otherwise specified by the Town.

### Royalty and License Fees and Copyright, Trademark and Patent Protection

In submitting its proposal, the Auditor certifies that there has been no violation of copyrights or patent rights in manufacturing, producing, or selling the commodities or services to be ordered as a result of this Request. Unless specified otherwise in the Contract, the Auditor shall pay all royalty and license fees relating to the items covered by the contract. In the event any third party shall claim that the manufacture, use and sales of these goods offered hereby constitutes an infringement of any copyright, trademark, or patent, the Auditor shall indemnify and hold harmless the Town from any cost, expense, damage or loss incurred in any manner by the Town on account of such alleged infringement.

## Taxes

The Town is exempt from Federal Excise and State Sales and Use Tax on all tangible personal property purchased or leased by it for its use or consumption. The Auditor shall pay all Town, City, State and Federal taxes required by law enacted at the time bids are received and resulting from the work or traceable thereto, under whatever name levied. Said taxes shall not be added to the contract price between the Town and the Auditor, as the taxes shall be an obligation of the Auditor and not of the Town, and the Town shall be held harmless for same by the Auditor. Tax exemption certification will be supplied by the Auditor upon request.

## Acceptance of Goods/Services

Goods/services delivered shall remain the property of the Auditor until a physical inspection or actual usage of the goods/services is made and thereafter accepted to the satisfaction of the Town. The goods/services must comply with the specifications and terms and conditions of the Request and be of the highest quality. In the event the goods/services supplied to the Town are found to be defective or not to conform to specifications, the Town reserves the right to cancel the Contract upon written notice to the Auditor and return products to Auditor at the Auditor's expense.

## Contract Changes

Any changes to the Contract must be approved through issuance of a written contract addendum or change order. The Town will not assume responsibility for the cost of any changes made without issuance of a written contract addendum or change order.

## Payment for Services

Payments to the Auditor shall be made within 30 days after receipt of an approved invoice, with invoices submitted no more often than monthly, unless other payment and/or billing terms are specified in the Contract. Backup documentation for each invoice shall be provided in detail satisfactory to the Town. The Auditor's records and documentation supporting such invoices shall be made available to the Town upon reasonable request. The Auditor agrees to retain all records, documents and support materials relevant to the Contract for a period of five years following final payment.

## Damage to Property

The Auditor shall be responsible for damages to property caused directly or indirectly by its actions or omissions in performing its work under the Contract. The Auditor shall repair to proper working order or replace, to the Town's satisfaction, any property damaged directly or indirectly by the Auditor's actions or omissions.

## Compliance with All Requirements

The Auditor shall comply with and provide all deliverables in compliance with all applicable federal, State and local laws and regulations.

### Legal Proceedings

Any legal proceedings arising out of or related to this agreement shall be filed by the parties in the Prince William County General District Court or the Prince William County Circuit Court and any resulting contract shall otherwise be governed by the laws of the Commonwealth of Virginia.

### Subcontracting and Assignment of Work

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

The Town will, during the term of this Agreement, have the right of reasonable rejection of staff or subcontractors assigned to the project by the Auditor. If the Town reasonably rejects staff or subcontractors, the Auditor must provide replacement staff or subcontractors satisfactory to the Town in a timely manner and at no additional cost to the Town. The day-to-day supervision and control of the Auditor's employees shall be solely the responsibility of the Auditor.

### Notification

Any notice required by the Contract shall be effective if given by registered mail, return receipt requested, to the Auditor in the name and at the address given in its proposal submission; provided that change of address shall be effective if given in accordance with this paragraph. Unless otherwise specified, any notice to the Town shall be given to the Town Treasurer for the Town of Dumfries. The Auditor agrees to notify the Town Treasurer immediately of any change of legal status or of address. Any notice provided in accordance with this paragraph shall be deemed to have been completed five calendar days after the date of mailing.

### Severability

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

## **CONTRACTUAL PROVISIONS INCLUDED PURSUANT TO STATUTES**

Nondiscrimination and Drug-Free Workplace. If the resultant Contract exceeds \$10,000 during the performance of the Contract, the Auditor agrees as follows:

The Auditor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law

relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Auditor. The Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination 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 agrees to (i) provide a drug-free workplace for the Auditor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Auditor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Auditor that the Auditor maintains a drug-free workplace. 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 an Auditor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of the contract.

The Auditor will 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.

### **PAYMENTS TO SUBCONTRACTORS**

Pursuant to Virginia Code Section 2.2-4354, the Auditor agrees that:

- 1) Should any subcontractor be employed by the Auditor for the provision of any goods or services under this Contract, the Auditor agrees to the following:
- 2) The Auditor shall, within seven days after receipt of any payments from the Town pursuant to this Contract, either:
  - a) Pay the subcontractor for the proportionate share of the total payment received from the Town attributable to the goods or services provided by the subcontractor; or
  - b) Notify the Town, as applicable, and the subcontractor, in writing, of the intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
  - c) Written notice to the Town shall be given to: Town Treasurer Town of Dumfries, Virginia, John Wilmer Porter Town Hall, 17755 Main Street, Dumfries, Virginia 22026.

- 3) The Auditor shall pay interest to the subcontractor, at the rate of one percent per month on all amounts owed to the subcontractor that remain unpaid after seven days following receipt of payment from the Town for goods or services provided under this Contract, except for amounts withheld under subparagraph immediately above.
- 4) The Auditor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.
- 5) The Auditor's obligation to pay an interest charge to a subcontractor shall not be an obligation of the Town.
- 6) No contract modification shall be allowed for the purpose of providing reimbursement for these interest charges. No cost reimbursement claim shall include any amount for reimbursement of these interest charges.

### **CONTRACTUAL CLAIMS**

Contractual claims, whether for money or other relief, shall be submitted in writing no later than 60 days after final payment; however, written notice of the Auditor's intention to file such claim shall have been given at the time of the occurrence or beginning of the work upon which the claim is based. Any notice or claim shall be delivered to the Town Treasurer Town of Dumfries, Virginia, John Wilmer Porter Town Hall, 17755 Main Street, Dumfries, Virginia 22026 and shall include a description of the factual basis for the claim and a statement of the amounts claimed or other relief requested.

The Town Manager shall render a decision on the claim and shall notify the Auditor within 30 days of receipt of the claim. The Auditor may appeal the decision of the Town Manager to the Town Council for the Town of Dumfries by providing written notice to the Town Manager, within 15 days of the date of the decision. The Town Council for the Town of Dumfries shall render a decision on the claim within 60 days of the date of receipt of the appeal notice and such decision shall be final unless the Auditor appeals the decision in accordance with the Virginia Public Procurement Act. Invoices for all services or goods provided by the Auditor shall be delivered to the Town no later than 30 days following the conclusion of the work or delivery of the goods.

### **ETHICS IN PUBLIC CONTRACTING**

The provisions contained in Virginia Code Sections 2.2-4367 through 2.2-4370, the Virginia Public Procurement Act, shall be applicable to all contracts solicited or entered into by this Town. A copy of these provisions may be obtained from the Treasurer upon request.

The provisions of this section supplement, but do not supersede, other provisions of law including, but not limited to, the State and Local Government Conflict of Interests Act (Title 2.2, Chapter 31 of the Virginia Code), the Virginia Governmental Frauds Act (Title 18.2, Chapter 12, Article 1.1 of the Virginia Code) and prohibitions against bribery and related offenses (Title 18.2, Chapter 10,

Articles 2 and 3 of the Virginia Code). The provisions apply notwithstanding the fact that the conduct described may not constitute a violation of the Virginia Conflict of Interests Act.

### **INDEMNIFICATION**

To the full extent permitted by law, the Auditor shall indemnify and hold harmless the Town and its officials, agents and employees from and against all claims, damages, losses and expenses, direct, indirect or consequential (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court costs) arising out of or resulting from this Contract, provided that any such claim, damage, loss or expense is caused in whole or in part by any negligent acts, errors or omissions, recklessness or intentionally wrongful conduct of the Auditor, any subcontractor, any persons or organization directly or indirectly employed by any of them to perform or furnish any of the work, or anyone for whose acts any of them may be liable.

### **RECORD MAINTENANCE**

The Auditor shall maintain books, records and documents of all costs and data in support of the services provided under the resultant contract for a period of not less than five years after the effective date of final payment or contract termination. During this five year term, the Town, or its authorized representative, shall have unlimited access to, and the right to audit, the books, records and documents of the Auditor during the Auditor's normal working hours. There shall be no fees or costs charged to the Town by the Auditor for any such audit activities.

The Auditor shall include the audit provisions of this section in all subcontracts and contracts of any entity providing goods or services pursuant to the contract so as to guarantee the Town's rights to audit any person or entity performing work pursuant to the contract, all at no additional cost to the Town.

Should the Auditor fail to ensure the Town's rights under this section, the Auditor shall be liable to the Town for all reasonable costs and expenses the Town may incur to obtain an audit or inspection of the records which would have otherwise been available under the provisions of this section.

### **CERTIFICATIONS**

On behalf of the Offeror:

- 1) The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- 2) The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.

- 3) The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.

The individual signing certifies that the price quoted in the proposal has not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.

The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before January 1, 2005. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*. The individual signing certifies that he/she has read and understands all of the information in the Request for Proposal, including the information on the programs/grants/contracts to be audited.

The individual signing certifies that the Offeror, and any individuals to be assigned to the audited, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

On this \_\_\_\_ day of \_\_\_\_\_, 2015.

---

(Offerors Company Name)

---

(Signature of Offerors Representative)

---

(Printed Name and Title of Individual Signing)