

INTRODUCED: March 13, 2017

AN ORDINANCE No. 2017-070

To authorize the Director of Procurement Services, for and on behalf of the City of Richmond, to execute a Goods and Services Contract between the City of Richmond and CliftonLarsonAllen LLP for auditing services.

Patrons – President Hilbert, Vice President Newbille, and Ms. Gray

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 27 2017 AT 6 P.M.

WHEREAS, pursuant to a process of competitive negotiation for professional services undertaken in accordance with the requirements of Chapter 21 of the Code of the City of Richmond (2015), as amended, City officials have solicited proposals and selected a contractor, CliftonLarsonAllen LLP, to provide auditing services; and

WHEREAS, pursuant to section 2-1081(b)(4) of the Code of the City of Richmond (2015), as amended, the City’s Audit Committee has provided, by the time of the City Council’s consideration of this ordinance, its recommendations concerning the selection of this external auditor to the City Council; and

WHEREAS, section 8.10 of the Charter of the City of Richmond (2010), as amended, requires the approval of the City Council in order for the City to enter into a contract for such auditing services;

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 27 2017 REJECTED: _____ STRICKEN: _____

NOW, THEREFORE,

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Director of Procurement Services, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Goods and Services Contract between the City of Richmond and CliftonLarsonAllen LLP to provide auditing services. Such contract shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

RECEIVED

MAR 03 2017

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lou Brown Ali *LB*
Council Chief of Staff

FROM William E. Echelberger, Jr, Council Budget Analyst *WEE*

COPY Chris A. Hilbert, 3rd District Representative
Cynthia I. Newbille, 7th District Representative
Kimberly B. Gray, 2nd District Representative
Haskell Brown, Deputy City Attorney
Meghan K. Brown, Deputy Council Chief of Staff *MLB*
Umesh V. Dalal, City Auditor
Lisa F. Towns, 3rd District Liaison
Sam Patterson, 7th District Liaison
Bryce H. Lyle, 2nd District Liaison

OFFICE OF CITY ATTORNEY

DATE March 3, 2017

PAGE/s 1 of 2

TITLE Multi-Year Audit Contracts

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

President Hilbert, Vice-president Newbille,
Kimberly B. Gray, 2nd District Representative

SUGGESTED STANDING COMMITTEE

Government Operations

ORDINANCE/RESOLUTION SUMMARY

The patrons request an ordinance to authorize execution of multi-year contracts with an external audit firm to perform the audit for the City's Comprehensive Annual Financial Reports (CAFR's), Single Audits, and all other agreed upon audit procedures.

BACKGROUND

Summary:

- Currently, The City contracts for external audit services on an annual basis.
- The City currently has a contract with Clifton, Larson and Allen to conduct the annual audit for FY2016.
- Multi-year audit contracts are expected to ensure reliable and continued service.

FISCAL IMPACT STATEMENT

Fiscal Impact	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Budget Amendment Required	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Estimated Cost or Revenue Impact		

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /srs

**CITY OF RICHMOND
GOODS AND SERVICES CONTRACT**

This Contract, dated this 28 day of March, 2017 (the "Commencement Date") between the City of Richmond, Virginia (the "City") and CliftonLarsonAllen LLP (the "Contractor"), is binding among and between these parties as of the date of the City's final signature.

WHEREAS, the City has awarded the Contractor this Contract pursuant to Request for Proposals No. W170014237 (the "Request for Proposals") for External Auditing Services and Ordinance No. 2017-070, adopted March 27, 2017.

THEREFORE, in consideration of the Recital set forth above and good and valuable consideration as set forth below, the parties agree as follows:

1. **Scope of Contract.** The Contractor shall provide the goods and services to the City as set forth in the Contract Documents enumerated in Section 3 below.
2. **Contract Amount.** The maximum authorized contract amount for this Contract is Two Hundred Sixty-Seven Thousand and NO/100 U. S. dollars (\$267,000.00). The aggregate of all payments by the City under this Contract shall not exceed this amount. All payments shall be as provided in the Contract Documents.
3. **Contract Documents.** This Contract shall consist of the following Contract Documents, listed in order of precedence from highest to lowest:
 - A. This Goods and Services Contract between the City and the Contractor.
 - B. The Special Terms and Conditions attached to the Request for Proposals.
 - C. The General Terms and Conditions attached to the Request for Proposals.
 - D. The Statement of Needs attached to the Request for Proposals, as modified by Addendum No. 1, dated February 3, 2017.
 - E. The Contractor's Final Proposal to Provide External Auditing Services, dated February 22, 2017.
 - F. The Contractor's proposal dated February 9, 2017.
 - G. The Instructions to Offerors attached to the Request for Proposals (as modified by Addendum 1, dated February 3, 2017).

All of these documents are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto on the latest day and year written below have executed this Contract.

For the CONTRACTOR:

By: Gregory J. Bussink, III March 2, 2017
(signature in ink) Date
Gregory J. Bussink, III
(typed name)
Principal
(typed title)

IF A CORPORATION, AFFIX CORPORATE SEAL

For the CITY:

By: [Signature] 3/28/17
C. Edward Gibbs Date
Director of Procurement Services

APPROVED AS TO FORM:

[Signature] 3/28/2017
Deputy City Attorney Date

Contract Number 17000015493

PART IV
SPECIAL TERMS AND CONDITIONS

- I. Part III (“General Terms and Conditions”), Section 2.11.1 (“Work Product”) of the Request for Proposals is hereby deleted in its entirety and replaced with the following:

2.11.1 **Work Product.** Except as and only to the extent required under the professional standards applicable to the accounting profession, any material, report, or product, whether in electronic or paper form, that results from the execution of this Contract shall be the sole property of the City. The Contractor shall not copyright any material or reports. Upon request, the Contractor shall turn over all work papers and related documents to the City as provided in the Contract Documents.

END OF SPECIAL TERMS AND CONDITIONS

PART III
GENERAL TERMS AND CONDITIONS

1.0 Duration of Contract.

1.1 Commencement and Expiration. This Contract shall commence on the Commencement Date set forth in the Goods and Services Contract and shall expire three years later, unless terminated earlier in accordance with the provisions of this Contract.

1.2 Extension of Contract. The City reserves the right to extend the Contract for any reason for a period or periods up to but not to exceed 12 months. This extension clause may be exercised when the City determines that an extension of the Contract is advantageous to the City. Any extension beyond 12 months will be subject to section 1.3 ("Renewal"). This provision in no way affects or alters the ability of the City to renew the Contract consistent with section 1.3 ("Renewal"). If it is then decided to renew the Contract, the renewal date will commence on the day following the last day of the contract extension.

1.3 Renewal. The City may, at its sole option, renew this Contract for up to two one-year renewal terms by furnishing the Contractor with written notice of its decision to renew the Contract at least 60 calendar days before the expiration of the preceding term.

2.0 Contractor Responsibilities.

2.1 Independent Contractor. The Contractor shall provide the services required under this Contract as an independent contractor.

2.2 Advertising. The Contractor shall not use any indication of its services to the City for commercial or advertising purposes. However, the Contractor may list the City as a reference account for prospective customers.

2.3 Anti-Kickback Provision. The Contractor warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Contractor to solicit or secure this Contract and that it has not paid or agreed to pay any company or person other than a bona fide employee working solely for the Contractor any fee, commission, percentage, brokerage fee, gifts or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the City shall have the right to annul or void this Contract without liability or, in its sole discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

2.4 Century Compliance. The Contractor warrants that the hardware, software and firmware products, provided for use by the City or used by the Contractor to provide any service or commodity that is the subject of this Contract, individually and in

combination, shall successfully process, store and perform calculations with dates regardless of the century in which the dates occur.

2.5 **Compliance with Laws.** The Contractor shall comply with the provisions of any statutes, ordinances, rules, regulations, or other laws enacted or otherwise made effective by any local, state, or federal governmental entity which may be applicable to the performance of this Contract and shall obtain all necessary licenses and permits thereunder.

2.6 **Contractor Misrepresentation.**

2.6.1 **In General.** If the Contractor knowingly makes a material misrepresentation in submitting information to the City, such misrepresentation will be sufficient grounds for rescinding the award of this Contract.

2.6.2 **MBE/ESB Participation.** By issuing the Request for Proposals, the City intends that MBE / ESB participation proposed as part of any proposal in response hereto be binding on the Contractor. Consequently, if the Contractor falsely representing proposed MBE/ESB participation, or failing to comply with proposed participation, may be in breach of contract. Upon determination of a breach, the City shall have all available remedies for breach of contract, which may include, but is not limited to, one or more of the following: (i) forfeiture, (ii) investigation, and (iii) debarment.

2.7 **Drug-Free Workplace.**

2.7.1 **Policy.** City Council Resolution No. 2000-R197-191 prohibits the City from contracting with any contractor that fails to comply with this policy. The Contractor certifies that it has taken and will continue to take appropriate and effective action to (i) educate its employees about the dangers of drug abuse in the workplace, (ii) provide its employees with effective drug counseling, rehabilitation and employee assistance programs, any or all, (iii) discipline employees who violate the requirement of a drug-free workplace, and (iv) minimize, to the greatest extent possible, the risks of drugs entering the workplace. The Contractor is also prohibited from contracting with any other party that fails to comply with this policy. Failure by the Contractor or its subcontractor to comply with the provisions outlined above will be cause for termination of the Contract.

2.7.2 **Contractor's Plan.** The Contractor shall implement and maintain a Drug-Free Workplace Plan specific to the services and work covered by this Contract that is implemented and effectively used throughout the duration of this Contract to accomplish the requirements of section 2.7.1 ("Policy") above.

2.8 **Human Rights.**

2.8.1 **Civil Rights Act Compliance.** During the performance of this Contract, the Contractor agrees, pursuant to Resolution No. 74-R8-11 adopted February 25, 1974 by the Council

of the City of Richmond, to comply fully with Titles VI and VII of the Civil Rights Act of 1964, as amended, and all regulations promulgated thereunder.

The essence of this requirement is found in the United States Code Annotated, Title 42, Section 2000e-2, which states in part:

- “a. It shall be an unlawful employment practice for an employer:
- (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual’s race, color, religion, sex, or national origin; or
 - (2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual’s race, color, religion, sex or national origin.”

By entering into this Contract, the Contractor certifies that it has complied with Titles VI and VII of the Civil Rights Act of 1964, as amended.

2.8.2 Richmond City Code Compliance. Pursuant to section 21-70 of the Code of the City of Richmond (2004), as amended:

- (a) During the performance of this Contract, the Contractor agrees as follows:
- (1) The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - (2) The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, shall state that such Contractor is an equal opportunity employer.
 - (3) Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

- (b) During the performance of this Contract, the Contractor shall include the provisions of subsection (1) of the section in every subcontract or purchase order of over \$10,000.00, so that the provisions will be binding upon each subcontractor or vendor.
- 2.9 **Intellectual Property.** The Contractor represents and warrants that all goods and services that it will furnish under this Contract do not and will not infringe on any valid copyright, patent, service mark or trademark. The Contractor shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods or systems selected by the Contractor or used by the Contractor in the performance of its services. The Contractor shall defend, hold harmless and indemnify the City from all suits or claims for infringement of any patent rights or copyrights arising out of such selection.
- 2.10 **Personnel.** The Contractor shall not replace a person indicated in the Contractor's proposal as being assigned to perform services under this Contract for the City except in accordance with the provisions of this section. If the Contractor wishes to replace such a person, the Contractor shall provide the contract administrator of the City with a résumé of any proposed substitute, the opportunity to interview the proposed substitute and an explanation of the reason the substitution is necessary. The contract administrator of the City will only approve such a substitution when, in their opinion, the proposed substitute has equal or greater qualifications and experience than the person replaced.
- 2.11 **Property of Work.**
- 2.11.1 **Work Product.** Any material, report or product, whether in electronic or paper form, that results from the execution of this Contract shall be the sole property of the City. The Contractor shall not copyright any material or reports. Upon request, the Contractor shall turn over all work papers and related documents to the City.
- 2.11.2 **City Property.** Any data or material with which the City furnishes the Contractor shall remain the property of the City. When it no longer needs such data or material for its performance of this Contract, the Contractor shall return such data or material to the City or destroy such data or material using a method approved by the City.
- 3.0 **Payment.**
- 3.1 **Basis.** The City shall pay the Contractor for all goods delivered and services performed under this Contract in accordance with the pricing provisions set forth in the Contract Documents.
- 3.2 **Schedule.** The Contractor shall invoice the City on a schedule in accordance with the Contract Documents.
- 3.3 **Terms.** The City shall pay the Contractor as follows: Net 45 days.

- 3.4 **Subject-to-Appropriations.** All payments and other performance by the City under this Contract are subject to annual appropriations by the City Council; consequently, this Contract shall bind the City only to the extent that the City Council appropriates sufficient funds for the City to perform its obligations hereunder.
- 3.5 **When City Obligated to Pay.** The City shall not be obligated to purchase or pay for any goods or services covered by this Contract unless and until they are ordered and either delivered or performed, as the case may be.
- 3.6 **Offset Clause.** Pursuant to the Richmond City Charter, the City may withhold the payment of any claim or demand by any person, firm or corporation against the City until any delinquent indebtedness or other liability due the City from such person, firm or corporation shall first have been settled and adjusted.
- 3.7 **Taxes.** All prices shall be submitted exclusive of direct Federal, State and Local Taxes. The City shall not be liable for the payment of any taxes levied by any local, state, or federal governmental entity against the Contractor, and the Contractor shall pay all such taxes; furthermore, should the City nevertheless pay any such taxes, the Contractor shall reimburse the City therefor.
- 3.8 **Invoices.** The Contractor shall submit invoices that include a unique invoice number, the applicable City purchase order number, and the Contractor's federal Taxpayer Identification Number. All invoices submitted by the Contractor must set forth each item billed in sufficient detail to enable the City to ensure that the item was ordered and corresponds with the contract price for such item. If the Contractor does not include all of the required information on the invoice, the City may reject and return the invoice unpaid. The Contractor shall submit the original invoice to the City's Department of Finance at either:

accountspayable@richmondgov.com

or

City of Richmond
Accounts Payable
900 East Broad Street
Richmond, VA 23219.

The City prefers that the original invoice be sent to the above electronic mail address to facilitate timely payment. The Contractor shall submit a duplicate invoice to the attention of the "Requester" identified on the purchase order at the "Ship To" address identified on the purchase order.

- 3.9 **MBE/ESB Participation—Reporting Requirement.** In cases where the Contractor uses a minority subcontractor or vendor, it shall indicate the percentage of the invoiced amount that such minority subcontractor or vendor performed on the MBE-3 form

available on the City's website. The Contractor shall submit this form directly to the Office of Minority Business Development. The Contractor may contact the City's Office of Minority Business Development at (804) 646-3985 for questions or clarifications on the reporting policy. At the end of its performance of this Contract, the Contractor shall submit a summary in a format designated by the City of all payments made to minority subcontractors or contractors.

3.10 **Payment by ACH.** The Contractor agrees that the City may make all payments to the Contractor, at the option of the City, of any or all amounts due under this Contract through the Automated Clearing House network.

4.0 **Indemnification and Insurance.**

4.1 **Indemnification.** The Contractor shall indemnify, defend and hold harmless the City, its officers, agents and employees from and against any and all losses, liabilities, claims, damages and expenses (including court costs and reasonable attorneys' fees) arising from any material default or breach by the Contractor of its obligations specified in this Contract, as well as all claims arising from errors, omissions, negligent acts or intentional acts of the Contractor, its officers, agents and employees. Further, the Contractor shall assume the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of the Contractor, its subcontractors, its agents or its employees under or in connection with this Contract. The Contractor shall hold harmless and indemnify the City, and its agents, volunteers, servants, employees, and officers from and against any and all claims, losses or expenses, including but not limited to court costs and attorneys' fees, which any of them may suffer, pay or incur as the result of claims or suits due to, arising out of or in connection with any and all such damage, real or alleged. The Contractor shall, upon written demand by the City, assume and defend at the Contractor's sole expense any and all such claims or legal actions.

4.2 **Insurance.** The Contractor shall provide and maintain throughout the life of this Contract insurance in the kinds and amounts specified in this section with an insurer licensed to transact insurance business in the Commonwealth of Virginia. Each insurance policy, endorsement and certificate of insurance shall be signed by duly authorized representatives of such insurers and shall be countersigned by duly authorized local agents of such insurers.

4.2.1 **Costs and Premiums.** The Contractor shall pay all premiums and other costs of such insurance. The consideration paid or to be paid to the Contractor for the performance of the Contract includes the premiums and other costs of such insurance, and neither the City shall be responsible therefor.

4.2.2 **Policy Requirements.** All insurance contracts and policies shall provide, or be endorsed to provide, as follows:

- (i) Subrogation against the City shall be waived.

- (ii) The City, and its officers, employees, agents and volunteers shall be listed as an additional insured, except for Workers Compensation and Professional Liability.
- (iii) Coverage will not be canceled, non-renewed or materially modified in a way adverse to the City without 30 days' written notice to the City.
- (iv) The insolvency or bankruptcy of any of the insured shall not release the insurer from its obligation to satisfy claims otherwise within the coverage of such policies.

No insurance contract or policy shall be expanded to afford coverage which is greater than the maximum coverage approved for writing in the Commonwealth of Virginia.

4.2.3 Evidence to Be Furnished.

4.2.3.1 Endorsements. The Contractor shall furnish the City with a copy of the policy endorsement listing the City, and its officers, employees, agents and volunteers as an additional insured for each policy, other than Workers Compensation and Professional Liability, required under this section 4.2 ("Insurance"). The Contractor shall furnish the City with copies of such other endorsements as may be required under this Contract upon request by the City therefor.

4.2.3.2 Certificates of Insurance. The Contractor shall furnish the City with a certificate of insurance evidencing the above coverage, indicating that the City, and its officers, employees, agents and volunteers are listed as additional insured for each policy, other than Workers Compensation and Professional Liability, and that the coverage will not be canceled, non-renewed or materially modified in a way adverse to the City without 30 days' written notice to the City. All certificates of insurance shall show the Contract Number assigned to this Contract by the City.

4.2.3.3 Contracts and Policies. The Contractor is not required to furnish the City with copies of insurance contracts or policies required by this section 4.2 ("Insurance") unless requested at any time by the City's Director of Procurement Services.

4.2.4 Schedule of Coverage. The Contractor shall provide and maintain the following types of insurance in accordance with the requirements of this section 4.2 ("Insurance"):

- (i) Commercial General Liability Insurance with a combined limit of not less than \$1,000,000 per occurrence.
- (ii) Automobile Liability Insurance with a combined limit of not less than \$1,000,000 per occurrence.

- (iii) Statutory Workers' Compensation and Employers' Liability Insurance with the Alternate Employer Endorsement WC 000301.
- (iv) Either (a) for professional services, Professional Liability Insurance with limits of not less than \$1,000,000 per claim, or (b) for non-professional services, Errors and Omissions Insurance with limits of not less than \$1,000,000 per occurrence.

5.0 Assignment, Delegation and Subcontracting.

5.1 By City. The City may assign their rights or delegate their duties, in whole or in part, under this Contract by written notice delivered to the Contractor. Such transfer of rights or duties shall take effect upon the date specified in the notice or upon the assumption, if necessary, of the delegated duties by the assignee, whichever is later.

5.2 By Contractor. The Contractor shall not assign its rights or delegate its duties, or any part thereof, under this Contract without the prior written consent of the City. Further, the Contractor shall not assign, sublet or transfer its interest or any part thereof in this Contract by means or as part of any sale, merger, consolidation, assignment or any other event that would result in new or different ownership, control, operation or administration of the Contractor's business affairs without the prior written consent of the City.

5.3 Subcontracting. This Contract shall not be subcontracted without the prior written approval of the City's Director of Procurement Services.

6.0 Remedies and Termination.

6.1 Default. In case of default of the Contractor or if the Contractor fails to deliver the supplies or services ordered by the time specified, the City, after due notice in writing, may procure them from other sources and hold the Contractor responsible for any excess cost occasioned thereby. This remedy shall be in addition to any other remedies available to the City.

6.2 Termination with Cause.

6.2.1 Notice. The City may terminate this Contract with cause at any time for the Contractor's failure to perform its obligations under this Contract or to otherwise adhere to the terms and conditions of this Contract by delivery of written notice to the Contractor of the intent of the City to so terminate. Such notice shall be delivered at least seven calendar days prior to the date of termination and shall otherwise be given in accordance with the requirements of this Contract for the delivery of notices.

6.2.2 Cure. If the Contractor cures the failure to perform or otherwise adhere to the terms and conditions of this Contract to the satisfaction of the City, indicated in writing to the Contractor, during this seven calendar day period, then the notice of termination with cause shall be deemed null and void.

- 6.2.3 **Effect.** Upon such termination, the City shall be liable only to the extent of costs which may be reimbursable under this Contract that have been submitted by the Contractor and approved by the City up to the time of termination and only upon delivery to the City of all completed or partially completed work performed by the Contractor. The City shall have full right to use such work in any manner when and where it may designate without claim on the part of the Contractor for additional compensation.
- 6.3 **Termination without Cause.**
- 6.3.1 **Notice.** The City may terminate this Contract without cause by delivery of written notice to the Contractor of the City's intent to so terminate. Such notice must be delivered at least 90 calendar days prior to the date of termination and must otherwise be given in accordance with the requirements of this Contract for the delivery of notices.
- 6.3.2 **Effect.** Upon such termination, the City shall be liable only to the extent of any (i) costs which may be reimbursable under this Contract that have been submitted by the Contractor and approved by the City up to the time of termination and (ii) fees to which the Contractor may be entitled under this Contract as a result and only upon delivery to the City of completed or partially completed work. The City shall have full right to use such work in any manner when and where it may designate without claim on the part of the Contractor for additional compensation. No termination notice will relieve the Contractor of the obligation to deliver or perform on all outstanding orders issued prior to the effective date of termination.
- 6.4 **Termination by Contractor.**
- 6.4.1 **Notice.** The Contractor may terminate this Contract if the City Council does not appropriate sufficient funds for the City to perform its obligations under this Contract by delivery of written notice to the City of the Contractor's intent to so terminate. Such notice shall be delivered at least 45 calendar days prior to the date of termination and shall otherwise be given in accordance with the requirements of this Contract for the delivery of notices.
- 6.4.2 **Cure.** If the City cures the non-appropriation of funds by appropriating sufficient funds during this 45 calendar day period, then the Contractor's notice of termination shall be deemed null and void.
- 6.4.3 **Effect.** Upon such termination, the Contractor shall have no further obligations under this Contract.
- 6.5 **Waiver.** The waiver by any party of any term or condition of this Contract shall not be deemed to constitute either a continuing waiver thereof or a waiver of any further or additional right that such party may hold under this Contract.

7.0 Dispute Resolution.

7.1 Governing Law. All issues and questions concerning the construction, enforcement, interpretation and validity of this Contract, or the rights and obligations of the City and the Contractor in connection with this Contract, shall be governed by, and construed and interpreted in accordance with, the laws of the Commonwealth of Virginia, without giving effect to any choice of law or conflict of laws rules or provisions, whether of the Commonwealth of Virginia or any other jurisdiction, that would cause the application of the laws of any jurisdiction other than those of the Commonwealth of Virginia.

7.2 Construction and Interpretation. Each of the parties has had the opportunity to have its legal counsel review this Contract on its behalf. If an ambiguity or question of intent arises with respect to any provision of this Contract, this Contract will be construed as if drafted jointly by the parties. Neither the form of this Contract, nor any language herein, shall be construed or interpreted in favor of or against any party hereto as the sole drafter thereof.

7.3 Contractual Claims.

7.3.1 Notice and Submission. The Contractor shall give written notice of its intention to file a contractual claim at the time of the occurrence or the beginning of the work upon which the claim is based. In addition to such notice of its intention to file a claim, the Contractor shall submit all contractual claims, whether for money or other relief, in writing to the City's Director of Procurement Services no later than 60 calendar days after final payment. (*See City Code § 21-167(a); see also Va. Code § 2.2-4363(A).*)

7.3.2 Required Contents of Claim Submission. The Contractor's claim submission shall (i) set forth the primary, secondary and indirect claim issues in a clear, concise manner, (ii) identify the specific contract provisions, schedule impact and cost consequences related to each claim issue, and (iii) include all factual data supporting the claim as well as all supporting cost and delay data. The City's Director of Procurement Services, in the Director's sole discretion, may return claim submissions lacking any of the elements enumerated in the preceding sentence for resubmission or review the claim as though the missing elements are not factually present to support the claim. Such return of a claim submission shall not toll the 60-day period within which the Contractor must submit a claim.

7.3.3 Procedures and Time Limit. The procedures set forth in this section 7.3 ("Contractual Claims") and in City Code § 21-167 shall govern the consideration of contractual claims. The City's Director of Procurement Services shall issue a written decision on a claim no later than 90 calendar days after receipt of such claim in writing from the Contractor. (*See City Code § 21-167(b); see also Va. Code § 2.2-4363(B).*)

7.3.4 No Action before Decision. The Contractor may not invoke administrative procedures as provided in City Code § 21-168 or institute legal action as provided in City Code § 21-169 prior to receipt of the decision on the claim, unless the City's Director of

Procurement Services fails to render such decision within the 90-day time limit. A failure of the City's Director of Procurement Services to render a final decision within the 90-day time limit shall be deemed a final decision by the City denying the claim. (See City Code § 21-167(c); *see also* Va. Code § 2.2-4363(D).)

7.3.5 Finality of Decision. The decision of the City's Director of Procurement Services shall be final and conclusive unless the Contractor appeals within 30 calendar days of the date of the final decision on the claim by the Director either as provided in City Code § 21-168 for administrative appeals or, in the alternative, by instituting legal action as provided in City Code § 21-167. (See City Code § 21-167(d); *see also* Va. Code § 2.2-4363(E).)

7.3.6 No Cessation of Performance. Nothing in this section 7.3 ("Contractual Claims") shall be construed to authorize or permit the Contractor, while pursuing, by any available procedure, an appeal of a contractual claim or dispute, to cease performance of the Contract while such claim or dispute is pending. (See City Code § 21-167(e).)

7.4 Alternative Dispute Resolution. The City's Director of Procurement Services, with the concurrence of the City Attorney, may agree in writing on behalf of the City to submit particular disputes arising from this Contract to arbitration and to utilize mediation and other alternative dispute resolution procedures; however, any such procedures entered into by the City shall be nonbinding. (See City Code § 21-170; *see also* Va. Code § 2.2-4366.)

7.5 Forum and Venue Choice. Any and all disputes, claims and causes of action arising out of or in connection with this Contract, or any performances made hereunder, shall be brought, and any judicial proceeding shall take place, only in a federal or state court located in the city of Richmond, Virginia. The Contractor accepts the personal jurisdiction of any court in which an action is brought pursuant to this article for purposes of that action and waives all jurisdiction- and venue-related defenses to the maintenance of such action.

8.0 Miscellaneous Provisions.

8.1 Audit. The City reserves the right to audit all aspects of this Contract, including but not necessarily limited to (i) the Contractor's financial capability and accounting system, (ii) the basis for progress payments, (iii) the Contractor's compliance with applicable laws and (iv) appropriate vendor records. The City further reserves the right to review, on demand and without notice, all files of the Contractor or any subcontractor or vendor employed by the Contractor to provide services or commodities under this Contract where payments by the City are based on records of time, salaries, materials or actual expenses. The Contractor shall maintain all records subject to audit under this provision locally or in a manner deliverable at the Contractor's expense to a location in the metropolitan Richmond area.

- 8.2 **Captions.** This Contract includes the captions, headings and titles appearing herein for convenience only, and such captions, headings and titles shall not affect the construal, interpretation or meaning of this Contract.
- 8.3 **Force Majeure.** If any party is unable to perform its obligations under this Contract due to acts of God or circumstances beyond its reasonable control, such obligations shall be suspended as long as those circumstances persist, provided that the delaying party promptly notifies the other party of the delay and the causes. Except where the delay is caused by an act or omission of the delaying party, any costs arising from such delay shall be borne by the party incurring the delay.
- 8.4 **Merger / Entire Agreement.** This Contract, including the exhibits incorporated herein, constitutes both a complete and exclusive statement and the final written expression of all the terms of this Contract and of the entire understanding between the City and the Contractor regarding those terms. No prior written agreements or contemporaneous or prior oral agreements between the City and the Contractor regarding this Contract's subject matter shall be of any effect.
- 8.5 **Modification.** This Contract shall not be amended, modified, supplemented, or otherwise changed except in the form of a City Contract Modification signed by the authorized representatives of the City and the Contractor in accordance with the City's Purchasing Policies and Procedures.
- 8.6 **No Third-Party Beneficiaries.** Notwithstanding any other provision of this Contract, the City and the Contractor hereby agree that: (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Contract; (ii) the provisions of this Contract are not intended to be for the benefit of any individual or entity other than the City or the Contractor; (iii) no individual or entity shall obtain any right to make any claim against the City or the Contractor under the provisions of this Contract; and (iv) no provision of this Contract shall be construed or interpreted to confer third-party beneficiary status on any individual or entity. For purposes of this section, the phrase "individual or entity" means any individual or entity, including, but not limited to, individuals, contractors, subcontractors, vendors, sub-vendors, assignees, licensors and sub-licensors, regardless of whether such individual or entity is named in this Contract.
- 8.7 **Notices.**
- 8.7.1 **In General.** Any written notice by any party to the Contract shall be sufficiently given by any one or combination of the following, whichever shall first occur: (i) delivered by hand to the last known business address of the person to whom the notice is due, (ii) delivered by hand to the person's authorized agent, representative or officer wherever they may be found or (iii) enclosed in a postage prepaid envelope addressed to such last known business address and delivered to a United States Postal Service official or mailbox. Notice is effective upon such delivery.

8.7.2 **Address.** All notices to the City shall clearly indicate the Contract Number assigned to this Contract by the City and shall be directed to:

Director of Procurement Services
Department of Procurement Services
City of Richmond
900 East Broad Street, Room 1104
Richmond, Virginia 23219

All notices to the Contractor shall be directed to the contact person stated at the address given in the Contractor's proposal.

END OF GENERAL TERMS AND CONDITIONS



ADDENDUM NO. 1

DATE: February 3, 2017
REQUEST FOR PROPOSAL (RFP): RFP W170014237 External Auditing RFP
DATED: January 20, 2017
RECEIPT DATE: February 9, 2017 @ 3:30 PM
SUBJECT: Clarification, Questions & Responses, and Additional Information

Ladies/Gentlemen:

Please take note of the following:

Clarification:

1. For purposes of clarification, the scope of this Request for Proposals does not include an audit of or opinion on the Richmond Retirement System's comprehensive annual financial report.
2. Please replace Part I Statement of Needs – Section 3.3 Tab 3 – **Qualifications** as follows:
 - 3.3 **Tab 3 – Qualifications.** *This tab should explain in detail how the offeror and its personnel meet the requirements of Section 2.1 ("Qualifications"). Experience as a firm and that of its personnel in performing external audits of governmental entities in Virginia is strongly preferred, so this tab should describe in detail the offeror's experience as external auditor for governmental entities in Virginia.*

Questions and Responses

1. Please provide an electronic copy of the City's CAFR for the fiscal year ended June 30, 2016, along with any communication to those charged with governance, or internal control letter, or management letter? Thanks so much. Looking forward to working with you again.
 - a. The City's CAFR for the fiscal year ended June 30, 2016 (FY2016) has not yet been issued, nor has the internal control report been finalized. The City engaged CliftonLarsonAllen, LLP in November 2016 for its FY2016 audit, which will not be completed until the end of March 2017
2. What were the prior year fees for each of the audit deliverables?
 - a. *The not to exceed price for the ongoing FY2016 audit is \$325,000.*
 - b. *The contract price for the FY2015 audit was \$362,645, with an allowance of \$13,925 per additional major program above five for the Single Audit. There were eleven major programs audited, so an additional \$83,550 would be applicable above the contract price.*
3. How many hours did the most recent audits take to complete?

- a. *The number of hours performed for the FY2015 and FY2016 audits by the external firms has not been shared with City officials.*
- 4. Did any events occur that would make the current year audit significantly different from the prior year?
 - a. *No major events are notable at this time.*
- 5. Have there been any significant operational changes since the prior year's audit?
 - a. *The Finance Department has filled a number of previously vacant general accounting positions subsequent to the FY2015 audit, otherwise no significant operational changes have occurred.*
- 6. Were there any audit misstatements identified (corrected or uncorrected) by the auditors during the most recent audit? If so, what was the amount and nature of the misstatements?
 - a. *Please reference Footnote 17 of the City's FY2015 CAFR for the restatements.*
- 7. Were there any management letters comments, significant deficiencies or material weaknesses in internal control issued by the auditors? If so, what was the nature of those comments or findings?
 - a. *The 2015 Report on Internal Controls is posted on the Finance Department's website at: <http://www.richmondgov.com/Finance/AnnualFinancialReports.aspx#InternalControl>*
- 8. How long has your incumbent firm been the auditors for F/S?
 - a. *The incumbent firm has been engaged only for the FY2016 audit.*
- 9. Please describe the level of assistance, if any, required of the audit firm in the preparation of the F/S and footnotes.
 - a. *Not applicable.*

Additional Information

A. **Please complete the attached MBD Past Good Faith Efforts Form.** This form, along with the MBD/ESB forms currently included in the RFP, should be completed and included with your response to the RFP.

Vendor must take due notice and be governed accordingly. This addendum must be acknowledged and included with the proposal(s) submission as indicated in the RFP or your response may not be considered.

Sincerely,

Contracting Officer

RESPECTFULLY SUBMITTED:

Company

BY: _____

Title

Date



Minority Business Development
 900 East Broad Street
 City Hall, 16th Floor
 Richmond, VA 23219
 Office: (804) 646-5947
 Fax: (804) 646-0136
<http://www.richmondgov.com/MBD>

MBE/ESB Past Good Faith Efforts Participation Form

All firms listed in this directory have registered with the City of Richmond as a minority owned business (MBE) or certified as an Emerging Small Business (ESB). It should be noted, that there are MBE businesses listed in this directory that are not certified. Therefore, any prime contractor/vendor desiring to use a registered MBE firm that is not certified, must be aware, that the registered MBE firm has 180 days to get certified or before the completion of the contract, whichever is less, or the prime contractor/vendor risks not receiving credit toward the minority participation goal for the said project.

COMPANY DATA	COMPANY NAME:		CONTRACT NAME/NO:	
	CONTACT NAME:	PHONE #	Fax#	
	Email Address:			
	How long has your firm been in Business?			

If you can verify your firm has made past good faith efforts in the Public or Private Sector to engage MBE/ESB firms through subcontracting, joint venture, mentor-protégé, or apprenticeship opportunities over the past three (3) years, you may be eligible to earn additional points for this project. Please include valid documentation to support this claim. Feel free to attach additional pages, if necessary. Enter Below Code for Ownership of each MBE Firm.

1 = African American 2 = Hispanic American 3 = Asian American
 4 = American Indian 5 = Other (Specify Below)

Yes – may be eligible – Complete section below No – not eligible

CONTACT PERSON/PHONE NUMBER/PROJECT NAME / DATE	DID YOU MEET THE MBE GOAL?	SCOPE OF WORK	MBE/ESB COMPANY NAME/CONTACT PERSON/PHONE	MBE/ESB Code

MINORITY BUSINESS ENTERPRISE	GOOD FAITH MBE/ESB PARTICIPATION EFFORTS	EMERGING SMALL BUSINESS
A business at least 51% of which is owned and controlled or 51% operated by minority group members or, in case of a stock corporation, at least 51% of the stock which is owned and controlled by minority group members. Minority group members are citizens of the United States who are African American, Hispanic American, Asian American and American Indian.	The sum total of efforts by a particular business to provide equitable participation of minority business enterprise or emerging small business subcontractors. For past efforts, this sum total shall be comprised of the record of participation by minority business enterprises and emerging small businesses through subcontracting or joint ventures. For future efforts, it shall be comprised of such efforts, which are proposed to allow equitable participation of minority business enterprise or emerging small business subcontractors.	A business that (1) has been certified by the Office of Minority Business Development for a period of seven years or less..(2) has annual gross receipts for each of its three fiscal years preceding application for certification of \$500,000 or less if engaged in the construction business or of \$250,000 or less if engaged in non-construction business, (3) has fewer than ten employees, (4) is not a subsidiary of another business and does not belong to a group of businesses owned and controlled by the same individuals, (5) has its principal place of business within the City of Richmond Enterprise Zone, (6) possesses a City business license, and (7) pays personal property, real estate, and business taxes to the City of Richmond.

Bidder and the MBE/ESB agree that the MBE/ESB shall not subcontract or assign any work described herein to another entity without prior written approval of the City of Richmond.

THE UNDERSIGNED HEREBY CERTIFIES THAT S/HE HAS READ THE TERMS OF THIS COMMITMENT AND IS AUTHORIZED TO BIND THE BIDDER TO THE COMMITMENT HEREIN SET FORTH.

SIGNATURE OF AUTHORIZED OFFICIAL: _____ **DATE:** _____

PART I
STATEMENT OF NEEDS

1.0 Introduction.

1.1 Purpose. The City of Richmond, Virginia (the “City”) seeks proposals through the process of competitive negotiation to establish a contract (the “Contract”) with a successful offeror (the “Contractor”) for the performance of the accounting services needed to satisfy the City’s requirements for an annual external audit.

1.2 Background. The City is a municipal corporation and political subdivision of the Commonwealth of Virginia governed by the Charter of the City of Richmond, the Code of Virginia, and the Code of the City of Richmond.

A nine-member City Council serves as the City’s governing body and adopts local laws and the annual budget. The City Council appoints the City Auditor, who leads the City’s internal audit agency, the Office of the City Auditor. The City Council also appoints a seven-member Audit Committee, which makes recommendations to the Council concerning the selection and termination of external auditors.

A popularly elected Mayor appoints a Chief Administrative Officer, who appoints the heads of administrative agencies. These agency heads include the Director of Finance, who leads the agency responsible for preparing the City’s financial statements, the Department of Finance. The Director of Finance reports to the Chief Administrative Officer through a Deputy Chief Administrative Officer for Finance and Administration.

The City government performs a variety of functions, including general government administration, public safety, public utilities, public works, planning, community development, economic development, and human services. The school division is a separate legal entity governed by the School Board of the City of Richmond, and several authorities and constitutional officers, including the Sheriff of the City of Richmond, perform additional functions.

The City’s financial statements are prepared in conformity with United States generally accepted accounting principles as applicable to governmental units. These financial statements include the financial results of the City and its component units. The City has two types of component units: blended and discrete.

The financial data from blended component units is combined with that of the City itself and reported in the appropriate fund type. These include the Richmond Retirement System, reported as a Fiduciary Pension Trust Fund, and the Advantage Richmond Corporation, a separate legal entity reported as an Internal Service Fund.

Discretely presented component units are separate legal entities that operate independently of the City government and are reported in a separate column in the government-wide

financial statements. These include the School Board of the City of Richmond, the Economic Development Authority of the City of Richmond, the Richmond Ambulance Authority, the Richmond Behavioral Health Authority, and the Richmond Redevelopment and Housing Authority. Separate Comprehensive Annual Financial Reports are issued by other independent auditors for the discretely presented component units, and auditing services for those discretely presented component units are not part of the scope of this Request for Proposals unless a discretely presented component unit chooses to make purchases off of the resulting contract pursuant to section 1.5 (“Cooperative Procurement”) of this Statement of Needs.

The major funds reported by the City and are included in the current audit of the City’s financial statements are Governmental Funds (General Fund, Debt Service, Capital Projects, Special Revenue and Permanent Funds), Proprietary Funds (Gas, Water, Wastewater and Stormwater), and Fiduciary Funds (Trust & Agency Funds).

Other funds reported and included in the City’s annual audit are Non-major Proprietary Funds (Coliseum and Cemeteries) and Internal Service Funds (Fleet Management, Radio Services, Advantage Richmond Corporation, Electric Utility, and Stores / Warehouse Operations).

For purposes of the performance of the Single Audit in accordance with applicable federal requirements, the City currently has 11 major programs. At present, the City does not anticipate a reduction in the number of major programs.

1.3 Applicable Law. Section 8.10 of the Charter of the City of Richmond provides as follows:

The Council shall cause to be made annually an independent financial audit of all accounts, books, records and financial transactions of the City by the auditor of public accounts of the Commonwealth or by a firm of independent certified public accountants to be selected by the Council. The audit shall be of sufficient scope to express an opinion as to whether the books and records and the financial statements prepared therefrom as contained in the annual financial report of the City present fairly the fiscal affairs of the City in accordance with generally accepted accounting principles of municipal accounting and applicable governing laws. The report of such audit shall be filed within such time as the Council shall specify and one copy thereof shall be always available for public inspection in the office of the City Clerk during regular business hours.

In addition, section 15.2-2511 of the Code of Virginia requires all localities to have “all of their accounts and records, including all accounts and records of their constitutional officers, audited annually as of June 30 by an independent certified public accountant in accordance with the specifications furnished by the Auditor of Public Accounts.” This section also requires the certified public accountant to present a detailed written report to the City Council at a public session by the following December 31. The written report is to be preserved by the City Clerk and open to public inspection at all times by any qualified voter. Information describing the City of Richmond, Virginia, the funds and activities to be audited, and the

financial statements of the City can be obtained by reviewing the City of Richmond Comprehensive Annual Financial Report. The City's most recent Comprehensive Annual Financial Report is available at the City's website: www.richmondgov.com.

Furthermore, section 15.2-2510(A) of the Code of Virginia requires the Director of Finance to "file annually on or before November 30 with the with the Auditor of Public Accounts a detailed statement prepared according to the Auditor's specifications showing the amount of revenues, expenditures and fund balances of the locality for the preceding fiscal year, accompanied by the [City's] audited financial report."

1.4 **Sheriff.** Article VII, section 4 of the Constitution of Virginia establishes that the Sheriff is an elected constitutional officer. As a constitutional officer, the Sheriff is a separate legal entity from the City with jurisdiction in the city of Richmond. The Sheriff employs almost 500 sworn and civilian employees who administer the City Jail, provide security for courthouses and perform other functions in accordance with state law. Funding for the Sheriff is provided by the City, the Commonwealth of Virginia, and other grant sources.

1.5 **Cooperative Procurement.**

A. Pursuant to section 21-40 of the Code of the City of Richmond and section 2.2-4304 of the Code of Virginia, this procurement is being conducted on behalf of other public bodies as well as the City. Other public bodies must make their own legal determinations as to whether use of this Contract is consistent with their laws, regulations and other policies.

B. Unless the Contractor took exception to the requirements of this section at the time the Contractor submitted its response to the solicitation resulting in this Contract, the Contractor shall allow public bodies, as defined by the Virginia Public Procurement Act, within the United States of America to make purchases under this Contract at the prices set forth herein and in accordance with the terms, conditions and specifications of this Contract. Exception to this requirement by a respondent to the solicitation shall not affect any evaluation by the City of that respondent's response to the solicitation.

C. The Contractor shall deal directly with any public body that elects to use this Contract. Solely for purposes of the relationship between the Contractor and such other public body that makes purchases under this Contract, such other public body shall have the rights and obligations ascribed to the City by this Contract.

D. The City, its officers and its employees shall not be responsible for the placement of orders, invoicing, payments, contractual disputes or any other transactions between the Contractor and any other public body. In no event shall the City, its officers or its employees be responsible for any costs, damages or injuries resulting to any party from the use of the resulting contract by another public body. Should another public body make purchases under the

resulting contract and breach or default in its obligations to the Contractor, the City shall have no liability for such breach or default by the other public body.

- E. The City assumes no responsibility for any notification of the availability of this Contract for use by other public bodies. However, the Contractor may conduct such notification after award of this Contract.
- F. The Contractor shall furnish the City with semiannual reports identifying all other public bodies which used this Contract within the six months preceding the report, the quantities purchased from the Contractor by each, and the dollar amounts paid to the Contractor by each.

1.6 **Pre-Proposal Meeting.** There will be a pre-proposal meeting at 10:00 AM on February 2, 2017, in Room 1104 at 900 East Broad Street in Richmond, Virginia.

2.0 **Requirements and Deliverables.**

2.1 **Qualifications.** The Contractor shall meet, at the time the Contractor submits its proposal and throughout the duration of the Contract, all of the following minimum qualifications:

- A. The Contractor must be licensed to practice in Virginia as a Certified Public Accountant firm.
- B. The Contractor must be a member of the American Institute of Certified Public Accountants and must adhere to the AICPA professional standards of audit practices and conduct.
- C. The person whom the Contractor proposes to assign as manager or supervisor of the Contractor's staff who will perform the audit must have at least two years' experience managing audits of similar governmental units, and the Contractor must demonstrate that the person and staff members proposed to be assigned have assisted other governmental units in obtaining or retaining its Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- D. The Contractor must demonstrate the capability to aid the City in ensuring that financial statements issued are in conformity with generally accepted accounting principles for local governments as determined by the governmental accounting and financial reporting standards issued by the Governmental Accounting Standards Board.

2.2 **Periods to Be Audited.**

- A. An "Engagement Period" shall begin on April 1 of a given Fiscal Year and end on March 31 of the following Fiscal Year unless otherwise specified herein. The first

Engagement Period shall begin on the Commencement Date set forth in the Goods and Services Contract.

B. The City's fiscal year begins on July 1 and ends on the following June 30. The Contractor shall perform the auditing services required by this Contract for each of the following fiscal years:

1. Fiscal Year 2017 – July 1, 2016, through June 30, 2017.
2. Fiscal Year 2018 – July 1, 2017, through June 30, 2018.
3. Fiscal Year 2019 – July 1, 2018, through June 30, 2019.

By submitting its proposal, the Contractor warrants and covenants that, unless the City terminates the Contract, the Contractor shall provide the services required under this Contract for at least three Engagement Periods without the need for the City to be subject to any client acceptance or reacceptance policy or procedure.

C. The City, with the agreement of the Contractor, may renew the Contract in accordance with Part III ("General Terms and Conditions"), section 1.3 ("Renewal") of this Request for Proposals for up to two additional one-year terms. Each such renewal would correspond to an additional Engagement Period. All terms and conditions of this Contract will apply to any exercised renewal option. The fiscal years covered by these renewal options would be as follows:

1. First renewal: Fiscal Year 2020 – July 1, 2019, through June 30, 2020.
2. Second renewal: Fiscal Year 2021 – July 1, 2020, through June 30, 2021.

2.3 Deliverables.

2.3.1 **Comprehensive Annual Financial Report.** The financial statements of the City shall be audited in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns* issued by the Commonwealth of Virginia's Auditor of Public Accounts. The audit will result in the rendering of the Contractor's opinion on whether the financial statements prepared by management are fairly stated. If the Contractor's opinion is other than unqualified, the Contractor shall furnish in writing to management at the time the opinion is rendered, all reasons for qualifying the opinion, disclaiming the opinion, or rendering an adverse opinion. The report submitted by the Contractor must include an opinion on the supplementary information in relation to the basic financial statements taken as a whole and disclaimer statements related to the required supplementary information and the introduction and statistical sections included in the Comprehensive Annual Financial Report. The Contractor shall also perform additional procedures set forth in the

applicable engagement letter regarding the supporting schedules of individual funds and discretely presented component units.

- 2.3.2 Internal Controls When Auditing Financial Statements.** The Contractor shall consider, test, and report on internal controls in accordance with auditing standards generally accepted in the United States of America, the *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities and Towns*. The Contractor shall prepare and deliver a detailed management letter of City issues with recommendations for improvement in internal controls, accounting systems, and procedures. The Contractor, upon completion of its examination and preparation of the necessary reports, shall submit a management letter of the findings on the system of internal control and related budgeting and operating procedures by the December 31 immediately following the end of the fiscal year the Contractor is auditing. The management letter shall also offer recommendations for improving administrative methods when considered by the Contractor to be appropriate and able to be documented within the scope of the audit. The Contractor shall issue this management letter under separate cover and present the management letter to both the Chief Administrative Officer and the Audit Committee.
- 2.3.3 Compliance Auditing When Auditing Financial Statements.** The Contractor shall perform tests and report on compliance with provisions of laws, regulations, contracts, grant agreements, and similar requirements in accordance with auditing standards generally accepted in the United States of America, the *Government Auditing Standards*, and the *Specifications for Audits of Counties, Cities, and Towns*.
- 2.3.4 Single Audit.** The Contractor shall perform procedures with respect to the City's major federal programs in accordance with provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, or any applicable federal requirement that replaces OMB Circular A-133. The Contractor shall disclose in its report, or in the Schedule of Findings and Questioned Costs, all instances of noncompliance with the specific requirements for major federal award programs. If the Contractor discloses matters of noncompliance in the Schedule of Findings and Questioned Costs, the Contractor shall reference the Schedule in the report on compliance. The Contractor shall include a communication of all reportable conditions, as defined by the AICPA's standards, affecting federal award programs in the report. The Contractor shall prepare appropriate sections of the Data Collection Form related to the audit of federal programs.
- 2.3.5 Auditor of Public Accounts Transmittal Forms.** The Auditor of Public Accounts of the Commonwealth of Virginia requires all localities to complete transmittal forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The City shall prepare the forms, and the Contractor shall render its opinion to the Auditor of Public Accounts of the Commonwealth of Virginia no later than November 30 following the end of the fiscal year being audited. The Contractor shall perform agreed-upon procedures as set forth in the engagement letter for the applicable Engagement Period evaluating whether the transmittal forms for the City's Comparative Report of Local Government Revenue and Expenditure comply with the requirements of the *Uniform Financial Reporting Manual* issued by the Auditor of Public Accounts. The Contractor shall review the

transmittal forms prior to their submission for accuracy and compliance with the *Uniform Financial Reporting Manual* as required by the Auditor of Public Accounts. The Contractor shall execute the accompanying transmittal letter.

2.3.6 Sheriff's Internal Controls. Section 2-8 ("Sheriff Office Internal Controls") of the Auditor of Public Accounts' Specifications for Audits of Counties, Cities, and Towns sets forth audit requirements for any funds received by the Sheriff. The Contractor, as the City's independent auditor, shall submit a letter to the Auditor of Public Accounts annually providing assurance as to whether for any funds received the Sheriff has maintained a proper system of internal controls and records in accordance with the Code of Virginia. The specific audit procedures relating to local and Commonwealth of Virginia funds for the Sheriff are included in the City's engagement for each Engagement Period. In addition, the Contractor will have separate reporting responsibilities to the Auditor of Public Accounts and the Sheriff.

2.4 Engagement Requirements.

2.4.1 Compliance with Bond Covenants. In addition to the requirements of Part III ("General Terms and Conditions"), section 2.5 ("Compliance with Laws") of this Request for Proposals, the Contractor shall comply with the provisions of any and all bond covenants which may pertain to the work required in the engagement.

2.4.2 Engagement Letters. Purchases of services off of this Contract shall be made by means of engagement letters in accordance with this section. Prior to the beginning of each Engagement Period, the Contractor shall submit to the City Auditor an engagement letter for review and execution. The engagement letter shall include a description of the general scope of the external auditing services to be provided for that Engagement Period and the fees for that Engagement Period's engagement. Each engagement letter shall refer to the Contract Number of this Contract and shall state that the engagement letter and all provisions in that engagement letter are governed by and limited by the provisions of this Contract. No engagement letter shall be construed or interpreted to modify the provisions of this Contract unless the City and the Contractor have executed a separate Contract Modification in accordance with Part III ("General Terms and Conditions"), section 8.5 ("Modification") making the modifications to the terms and conditions of this Contract.

2.4.3 Meetings. The Contractor shall be available to attend scheduled conferences, as requested, between the Contractor and the appropriate level of the City's management before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep the City's management fully informed on the scope and progress of the audit. The City will give adequate advance notice when the City deems meetings necessary. The Contractor shall provide status reports of the audit at regularly scheduled status meetings with the City's management. The Contractor shall also provide regularly scheduled status updates to the City Auditor and the Audit Committee Chair. The Contractor shall attend the bimonthly Audit Committee meetings. The Contractor shall confer with the City's management for the purpose of reviewing the Contractor's audit findings and recommendations prior to issuance of the reports and management letter. The Contractor

shall also make its management personnel available to present the Comprehensive Annual Financial Report to the City Council and the Audit Committee at a regularly scheduled meeting and answer questions from members, if requested to do so.

- 2.4.4 Scheduling and Procedures.** Prior to the beginning of each audit, separate audit planning conference between the City's management and the Contractor shall be scheduled around April or May of each contract year. At this conference, the Contractor and the City's management will develop a time schedule and administrative procedures to be observed for the engagement. The Contractor shall also provide the City's management with a list of items that the Contractor requires for test work. The timing of such deliverables from the City's management will be discussed at this conference. The procedures developed for the City's management pursuant to this section shall require a minimum of two weeks' notice to the City Attorney before information concerning litigation and assessments of outcomes of litigation required from the Office of the City Attorney must be provided to the Contractor.
- 2.4.5 Use of City Auditor Staff.** The Office of the City Auditor will provide 300 hours of staff assistance in completing selected audit tasks. The Contractor shall develop a work plan that utilizes the City Auditor's resources to the maximum extent that they are available. The Contractor and the City Auditor must agree on the extent and type of audit activities prior to commencement of such work. The Office of the City Auditor will coordinate its activities in upcoming fiscal years and will make its work papers available for review; provided that work papers of the Office of the City Auditor will remain the property of the City.
- 2.4.6 GFOA Submission.** The Contractor shall provide special assistance to the City in order for the City to meet the requirements of the Government Finance Officers' Association of the United States and Canada "Certificate of Achievement for Excellence in Financial Reporting." This special assistance may include but is not limited to (i) review of the disposition of the comments generated from the Government Finance Officers' Association review of the prior year's Comprehensive Annual Financial Report and (ii) review of the Comprehensive Annual Financial Report for compliance with the Government Finance Officers' Association's requirements for the Certificate of Achievement.
- 2.4.7 Assistance and Training.** The Contractor shall provide all of the following:
- A. Routing routine review and assistance of the financial statements and footnotes, Schedule of Expenditures of Federal Awards, Comprehensive Annual Financial Report, Government Finance Officers' Association Certificate Applications, attendance at audit-related City Council and Audit Committee meetings, and meetings with City officials and internal auditors as requested.
 - B. Sixteen hours of advice, assistance and consultation on financial accounting, reporting, and operational issues to the City each year during the term of the Contract.

- C. Eight hours of certified Continuing Professional Education to all members of the accounting staff in the Department of Finance and the auditing staff in the Office of the City Auditor at a location within the corporate limits of the city of Richmond during each year of the term of the Contract.

2.5 Timing of Deliverables.

- A. The Contractor shall ensure the City's records are examined so that field work is completed no later than the October 15 immediately following the end of the fiscal year being audited and shall furnish its opinion on the Comprehensive Annual Financial Report no later than the November 15 immediately following the end of the fiscal year being audited.
- B. The Contractor shall complete the agreed-upon procedures for the Comparative Report Transmittal Forms and the management letter for distribution no later than the November 30 immediately following the end of the fiscal year being audited.
- C. If, during the course of any engagement under this Contract, the Contractor believes that any deliverable will not be provided by the deadline set forth in this Contract, the Contractor shall provide the City's management and the City Auditor with written notice explaining the reasons therefor no later than seven days before the deadline. No deadline may be modified such that the City fails to meet its obligations to the Commonwealth of Virginia or to the federal government, or both.

2.6 Supplemental Payment Terms.

- 2.6.1 **Invoices.** The Contractor shall invoice the City, and the City shall pay the Contractor, in accordance with Part III ("General Terms and Conditions"), Section 3.0 ("Payment") of the Request for Proposals. In addition, the Contractor shall ensure that each invoice details the fees for each deliverable and area of engagement, broken out as follows: (1) the Comprehensive Annual Financial Report, (2) the Single Audit, and (3) the audit of the Sheriff.
- 2.6.2 **Pricing.** The Contractor's unit prices shall remain firm for the three-year initial term of this Contract. The unit prices for renewal terms, if any, shall be negotiated by the City and the Contractor as part of the contract modification for the applicable renewal term and the engagement letter for the applicable Engagement Period.
- 2.6.3 **Additional Work.** The City may request that the Contract be modified to add additional work or deliverables if the City's Director of Procurement Services determines that such additional work or deliverable is within the scope of this Contract. The Contractor must provide the City, including the Director of Procurement Services, with a detailed estimate of all costs and fees for the additional work or deliverable. The Contractor shall not commence any work before the Director of Procurement Services signs the required contract modification to add the additional work or deliverable to the Contract and the appropriate City official has signed an engagement letter for the additional work or

deliverable meeting the requirements of this Contract. The City shall not be liable for any costs or fees charged by the Contractor for work performed before the Director of Procurement Services has signed the contract modification and the appropriate City official has signed the engagement letter.

2.7 Access to Work Papers and Other Records. The Contractor shall make available to any representative of the City, upon demand and with notice reasonable under the circumstances, all work papers and other records in its possession concerning work performed under this Contract for the City. No charge shall be made for allowing the City's representatives to examine such work papers and other records. If the City desires copies of any such work papers and records, the City shall pay only the actual cost of the Contractor in making such copies or having such copies made. Any legal or managerial reviews associated with this production are specifically excluded from these actual costs. In the event work papers or other records are required to be made available to a party other than the City pursuant to a subpoena or other lawful order issued by a governmental body and such requirement is not made upon the demand of the City, then the City shall not be liable for any costs associated with the Contractor's provision of such work papers or other records pursuant to such subpoena or other order.

2.8 Contractor's Personnel.

- A. The Contractor's primary contact for the City will be a single person designated in the Contractor's proposal. This primary contact will be responsible for the supervision of all personnel assigned by the Contractor to perform services under this Contract. The Contractor shall change this primary contact only in accordance with subsection (B) of this section.
- B. The Contractor shall ensure that an appropriate number of qualified personnel are assigned at all times to perform the work required under this Contract such that the work will be completed by the deadlines set forth in this Contract.
- C. The Contractor recognizes that the City has awarded the Contractor this Contract based in part on the qualifications of the personnel the Contractor proposes in its proposal to assign to perform services pursuant to this Contract. Prior to making any change in those personnel assigned to the contract resulting from this Request for Proposals who are identified by the Contractor in its proposal, the Contractor shall provide the City Auditor with 30 days' advance, written notice. In providing such notice, the Contractor shall provide a current résumé for the Contractor's proposed replacement individual. The City Auditor reserves the right to review the qualifications and references for the identified replacement to ensure that the individual's experience and knowledge level will not degrade the level of service otherwise provided under this contract.
- C. In addition to the foregoing, the City may request rotating managers, partners, or supervisors, or any of them, during the initial term and any subsequent renewal of the Contract.

2.9 Report Preparation.

2.9.1 Comprehensive Annual Financial Report.

- A. The City's management is responsible for the preparation, editing, and printing of the City's Comprehensive Annual Financial Report.
- B. The Contractor shall furnish a final copy of the Contractor's report and recommendations to the City's management for inclusion in the Comprehensive Annual Financial Report.
- C. The Contractor shall present the Comprehensive Annual Financial Report to the City Council at a public session as required by section 15.2-2511 of the Code of Virginia.
- D. The City will send the Comprehensive Annual Financial Report to the Government Finance Officers' Association of the United States for review in its certificate of achievement program.
- E. The City is responsible for submitting copies of the Comprehensive Annual Financial Report to the Auditor of Public Accounts.

2.9.2 Single Audit.

- A. The City is responsible for the preparation, editing, and printing of the Single Audit as well as the upload to the federal clearinghouse.
- B. The Contractor shall furnish a final copy of the Contractor's report and recommendations to management of the City for inclusion in the Single Audit.

2.9.3 Transmittal Forms. The City will submit one copy of the Comparative Report Transmittal Forms, including the Contractor's report, to the Auditor of Public Accounts.

2.10 Assistance to Contractor.

- A. The City shall perform the following functions:
 - 1. Development of a schedule of tasks related to the audit with appropriate due dates and assignments of responsibilities to the City's staff for completion of these tasks.
 - 2. Closing the City's books and records for each fiscal year by September 15.
 - 3. Pulling of documents and preparation of work papers, schedules and analyses of funds required for completion of the audit.

4. Drafting the financial statements and related disclosures for inclusion in the annual report of the City.
5. Drafting of introductory information, statistical tables, schedules and supplementary information for inclusion in the City report.
6. Typing of financial statements drafted by City staff, confirmation letters, representation letters, and miscellaneous correspondence.
7. Preparation of Schedule of Expenditure of Federal Award schedule and pulling of documents and preparation of work papers, schedules and analyses of funds required for completion of the audit.
8. Preparation of Comparative Report Transmittal forms as required by the Auditor of Public Accounts.

B. The Sheriff will perform the following functions:

1. Pulling of documents and preparation of work papers, schedules and analysis of funds required for the completion of the Auditor of Public Accounts audit.
2. Development of a schedule of audit tasks with the appropriate due dates and assignments of responsibilities for completion of tasks.
3. Making available all records and documents relevant to maintaining effective internal controls over compliance.

3.0 **Proposal Contents.** The proposal must include all of the information set forth in this section and be organized as set forth in this section. In addition to the original, the offeror shall submit seven (7) complete, bound paper copies of its proposal and electronic copies in a portable document format readable by the Adobe Reader program and in a Microsoft Word format that can be searched and edited.

3.1 **Tab 1 – Executive Summary.** This tab must include (i) a brief transmittal letter no longer than one page, (ii) a brief summary, no longer than three pages, of the proposal’s contents, emphasizing any unique aspects or strengths of the proposal, (iii) the completed and signed Signature Sheet, Addenda Acknowledgement and Office of Minority Business Development Forms included with this Request for Proposals, and (iv) evidence clearly demonstrating that the person signing documents included with the proposal is duly and properly authorized to legally bind the offeror.

3.2 **Tab 2 – Offeror History.** This tab should provide a comprehensive narrative history of the offeror’s organization, including the development of its experience in providing the solicited services, the depth of its resources to provide those services, an explanation of the

size of the organization, and the organization's number of years in business, office locations, and legal structure. This section of the proposal must contain the following organizational information and data for the offeror's organization:

A. If a corporation:

1. The state of incorporation;
2. The date of incorporation;
3. The principal place of business;
4. The Federal I. D. number;
5. Whether the corporation is a Subchapter S corporation.
6. The name, position, address, and number of years in position of each officer and director; and
7. The names of any affiliates, partner corporations, and subsidiaries.

B. If a limited liability company:

1. The state in which the limited liability company is organized;
2. The date organized;
3. A list of all managers of the limited liability company, including the name, telephone number, and years as a manager for each manager; and
4. A list of all members of the limited liability company, including the name, telephone number, years as a member, and membership interest for each member.

C. If a partnership:

1. The state in which the partnership was formed;
2. The date formed;
3. The type of partnership; and
4. A list of all general and limited partners, as applicable, including the name, telephone number, years as a partner, and partnership interest for each partner.

- D. If a joint venture:
1. Date of formation;
 2. Name and address of each joint venture partner;
 3. The name and address of the principals of each joint venture partner; and
 4. The percentage of interest of each joint venture partner.
- E. If the offeror is not a corporation, limited liability company, partnership, or joint venture, this tab must identify the type of business entity and provide any pertinent information.
- F. This tab should provide the offeror's total number of employees as well as the number of the offeror's employees who are located in Virginia.
- G. This tab must state whether the offeror has operated under another name within the past ten years and, if so, the other name, the number of years in business under this other name, and the State Corporation Commission identification number under this name.
- H. This tab must state whether the offeror is a subsidiary or affiliate of another organization and, if so, the name and address of each parent or affiliate organization.
- I. This tab must include the following statement, signed by the offeror's contractually binding authority:

By submitting its proposal, *{Insert Legal Name of Offeror}* (the "Offeror") certifies and represents that the information that the Offeror provides in response to this Request for Proposals is accurate and complete as of the date of such submission. If the Offeror provides no information in response to any of the requirements of this Request for Proposals, then the Offeror, by submitting its proposal, certifies and represents that such requirements do not apply because no information exists that would respond to the requirement. The Offeror further covenants that, during the time between the submission of its proposal and the City's announcement of its decision to award the Contract, the Offeror will furnish the City with any changes or additions to such information necessary to ensure that this information remains accurate, complete and up-to-date.

- 3.3 **Tab 3 – Qualifications.** This tab should explain in detail how the Contractor and its personnel meet the requirements of Section 2.1 ("Qualifications").

- 3.4 **Tab 4 – References.** This tab should include the names, addresses, telephone numbers, and electronic mail addresses of at least five other local governments for which the offeror has performed contractual services similar to those solicited by this Request for Proposals. To the extent possible, the offeror is encouraged to include references which are local governments in Virginia. This tab also should identify the services performed for each reference offered. This tab must include an affirmative statement that the offeror grants its consent for the City to contact the offeror’s references for the purpose of evaluating the offeror for this Contract and acknowledges that any information obtained from the offeror’s references will not be disclosed to the offeror.
- 3.5 **Tab 5 – Litigation and Arbitration.** This tab must describe any arbitration proceedings or litigation in the last five years initiated by or against the offeror related to or arising out of any contracts for the provision of services similar to those solicited by this Request for Proposals by providing the following:
- A. Purchaser name, location, and description.
 - B. Commencement and end dates of contract.
 - C. Services performed.
 - D. Nature of dispute.
 - E. If a litigation matter, the following:
 - 1. The style of the case (e.g., *plaintiff v. defendant*) in such a way that the name of the plaintiff and the name of the defendant are stated clearly.
 - 2. The case number and name of the highest court in which the case was heard.
 - 3. The date of the final judgment in the case.
 - F. Outcome.
- 3.6 **Tab 6 – Personnel.** This tab should include an organizational chart and list of contacts (with phone numbers, e-mail addresses, departments, and titles) in all functional areas relevant to the performance of the services solicited by this Request for Proposals. Further, this tab should identify the specific employees whom the offeror will assign to be responsible for the provision of the services solicited by this Request for Proposals. For each such person identified by the offeror, this tab should include the following information in résumé format:
- A. Name and title.
 - B. Office location and city of residence.

- C. Responsibilities and roles with regard to services provided under the Contract.
- D. Educational background.
- E. Professional registrations and memberships (if applicable).
- F. Years of relevant experience.
- G. Percentage of time to be dedicated to the Contract.

3.7 **Tab 7 – Subcontracting.** This tab should identify all services required by this Contract that the offeror intends to subcontract, if any, providing the following information:

- A. Reasons for subcontracting.
- B. Proposed subcontractor responsibilities.
- C. Identity of proposed subcontractors including location, relevant personnel and experience, previous use as a subcontractor, and any other relevant supporting information.

3.8 **Tab 8 – Approach to Providing Services.** This tab should describe in detail how the offeror proposes to meet each of the requirements and deliver each of the deliverables described in Section 2.0 (“Requirements and Deliverables”). These descriptions should include proposed schedules, proposed offeror personnel to be assigned, and proposed commitments by City personnel needed by the Contractor to perform the required services. This tab should also describe any software the Contractor proposes to use to perform the required services.

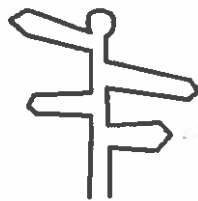
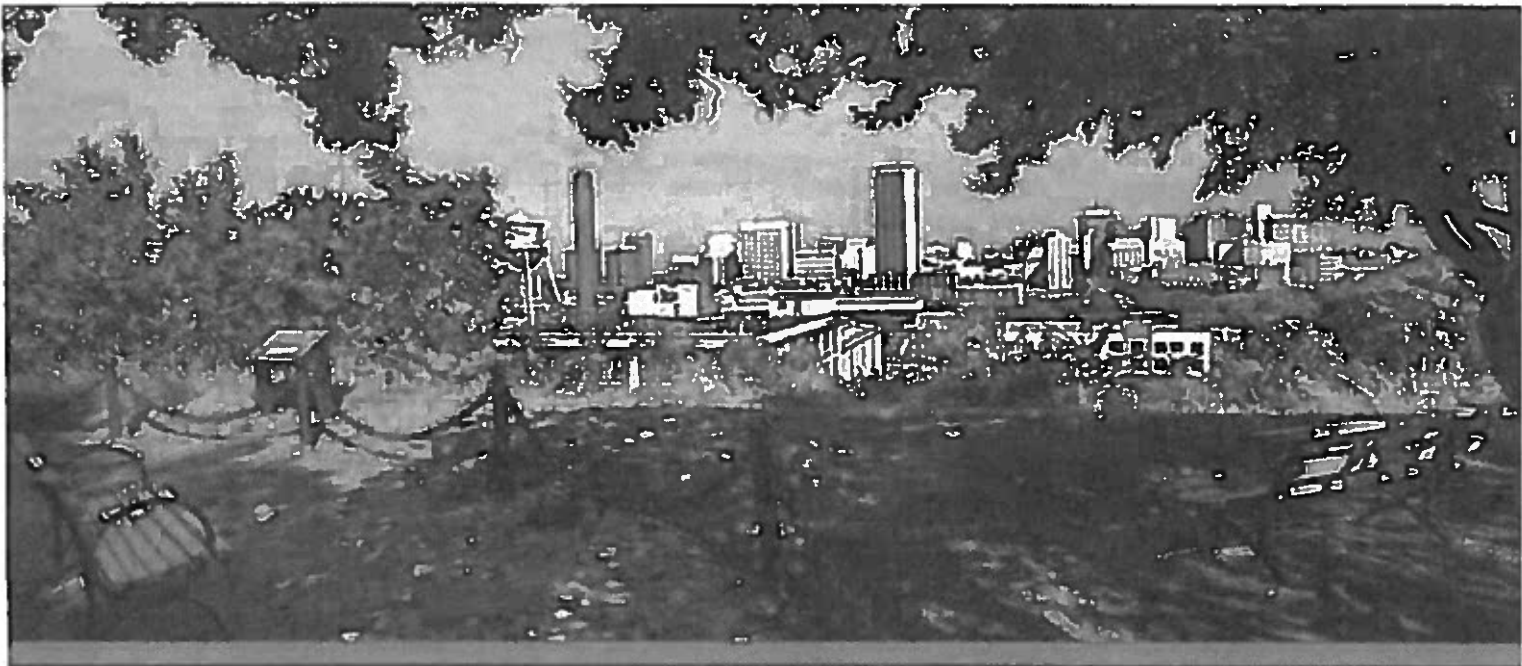
4.0 **Evaluation Criteria.** Proposals will be evaluated using the following evaluation criteria and weights to rank and select offerors for negotiation pursuant to this Request for Proposals:

	Available Points
A. Qualifications and Experience of Firm	40 Pts.
B. Qualifications and Experience of Assigned Personnel	45 Pts.
C. Accessibility (City Code § 21-69)	5 Pts.
D. MBE / ESB Commitment	10 Pts.

Note: An offeror must receive at least five points under the MBE / ESB Commitment criterion to be selected for negotiations unless granted a waiver by the Chief Administrative Officer. The MBE / ESB participation goal for this contract is 10% percent.

Total Available Evaluation Points 100 Pts.

END OF STATEMENT OF NEEDS



February 22, 2017

**Final Proposal to Provide External
Auditing Services:**

The City of Richmond, Virginia

Request for Proposal # W170014237

Prepared by:

Gregory J. Bussink, III, Principal, CPA, CGMA, CGFM

Greg.Bussink@CLAconnect.com

direct 301-902-8527 | mobile 443-691-1898



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

FINAL PROPOSAL

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

Our fees include all costs, such as travel and administrative fees. Our fees do not include the costs associated with any special projects you may require. Should such services be required, we will discuss the required hours and fees.

Engagement Fees Over Contract Period

Professional Services	2017	2018	2019	2020	2021
Financial Statement	\$267,000	\$274,000	\$280,000	\$287,000	\$294,000

Our fees quoted above are for the fiscal years ending June 30 of each year and include increases of approximately 2.5% per year. Our pricing reflects an offset/reduction for assistance to be provided by your internal audit staff – 300 hours per year.

We will provide an additional eight hours of certified Continuing Professional Education (sixteen hours in total) to members of the accounting staff in the Department of Finance and the auditing staff in the Office of the City Auditor.

We have found over the years that our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an on-going relationship.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front, before any work is performed.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.

Fee Considerations

The fee proposal is based on the following:

- The City's personnel will provide assistance throughout audit fieldwork with regard to account analysis and provision of year-end account reconciliation work papers and schedules.
- The assurance reports will be delivered in accordance with the City's deadlines.
- Satisfactory completion of our firm's normal client acceptance procedures.
- Professional standards and regulations currently in effect. We reserve the right to modify your proposed fee if professional standards or regulations change for any engagement period.
- No significant changes in the operations of the City subsequent to the date of this proposal.

Open Fee Philosophy

We have an open fee philosophy with our clients, and will work with you to establish a mutually acceptable fee arrangement for any future or special project engagements. We reiterate our strong interest in serving the City, and never want fees to be an issue. If at any time you have a question concerning our services or fees, please call it to our attention so that we can discuss the scope of our services plan and reach an accommodation that will maintain both the quality of our work and your expectations of this relationship.

CLIFTONLARSONALLEN LLP

A handwritten signature in black ink that reads "Gregory J. Bussink, III". The signature is written in a cursive style with a distinct "III" at the end.

Gregory J. Bussink, III, CPA, Principal



February 9, 2017

Proposal to Provide External
Auditing Services to:

The City of Richmond, Virginia

Request for Proposal # W170014237

COPY

Prepared by:

Gregory J. Bussink, III, Principal, CPA, CGMA, CGFM

Greg.Bussink@CLAconnect.com

direct 301-902-8527 | mobile 443-691-189



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth
Advisors, LLC, an SEC-registered investment advisor.

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TAB 1 – EXECUTIVE SUMMARY

(i) Transmittal Letter



CliftonLarsonAllen

CliftonLarsonAllen LLP
4250 North Fairfax Drive
Suite 1020
Arlington, Virginia 22203
301-802-8527 | fax 301-931-1710
CLAconnect.com

February 9, 2017

Tillie W. Jackson, VCO, P&C, Contracting Officer
City of Richmond, City Hall
11th Floor, Room 1104
900 East Broad Street
Richmond, Virginia 23219

RE: Request for Proposal # W170014237 External Auditing Services

Dear members of the Evaluation Committee:

Thank you for the opportunity to present this proposal to provide audit services for the City of Richmond, Virginia ("the City"). We understand the City seeks proposals through the process of competitive negotiation to establish a contract with a successful offeror for the performance of the accounting services needed to satisfy the City's requirements for an annual external audit. We understand that this is for fiscal years ending June 30, 2017 through June 30, 2019, with the option to renew for two additional one-year terms.

CliftonLarsonAllen LLP ("CLA") is a limited liability partnership professional services firm organized in Minneapolis, Minnesota, delivering integrated wealth advisory, outsourcing, and public accounting capabilities. The City needs a firm with the expertise, years of experience, qualifications, and knowledge to effectively provide the financial services you need. We are confident that our current experience with the City of Richmond and our substantial experience providing professional services to governmental entities of similar size and structure, bolstered by our client-oriented philosophy and depth of resources, will make CLA the ideal candidate to fulfill the scope of your project. We have the knowledge, willingness and resources to complete the engagement described in the solicitation in an efficient and effective manner and the experience to offer insights into the issues you've raised.

Thank you again for inviting CliftonLarsonAllen to submit this proposal. We look forward to discussing this proposal with you in greater detail and appreciate your consideration.

Sincerely,
CliftonLarsonAllen LLP

Gregory J. Bussink, III, CPA, CGFM, CGMA
Principal



(ii) Why CLA is Most Advantageous for the City

Our clients tell us that we are the “best value” for governmental entities like yours. Why do they say this? The following areas are highlighted in our proposal and are why we believe CLA is the right choice for the City:

- **Specialized Government Insight and Resources.** As the nation’s top certified public accounting and consulting firms, and one of the largest firms who specialize in the public sector, CLA has the experience and resources to assist the City with their audit needs. In fact, our Government Services Team is one of the largest of our firm’s practices. With 600 government specialists and more than 4,600 professionals across the country, our extensive network of resources will be available to provide the City with exceptional depth of specialized governmental insight. We will bring the City leaders in auditing local governments and school boards, something which we believe no other firm can provide. This multi-faceted, specialized team will be led by Greg Bussink, a widely known and recognized leader serving the Virginia government market.
- **OMB Uniform Guidance.** CLA performs single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. The single audit requires a specific set of skills in order to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services. This group also specializes in auditing grants from non-federal sources such as state agency grants.
- **Strong Methodology and Responsive Timeline.** In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our past experience performing similar work for other municipalities. In addition to our local government clients, we currently serve over 2,100 governmental organizations nationally, which ensures that our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. We have developed a work plan that takes into consideration your unique needs as a governmental entity in Virginia. The work plan also minimizes the disruption of your staff and operations, and provides a blueprint for timely delivery of your required reports.
- **Unparalleled Communication and Proactive Leadership.** The City will benefit from a high level of hands-on service from our team’s senior professionals. We can provide this level of service because, unlike other national firms, our partner-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach ensures that all members of the engagement team will stay abreast of key issues at the City, and take an active role in addressing them.
- **A Focus on Providing Consistent, Dependable Service.** We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies’ SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific expertise supplemented by valuable local service and insight. Therefore, the City will enjoy the service of members of our State and Local Government Services Team who understand the issues and environment critical to governmental entities.
- **High Staff Retention.** It is our policy to maintain the same staff on engagements throughout the entire contract to ensure continuity and efficient service to the client. Our local turnover rate is among the lowest in the public accounting profession. For the City, this means exceptional staff continuity over this engagement and more efficient services, compared to other CPA firms with higher turnover rates.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the hand-picked engagement team we will assign to your account. Our goal is to ensure you receive quality, client service which is achieved through the close and personal relationship our staff



will have with the City. We are committed to providing services that are tailored specifically for your organization and the objectives you look to achieve.

- **Fresh Perspective.** By engaging CLA, the City will benefit from a “fresh look” at its operations, information systems, and financial and risk management policies and procedures. You will be served by an engagement team with enthusiasm and a desire to meet and exceed expectations. We are confident that our industry experience will bring to the City new ideas, creative approaches, and fresh opportunities to meet the financial management and accountability challenges before the City.

We are confident that our technical approach, insight and resources will result in unparalleled client service for the City.



(iii) Completed and Signed Forms

Please see the following page for the below completed forms:

- Signature Sheet
- State Corporation Commission form
- Addenda Acknowledgement
- Office of Minority Business Development forms



SIGNATURE SHEET

This signature sheet must be included as part of the offeror's proposal, or the City will not consider the proposal. The offeror's signature below certifies that this proposal as submitted complies with, and the offeror agrees to be legally bound by, all terms and conditions set forth in Request for Proposals No. W170014237 for External Auditing Services. The undersigned hereby represents and warrants that the undersigned is duly authorized to sign and submit this proposal on behalf of the offeror.

Complete Legal Name of Offeror Firm: CliftonLarsonAllen I.L.P

"Order from" Address: 4250 North Fairfax Drive, Suite 1020
Arlington, Virginia 22203

"Remit to" Address: 4250 North Fairfax Drive, Suite 1020
Arlington, Virginia 22203

Federal EIN / SSN: 41-0746749

Authorized Signature: *Gregory J. Bussink III*

Printed Name of Signatory: Gregory J. Bussink, CPA

Title of Signatory: Principal

Telephone Number with Area Code: 301-902-8527

Fax Number with Area Code: 301-931-1710

E-Mail Address: Greg.Bussink@CLAconnect.com

Date: February 9, 2017



STATE CORPORATION COMMISSION FORM

Complete Legal Name of Offeror Firm: CliftonLarsonAllen LLP

Virginia State Corporation Commission registration information. The offeror:

is a corporation or other business entity with the following State Corporation Commission identification number:

T0553141

-OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust

-OR-

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location)

-OR-

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of section 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia

-OR-

has not completed any of the foregoing options but currently has pending before the State Corporation Commission an application for authority to transact business in the Commonwealth of Virginia and wishes to be considered for a waiver to allow the offeror to submit the State Corporation Commission identification number after the due date for proposals. The offeror shall promptly provide any information the City requires to enable the City to properly evaluate the offeror's request for such a waiver. The City reserves the right to determine in its sole discretion whether to allow such a waiver.





ADDENDUM NO. 1

DATE: February 3, 2017
REQUEST FOR PROPOSAL (RFP): RFP W170014237 External Auditing RFP
DATED: January 20, 2017
RECEIPT DATE: February 9, 2017 @ 3:30 PM
SUBJECT: Clarification, Questions & Responses, and Additional Information

Ladies/Gentlemen:

Please take note of the following:

Clarification:

1. For purposes of clarification, the scope of this Request for Proposals does not include an audit of or opinion on the Richmond Retirement System's comprehensive annual financial report.
2. Please replace Part I Statement of Needs – Section 3.3 Tab 3 – Qualifications as follows:
 - 3.3 *Tab 3 – Qualifications. This tab should explain in detail how the offeror and its personnel meet the requirements of Section 2.1 ("Qualifications"). Experience as a firm and that of its personnel in performing external audits of governmental entities in Virginia is strongly preferred, so this tab should describe in detail the offeror's experience as external auditor for governmental entities in Virginia.*

Questions and Responses

1. Please provide an electronic copy of the City's CAFR for the fiscal year ended June 30, 2016, along with any communication to those charged with governance, or internal control letter, or management letter? Thanks so much. Looking forward to working with you again.
 - a. The City's CAFR for the fiscal year ended June 30, 2016 (FY2016) has not yet been issued, nor has the internal control report been finalized. The City engaged CliftonLarsonAllen, LLP in November 2016 for its FY2016 audit, which will not be completed until the end of March 2017
2. What were the prior year fees for each of the audit deliverables?
 - a. *The not to exceed price for the ongoing FY2016 audit is \$325,000.*
 - b. *The contract price for the FY2015 audit was \$362,645, with an allowance of \$13,925 per additional major program above five for the Single Audit. There were eleven major programs audited, so an additional \$83,550 would be applicable above the contract price.*
3. How many hours did the most recent audits take to complete?

Revision 2-02-10-2016



- a. *The number of hours performed for the FY2015 and FY2016 audits by the external firms has not been shared with City officials.*
- 4. Did any events occur that would make the current year audit significantly different from the prior year?
 - a. *No major events are notable at this time.*
- 5. Have there been any significant operational changes since the prior year's audit?
 - a. *The Finance Department has filled a number of previously vacant general accounting positions subsequent to the FY2015 audit, otherwise no significant operational changes have occurred.*
- 6. Were there any audit misstatements identified (corrected or uncorrected) by the auditors during the most recent audit? If so, what was the amount and nature of the misstatements?
 - a. *Please reference Footnote 17 of the City's FY2015 CAFR for the restatements.*
- 7. Were there any management letters comments, significant deficiencies or material weaknesses in internal control issued by the auditors? If so, what was the nature of those comments or findings?
 - a. *The 2015 Report on Internal Controls is posted on the Finance Department's website at: <http://www.richmond.gov/Finance/AnnualFinancialReports.aspx#InternalControl>*
- 8. How long has your incumbent firm been the auditors for F/S?
 - a. *The incumbent firm has been engaged only for the FY2016 audit.*
- 9. Please describe the level of assistance, if any, required of the audit firm in the preparation of the F/S and footnotes.
 - a. *Not applicable.*

Additional Information

- A. Please complete the attached MBD Past Good Faith Efforts Form. This form, along with the MBD/ESB forms currently included in the RFP, should be completed and included with your response to the RFP.

Vendor must take due notice and be governed accordingly. This addendum must be acknowledged and included with the proposal(s) submission as indicated in the RFP or your response may not be considered.

Sincerely,

Contracting Officer

RESPECTFULLY SUBMITTED:

CliftonLarsonAllen LLP

Company	<u>CliftonLarsonAllen LLP</u>	
BY:	<u><i>Greg J. Bussink, III</i></u>	Greg Bussink
Principal	<u>February 6, 2017</u>	
Title	<u>Date</u>	

Revision 2-03-10-2016





MBE/ESB PARTICIPATION FORM (MBE-2)

Minority Business Development
 900 East Broad Street
 City Hall, 16th Floor, Suite 1603
 Richmond, VA 23219
 Office: (804) 646-5947
 Fax: (804) 646-0136
<http://www.RichmondGov.com/MBD>

All firms listed in this directory have registered with the City of Richmond as a minority owned business (MBE) or certified as an Emerging Small Business (ESB). It should be noted, that there are MBE businesses listed in this directory that are not certified. Therefore, any prime contractor/vendor desiring to use a registered MBE firm that is not certified, must be aware, that the registered MBE firm has 180 days to get certified or before the completion of the contract, whichever is less, or the prime contractor/vendor risks not receiving credit toward the minority participation goal for the said project.

COMPANY NAME: CliftonLarsonAllen LLP		PROJECT NAME/CONTRACT No. Request for Proposal # W170014237 External Auditing Services		
CONTACT NAME: Greg Bussink	PHONE # 301-902-8527	Fax# 301-931-1710	Email: Greg.Bussink@CLAconnect.com	
BUSINESS LICENSE No. 133702	BUSINESS LICENSING JURISDICTION: Arlington, Virginia	FED ID NO/SSN 41-0746749		
A = First, Second, and/or Third Tier Subcontracting B = Supply Purchases C = Joint Venture D = Mentor-Protégé E = Other Credibly Visible Method 1 = African American 2 = Hispanic American 3 = Asian American 4 = American Indian 5 = Other (Specify Below)				
SUBCONTRACTOR NAME	PHONE	SCOPE OF WORK FOR PARTICIPATION IN CONTRACT	DOLLAR AMOUNT	PARTICIPATION
ADDRESS	FED ID NO./SSN		% OF CONTRACT	OWNERSHIP
ABC Co., Inc.	(XXX) 555-5555	Concrete Work	\$20,000	A
110 Main Street Anywhere, USA	54-XXXXXX	Other Excavation	10%	2
Tyrone E. Dickerson, CPA, PLC	(804) 272-1250 54-131188	Audit Services	TBD 10%	A 1
*IF OWNED TYPE "5 = OTHER" SPECIFY HERE:		101% OF CONTRACT	TBD	
MBE/ESB PROJECT GOAL ESTABLISHED BY THE CITY OF RICHMOND		101% OF CONTRACT	10%	
Bidder and the MBE/ESB agree that the MBE/ESB shall not subcontract or assign any work described herein to another entity without prior written approval of the City of Richmond.				
THE UNDERSIGNED HEREBY CERTIFIES THAT S/HE HAS READ THE TERMS OF THIS COMMITMENT AND IS AUTHORIZED TO BIND THE BIDDER TO THE COMMITMENT HEREIN SET FORTH.				
SIGNATURE OF AUTHORIZED OFFICIAL: <i>Gregory J. Bussink, III</i>			DATE: February 9, 2017	

MBE/ESB-2 Participation Commitment Form Revised Date 4/9/2015



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Minority Business Development
 900 East Broad Street
 City Hall, 16th Floor
 Richmond, VA 23219
 Office: (804) 646-5947
 Fax: (804) 646-0136

<http://www.richmondgov.com/MBD>

MBE/ESB Past Good Faith Efforts Participation Form

All firms listed in this directory have registered with the City of Richmond as a minority owned business (MBO) or certified as an Emerging Small Business (ESB). It should be noted, that there are MBE/ESB businesses listed in this directory that are not certified. Therefore, any prime contractor/vendor desiring to use a registered MBE/ESB firm that is not certified, must be aware, that the registered MBE/ESB firm has 120 days to get certified or before the completion of the contract. Otherwise it will, at the prime contractor's/owner's risk not receiving credit toward the minority participation goal for the said project.

COMPANY NAME: CliftonLarsonAllen LLP		CONTRACT NAME/NO: Request for Proposal # W170014237 External Auditing Services		
CONTACT NAME: Greg Bussink		PHONE # 301-902-8527	Fax# 301-931-1710	
Email Address: Greg.Bussink@CLAconnect.com				
How long has your firm been in Business? More than 60 years				
<p>If you can verify your firm has made past good faith efforts in the Public or Private Sector to engage MBE/ESB firms through subcontracting, joint venture, mentor-protégé, or apprenticeship opportunities over the past three (3) years, you may be eligible to earn additional points for this project. Please include valid documentation to support this claim. Feel free to attach additional pages, if necessary. Enter Below Code for Ownership of each MBE Firm.</p> <p>1 = African American 2 = Hispanic American 3 = Asian American 4 = American Indian 5 = Other (Specify Below)</p> <p><input checked="" type="checkbox"/> Yes - may be eligible - Complete section below <input type="checkbox"/> No - not eligible</p>				
CONTACT PERSON/PHONE NUMBER/PROJECT NAME / DATE	DID YOU MEET THE MBE GOAL?	SCOPE OF WORK	MBE/ESB COMPANY NAME/CONTACT PERSON/PHONE	MBE/ESB Code
Mr. Cornell Bagley, CPPB, VCO (804) 225-3350 x317 RFP: #APA16.01 Audit Services for the Virginia Auditor of Public Accounts October 21, 2015	No, we did not receive the contract award.	Audit services assistance	Lyrone E. Dickerson, CPA, PLLC 2911 Kenbury Road Richmond, VA 23235 804-272-1350	1
MINORITY BUSINESS ENTERPRISE	GOOD FAITH MBE/ESB PARTICIPATION EFFORTS		EMERGING SMALL BUSINESS	
A business at least 51% of which is owned and controlled or 51% operated by minority group members or, in case of a stock corporation, at least 51% of the stock which is owned and controlled by minority group members. Minority group members are citizens of the United States who are African American, Hispanic American, Asian American and American Indian.	The sum total of efforts by a particular business to provide equitable participation of minority business enterprise or emerging small business subcontractors. For past efforts, this sum total shall be comprised of the record of participation by minority business enterprises and emerging small businesses through subcontracting or joint ventures. For future efforts, it shall be comprised of such efforts, which are proposed to allow equitable participation of minority business enterprise or emerging small business subcontractors.		A business that (1) has been certified by the Office of Minority Business Development for a period of seven years or less, (2) has annual gross receipts for each of its three fiscal years preceding application for certification of \$500,000 or less if engaged in the construction business or of \$250,000 or less if engaged in non-construction business, (3) has fewer than ten employees, (4) is not a subsidiary of another business and does not belong to a group of businesses owned and controlled by the same individuals, (5) has its principal place of business within the City of Richmond Enterprise Zone, (6) possesses a City business license, and (7) pays personal property, real estate, and business taxes to the City of Richmond.	
Bidder and the MBE/ESB agree that the MBE/ESB shall not subcontract or assign any work described herein to another entity without prior written approval of the City of Richmond.				
THE UNDERSIGNED HEREBY CERTIFIES THAT S/HE HAS READ THE TERMS OF THIS COMMITMENT AND IS AUTHORIZED TO BIND THE BIDDER TO THE COMMITMENT HEREIN SET FORTH.				
SIGNATURE OF AUTHORIZED OFFICIAL: <i>Gregory J. Bussink III</i>			DATE: February 9, 2017	

MBE/ESB-5 Past Good Faith Efforts Participation Form - Revised Date 3/13/2014



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(iv) Evidence of Authority to Bind

AFFIDAVIT

Commonwealth of Massachusetts)

ss.:

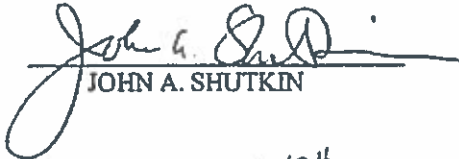
County of Middlesex)

I, JOHN A. SHUTKIN, being duly sworn, depose and say:

That I am the General Counsel of CliftonLarsonAllen LLP ("CLA"). In my role as General Counsel, I have overall responsibility for legal compliance for CLA.

That CLA is a duly formed limited liability partnership under the laws of the State of Minnesota and has been since January 2, 2012. According to the Minnesota Professional Firm Act, any partner or principal of a partnership is permitted to sign on behalf of and legally bind the partnership. As such, any partner or principal of CLA is authorized to sign on behalf of and legally bind CLA.

That Greg Bussink is a Principal of CLA. By virtue of Mr. Bussink being a Principal of CLA, he has signing authority on behalf of and can legally bind CLA by signing contractual documents on its behalf, including, without limitation, the subject contract.


JOHN A. SHUTKIN

Sworn to before me this 12th day
of December, 2016


Notary Public



JamieLee Bolton
Notary Public
Commonwealth of Massachusetts
My Commission Expires
March 30, 2023



TAB 2 – OFFEROR HISTORY

Comprehensive Narrative

CLA is a professional services firm with over 60 years of delivering integrated wealth advisory, outsourcing, and public accounting capabilities to help enhance our clients' enterprise value and assist them in growing and managing their related personal assets — all the way from startup to succession and beyond.



Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 5,000 people, over 100 U.S. locations, and a global affiliation, CLA brings a wide array of solutions to help clients in all markets, foreign and domestic.

State and Local Government Experience

With 60 years of experience in the state and local government industry, CLA has one of the largest governmental audit and consulting practices in the country. We bring extensive experience providing a variety of audit and consulting services to state and local government entities, including internal control audits, agreed-upon procedures, compliance audits, financial statement audits, and single audits in accordance with Uniform Guidance. Our firm's Government Services Team serves *more than 2,100 governmental entities* nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. *Figure 1* provides an overview of our state and local government practice.

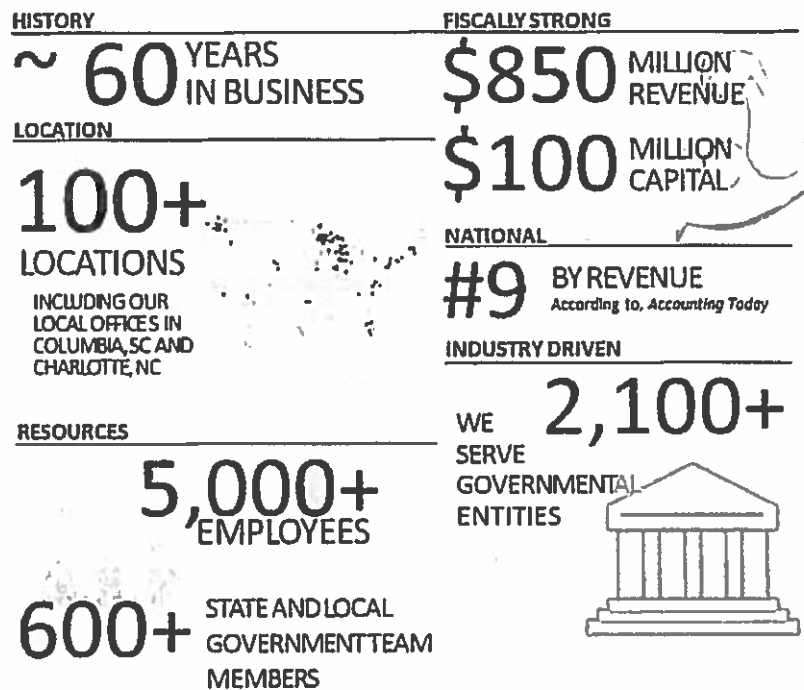


Figure 1. CLA's Government Practice. The following overview provides you with an in-depth look at our state and local government industry strengths and support available to the City.



Many of our governmental clients have complex financial reporting structures. We are familiar with the accounting and reporting requirements for different fund types and the complexities and differences of government-wide reporting versus fund level reporting. Many of our clients have component units that issue separate financial statements, some of which issue full Comprehensive Annual Financial Reports (CAFR) and others who issue financial statements only. In addition, we understand the complexities of the budget process and the required reporting as well as the differences in Government Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB) requirements.

The City will have the best of both accounting worlds – personal, proactive service from government specialists, as well as immediate access to a wealth of additional national government resources. CLA has established the public sector industry as one of our core industry sectors. This commitment is evidenced by our local and national Government Services Teams and our national technical resources. We have the additional resources available, if needed, to address any of the City's unique challenges and create new value for its members. By tapping into the wealth of knowledge of CLA, you can benefit from year round advice and insight to help develop and grow the City.

These resources also allow us to ensure a smooth, efficient audit, the ability to easily meet deadlines, and the opportunities to identify methods for streamlining the audit process for the earlier completion date that the City is looking for.

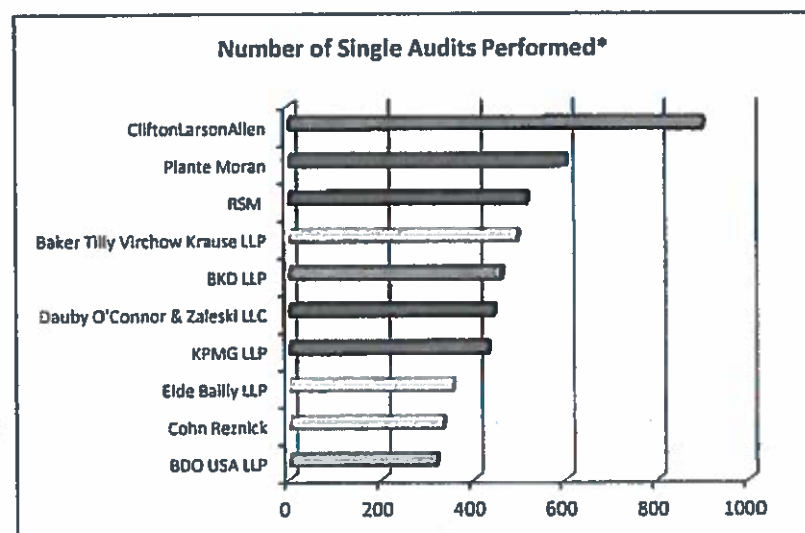
Single Audit Experience

CLA professionals are very familiar with federally funded programs and their requirements under the provision of the Office of Management and Budget's (OMB) new *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 200), more commonly known as the Uniform Guidance (UG). The requirements of the UG is audits of grants for periods beginning after December 26, 2014 and is the successor of the prior Circular A-133. A complex grant revenue structure such as the City's, requires an audit firm experienced in performing single audits with the same degree of complexity, but also a familiarity with the specific programs you are involved with. You will benefit from CLA's experience in this area. As outlined in the following table, CLA performs more single audits annually than any other firm in the nation.

Figure 2 illustrates CLA's experience in serving organizations that receive federal funds.

**The information for the firms above was pulled from the Federal Audit Clearinghouse for audits submitted in 2014. CLA's numbers represent single audits with total federal expenditures of more than \$22.7 billion.*

Figure 2. Significant Experience Performing Single Audits. CLA performed close to 900 single audits in 2014; therefore, the City can be assured that CLA will perform a high quality audit in accordance with OMB Uniform Guidance. Our designated single audit group stays current on all issues related to federal awards and the impact they may have on a single audit.



In the current environment of increased oversight, it is more important than ever to find qualified auditors who have significant experience with federal grants specific to the City and can ensure the quality of a potential single audit for the City. Therefore, the single audit would be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB's UG and who would offer both knowledge and quality for the City. As part of our quality control process, the single audit would be reviewed by a firm Designated Single Audit Reviewer.

The AICPA clarified auditing standard, AU-C 801 "Compliance Audits" requires risk-based concepts to be used in all compliance audits including those performed in accordance with OMB UG. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

Limited Liability Company

1. *The state in which the limited liability company is organized; Minneapolis, Minnesota*
2. *The date organized; January 2, 2012*
3. *A list of all managers of the limited liability company, including the name, telephone number, and years as a manager for each manager; As this would be an extensive list, upon contract award, we will provide the requested information.*
4. *A list of all members of the limited liability company, including the name, telephone number, years as a member, and membership interest for each member. As this would be an extensive list, upon contract award, we will provide the requested information.*

Firm Number of Employees

CLA currently employs 5,111 professionals across a diverse set of industries.

Virginia Office's Number of Employees

Our local Arlington, Virginia office currently employs 158 staff members.

Firm's Previous Operations

Established on January 2, 2012, CliftonLarsonAllen (CLA) continues the legacy of quality, service, and experience that each Clifton Gunderson and LarsonAllen has built for more than 60 years.

Clifton Gunderson

Number of years: 50+ years

State Corporation Commission ID: T0130338

Larson Allen

Number of years: 50+ years

State Corporation Commission ID: Not applicable*.

**Due to the merge of both firms, this information is no longer accessible.*

Subsidiary or Affiliate Organization

CLA is not a subsidiary or affiliate of another organization.



Statement

By submitting its proposal, CliftonLarsonAllen LLP (the "Offeror") certifies and represents that the information that the Offeror provides in response to this Request for Proposals is accurate and complete as of the date of such submission. If the Offeror provides no information in response to any of the requirements of this Request for Proposals, then the Offeror, by submitting its proposal, certifies and represents that such requirements do not apply because no information exists that would respond to the requirement. The Offeror further covenants that, during the time between the submission of its proposal and the City's announcement of its decision to award the Contract, the Offeror will furnish the City with any changes or additions to such information necessary to ensure that this information remains accurate, complete and up-to-date.



Gregory Bussink, CPA, Principal



TAB 3 – QUALIFICATIONS

A. License to Practice in Virginia

CliftonLarsonAllen LLP is a limited liability partnership and is duly licensed to practice public accountancy in the State of Virginia and other states. In addition, all key professional staff assigned to this engagement are properly licensed to practice as certified public accountants in Virginia. Per January 1999, CPA Mobility Legislative Law passed in the State of Virginia, our engagement team has practice privileges outside of their home jurisdiction without obtaining an additional license in another state. A majority of states, including Virginia have adopted mobility legislation – which is a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another license.

B. Member of the American Institute of Certified Public Accountants (AICPA)

Our professionals have deep technical experience in serving governmental entities similar to the City. Members of our engagement team are part of the associations, organizations and regulatory bodies that influence and affect the City. We are active in industry organizations, events and knowledge sharing initiatives, and are involved in several boards and committees that help shape industry-specific practice standards.

We are actively involved in and/or are members of the following professional organizations:

- *American Institute of Certified Public Accountants (AICPA)*
 - Auditing Standards Board
 - Employee Benefit Plan Audit Quality Center Executive Committee
 - Employee Benefit Plans Expert Panel
 - Employee Benefits Tax Technical Resource Panel
 - Governmental Audit Quality Center Executive Committee
- AICPA's State and Local Government Expert Panel
- AICPA's Government Audit Quality Center (GAQC)
- AICPA Single Audit Quality Task Force
- Government Finance Officers Association (GFOA)
- Virginia GFOA and various other state chapters
- Special Review Committee for the GFOA's
- Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants

We make it a point to be as active as possible with these organizations. We are always receptive, and look forward, to conducting speeches or making presentations on request. Over the years we have been able to make available contacts within various association and branches of the government. We, in turn, use this ever-increasing network of information and individuals to best serve our clients.



C. Assigned Supervisor/Principal

Greg Bussink will serve as the Engagement Principal for the City. Greg has more than 21 years of experience, specializing in serving government entities. He is one of our leading government experts in the region, providing his government clients with insights throughout the year. Greg will oversee all engagement responsibilities for the work, including reviewing the work plan, coordinating activities with the audit senior manager, and directing all meetings with the City.

We have assembled a team consisting of experienced professionals who currently serve the City. We intend to keep our team intact to help build on the experience being developed during the June 30, 2016 audit. The City will benefit from the team's overall governmental experience, specific Virginia experience, and detailed understanding of the City's operations.

Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting Experience

The assigned staff members for the City have detailed government accounting insight, and are actively involved in industry organizations like the Government Finance Officers Association (GFOA). We understand the interrelationships of the many and varied components of a governmental entity's financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist numerous clients with the preparation of their Comprehensive Annual Financial Report (CAFR) and improvement of their financial statements.

We have extensive experience assisting governmental clients with the preparation and submission of their CAFR to the GFOA. Our procedures with respect to the CAFR will be the review of the comments from GFOA on the prior year submission to ensure they were adequately addressed, completion of the CAFR checklist, and review of the transmittal letter and statistical data to ensure that information presented is reasonable and agrees with the information in the financial statements and management's discussion and analysis (MD&A), where applicable.

Our involvement with clients in the GFOA Certificate program helps to ensure that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them.

Through our government assurance experience we have acquired strong skills which will aid in the performance of this engagement. Furthermore, our staff participates in GFOA's professional development training opportunities, attends the annual National GFOA conference, Virginia GFOA conferences and local chapter meetings and frequently presents at these conferences.

Below are some of our clients our assigned staff members have assisted in the preparation of their CAFRs and receiving Certificates of Achievement:

- Arlington County, Virginia
- City of Alexandria, Virginia
- City of Alexandria Public Schools
- Virginia Port Authority
- Carroll County, Maryland
- City of Takoma Park, Maryland
- Montgomery County, Maryland
- Queen Anne's County, Maryland
- Anne Arundel County, Maryland
- Prince George's County, Maryland
- Baltimore County, Maryland
- Town of Elkton, Maryland
- City of Chelsea, Massachusetts
- City of Newton, Massachusetts
- Howard County, Maryland Public Schools



- Anne Arundel County, Maryland Public Schools
- Baltimore County, Maryland Public Schools
- Washington Metropolitan Area Transit Authority
- Metropolitan Washington Airport Authority Pension Systems
- Town of Sudbury, Massachusetts
- Town of Bedford, Massachusetts

D. Capability to Aid City

Experience with Virginia Auditor of Public Accounts

Because of the number of governmental clients currently and previously served in Virginia, we are very familiar with the reporting requirements of the Auditor of Public Accounts ("APA") and have extensive experience in meeting their compliance requirements. In addition, through our audits of the Virginia Port Authority and the Virginia Resources Authority and Tobacco Fund, we have worked directly for the APA as they were responsible for overseeing the accounting or reporting for these agencies. We can utilize this insight to assist in meeting APA's compliance requirements.

Furthermore, we obtain and carefully review the latest APA supplements to identify compliance issues that are applicable to our clients by:

- Monitoring the APA's website for changes
- Being included on its distribution list for updates to the compliance supplement
- Attending training sessions provided by the APA for specific compliance requirements
- Inquiring directly for interpretations with issues that have been encountered

Compliance requirements are incorporated or integrated into our tailored audit programs to ensure compliance with the APA.

Experience with Virginia Entities and Clients of Similar Size

We understand that quality of service will be a key factor as you prepare to select a firm to serve the City. *The below list is a sampling of our experience as external auditor for governmental entities in Virginia.* In this list, we have also included our Eastern region's state and local government clients we currently serve that are projects of similar scope and size to the City. The financial statements issued for these clients are in conformity with generally accepted accounting principles for local governments as determined by the governmental accounting and financial reporting standards issued by the Governmental Accounting Standards Board.

Virginia Entities

- City of Richmond, VA
- Allentown Housing Authority
- Arlington County Pension Audit
- Arlington County, VA, Department of Management and Finance
- City of Alexandria
- City of Portsmouth, VA
- County of Loudoun, Virginia
- County of Roanoke, VA
- Fairfax County Redevelopment and Housing Authority
- Northern Virginia Regional Commission
- Prince William County, Virginia
- Richmond Redevelopment & Housing Auth.
- Virginia Department of Transportation
- Virginia Port Authority



Eastern Region's State and Local Government Clients

- Anne Arundel County Board of Education
- Anne Arundel County, Arundel Center Pension
- Anne Arundel County, Arundel Ctr.
- Arizona State Retirement System
- Asbury Place Apartments
- Baltimore City Fire & Police Employees' Retirement
- Baltimore City Public School System
- Baltimore County Public Library
- Baltimore County Public Schools
- Baltimore County, Maryland
- Baltimore County, MD Pension Audit
- Baltimore Public Market Corporation
- Baltimore Regional Housing Partnership, Inc.
- Board of Pensions & Retirement-Philadelphia
- Buffalo Municipal Housing Authority
- California Housing Finance Agency
- Calvert County Board of Education
- Carroll County Board of Education
- Carroll County Commissioners
- Carroll County Public Library
- Charles County Public Schools
- Charleston County School District
- Chesapeake Regional Information
- Chester Housing Authority
- City of Annapolis, Maryland
- City of Baltimore
- City of Baltimore and Elected Officials ERS
- City of Baltimore Housing and
- City of Corpus Christi
- City of Fort Worth - Def. Comp. Plan
- City of Newark, Delaware
- City of Philadelphia Deferred Compensation Plan
- City of Phoenix Deferred Comp. Plan
- City of Takoma Park
- Colorado PERA / Office of State Auditors
- Commonwealth of Pennsylvania Financing Authority
- Commonwealth of Pennsylvania
- Davenport & Company
- DC Housing Authority
- DC Retirement Board
- Maryland Dept. of Health & Mental Hygiene/Administration
- DHMH - State of Maryland Department of
- DuPage Housing Authority
- Durham Housing Authority
- East St. Louis Housing Authority
- Easton Utilities Commission
- Fifth District Holding Company
- Fort Worth Housing Solutions
- Frederick County, Maryland
- Harford County Public Library
- Harford County, MD
- Howard County Board of Education
- Howard County Department of Housing
- Howard County Volunteer Fire Corps.
- Huntsville Housing Authority
- Interstate Commission on the Potomac River Basin
- Kansas City Housing Authority
- Kansas Housing Resources Corporation
- Kentucky Deferred Compensation
- Lancaster City Housing Authority
- Local Government Insurance Trust
- Maryland Dept. of Housing & Community Development
- Maryland Health Insurance Plan
- Maryland Transportation Authority
- Maryland Workers' Compensation
- McGuire Woods LLP
- MD Department of Housing & Community Development
- Metropolitan Washington Airports Authority
- Mississippi Department of Education
- Montgomery Co. Union Employees' Deferred Comp. Plan
- Montgomery County Government
- Montgomery County Government Retirement System
- Montgomery County Housing Opportunities Commission
- Montgomery County Public Schools
- Nevada Public Employees' Deferred Comp. Plan
- New Castle County, Delaware
- New Jersey Department of Transportation



- New Jersey Department of Transportation
- New Jersey Department of Treasury
- New Jersey Housing and Mortgage Finance Agency
- New Mexico Educational Retirement Board
- New Mexico PERA
- New York State Def. Compensation Board
- North Carolina Office of the State Treasurer
- North Dakota Public Employees Retirement System
- North Dakota Retirement and Investment Office
- Northeast Waste Disposal Authority
- Office of Attorney General, Commonwealth of PA
- Ohio Public Employees Retirement System
- Pennsylvania Municipal Retirement Sys
- Pennsylvania School District Liquid Asset Fund
- Portland Housing Authority
- Prince George's County Government
- Prince George's County Housing Authority
- Prince George's County Public Schools
- Public Employees Retirement System of Nevada
- Queen Anne's County
- Saint Regis Mohawk Network
- South Carolina PEBA Insurance Benefits
- South Carolina Retirement System
- St. Michaels Housing Authority
- St. Regis Mohawk Tribe
- State of Arizona Retirement Plans
- State of Delaware - Office of Auditor of Accounts
- State of Delaware Department of Safety and Homeland Sec.
- State of Idaho Public Employees
- State of New Hampshire Public Employees DCP
- State of New Mexico Public Employees
- State of South Carolina
- State Retirement Agency of Maryland
- The Maryland-National Capital Park &
- The Maryland-National Capital Park & Planning Comm
- THHSC EBT
- Town of Easton, Maryland
- Town of Elkton
- Town of Manchester
- Tulsa Housing Authority
- Washington Metropolitan Area Transit Authority
- Wicomico County Housing Authority
- Wilmington Housing Authority



TAB 4 – REFERENCES

CLA gives consent for the City to contact the references provided below for the purpose of CLA for this Contract. We acknowledge that any information obtained from these references will not be disclosed to the offeror. We are confident that our references will attest to the competence, professionalism, and client service provided by CLA. We are pleased to provide you with the following references, who can describe their experience in greater detail:

Local Government Clients			
Client Name	Services Performed	Number of Years Served	Contact Information
Arlington County, VA 2002- present*	<ul style="list-style-type: none"> Financial Statement Audit Single Audit CAFR APA Compliance audits and agreed upon procedures 	2002 – present	Barbara Wiley, Controller 703-228-3432 BWiley@arlington.va.us
Alexandria City, VA Public Schools 2012 – present*	<ul style="list-style-type: none"> Financial Statement Audit Single Audit CAFR 	2012 – present	Michael Covington Director, Accounting 703-619-8145 (direct) michael.covington@acps.k12.va.us
City of Alexandria, VA 2012 – present*	<ul style="list-style-type: none"> Financial Statement Audit Single Audit CAFR APA Compliance audits and agreed upon procedures 	2012 – present	Laura Triggs, Deputy City Manager 703-746-3900 laura.triggs@alexandriava.gov
Richmond Redevelopment & Housing Authority	<ul style="list-style-type: none"> Financial Statement Audit 990 Tax Prep 	2008 – present	Stacey Fayson, Controller 804-780-4352 Stacey.Fayson@rrha.com
Virginia Port Authority 2012 – 2014*	<ul style="list-style-type: none"> Financial Statement Audit Single Audit Agreed-Upon Procedures 	2012 – 2014	Rodney Oliver Chief Financial Officer roliver@PortofVirginia.com 757-683-2177



Local Government Clients

Client Name	Services Performed	Number of Years Served	Contact Information
Montgomery County, Maryland 2008 – present*	<ul style="list-style-type: none"> • Financial Statement Audit • Single Audit • Agreed-Upon Procedures • Retirement System Audit • CAFR • 911 Audit • Retirement Plan Audit • Liquor Control Audit • IDEA & Data Analytics Consulting 	2008 – present	Leslie Rubin, Legislative Analyst 240-777-7879 leslie.rubin@montgomerycountymd.gov
Prince George's County, Maryland 2010 – present*	<ul style="list-style-type: none"> • Financial Statement Audit • Single Audit • OPEB Plan Audit • Agreed-Upon Procedures • Retirement System Audit • 911 Audit • Industrial Development Authority 	2010 – present*	Charles M. Curtis, Assistant Director of Finance 301-952-3879 cmcurtis@co.pg.md.us

*indicates the year(s) a client received a GFOA Certificate of Achievement for Excellence in Financial Reporting



TAB 5 – LITIGATION AND ARBITRATION

From time to time, the firm is a defendant in lawsuits involving alleged professional malpractice. In all cases, the firm believes that it has a strong position and intends to defend itself vigorously. Should the ultimate outcome be unfavorable, however, net of the deductible provisions of the firm's malpractice insurance, all cases are expected to be fully covered by insurance and will not have a material impact on the firm or its ability to perform these services.

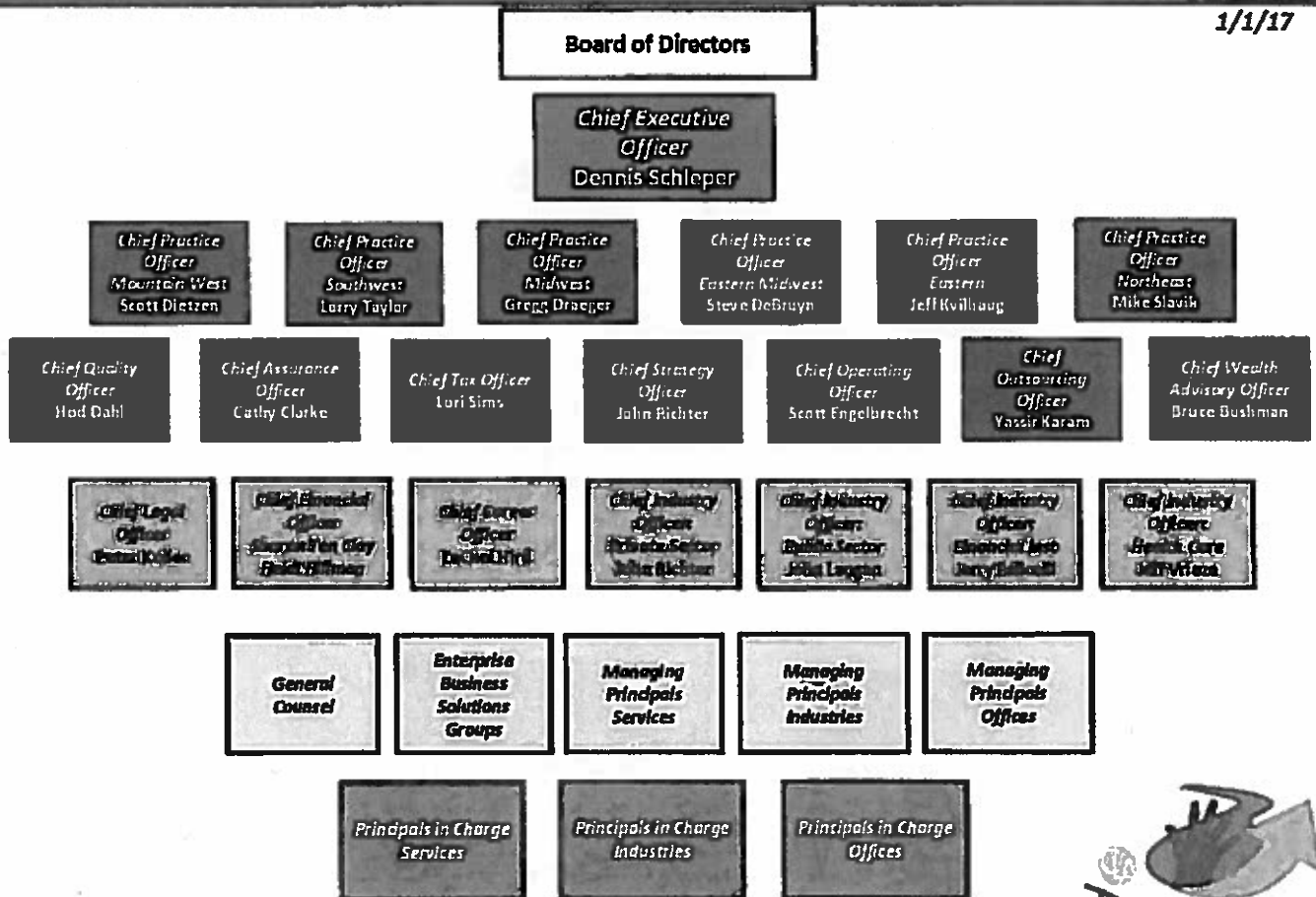
Moreover, in those cases where claims have been resolved by settlement (the vast majority of our cases), the firm is typically subject to confidentiality agreements that prohibit the disclosure of information regarding those matters. Disclosure by the firm of any details about those matters could invalidate the settlement agreements.



TAB 6 – PERSONNEL

Organizational Chart

Firmwide
1/1/17



List of Contacts

Please find below, Greg Bussink's, Engagement Principal, contact information which includes phone numbers, e-mail address, department, and title. He is our contact for all functional areas relevant to the performance of the services solicited by the City's Request for Proposal.

Name and Title: Greg Bussink, Principal
 Department: Eastern Region – State and Local Government
 Phone Number: 301-902-8527 | mobile 443-691-189
 Email Address: Greg.Bussink@CLAconnect.com

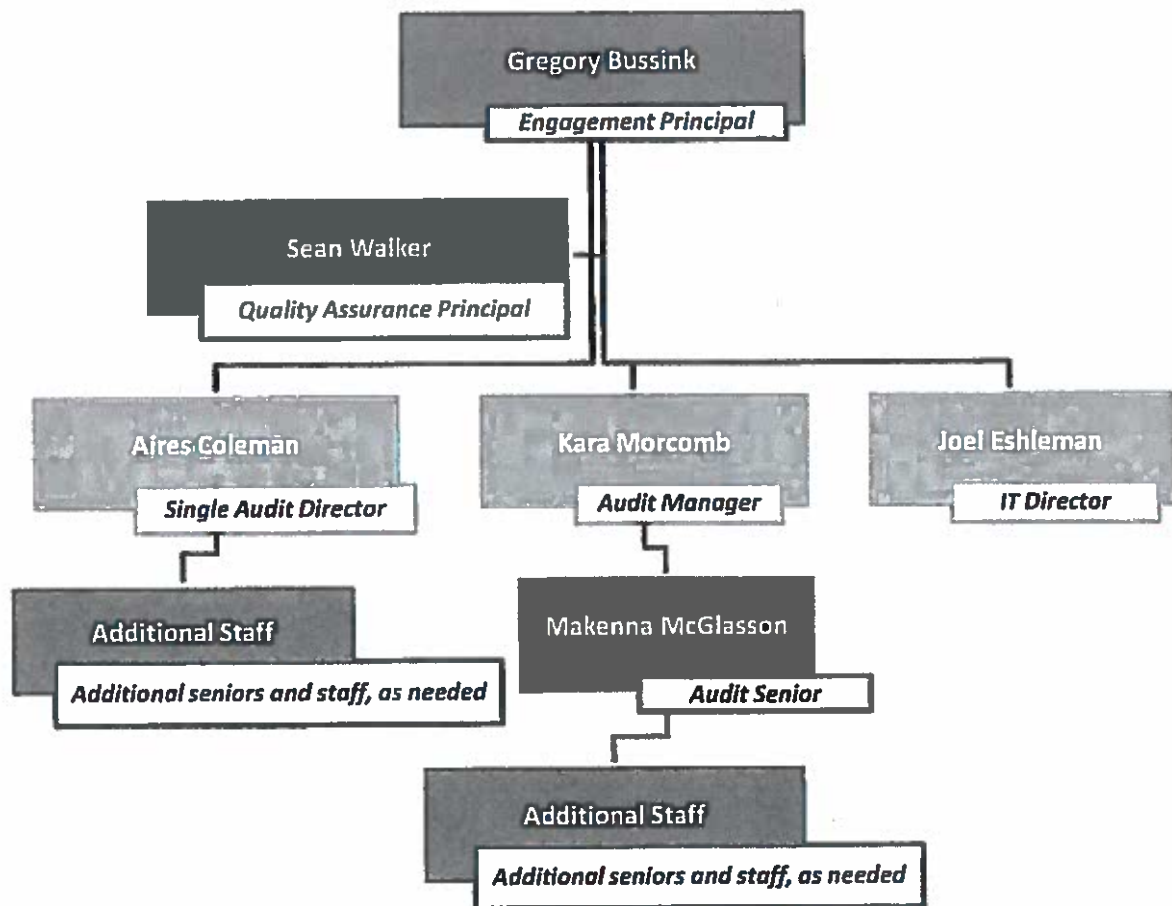


Assigned Staff

Our proposed engagement team will utilize a broad array of audit specialists who have a proven track record of delivering best-in-class results for other entities similar to the County. Greg Bussink will serve as Engagement Principal, dedicated to achieving the County's financial goals for this engagement.

The most important resource any business has is people — the right people.

The following diagram illustrates the project team structure and members:



We will assign additional staff to your engagement based on your needs and their experience providing services to state and local governments. Ideally, the staff assigned to your team will be from our Arlington, VA, Calverton, MD and Baltimore, MD offices with state and local government as their industry focus at CLA.



Resumes

Gregory J. Bussink, III, CPA, CGFM, CGMA
CliftonLarsonAllen LLP
Engagement Principal
Arlington, Virginia



CliftonLarsonAllen



Engagement Responsibilities: Greg Bussink will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Greg is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team. He will dedicate approximately 5%-7% of time to the Contract.

Profile

Greg has more than 21 years of experience, specializing in serving government entities. He is one of our leading government experts in the region, providing his government clients with insights throughout the year. He is well versed in the issues that governmental entities face and brings fresh ideas to tackle his clients' specific issues. Greg frequently speaks at local governmental and nonprofit conferences and training events.

Due to his contributions to the industry, Greg was the 2015 winner of the Association of Government Accountants Private Sector Financial Excellence Award.

Technical Expertise

- Plans and performs CAFR audits and single audit procedures conducted in state and local government engagements
- Performs audits of nonprofit organizations, including organizations serving the developmentally disabled, HUD assisted projects, community service organizations and membership organizations
- Performs audits, reviews and consulting for government contractors, including assisting with calculation of overhead rates and compliance with Federal Acquisition Regulations and state equivalents
- Performed audit of mortgage lender/broker
- Performed audits of employee benefit plans

Educational Background

- Bachelors of Science in accounting from Bowie State University, Bowie, Maryland

Professional Certifications

- Certified Public Accountant
- Certified Government Financial Manager
- Chartered Global Management Accountant

Professional Registrations and Memberships

- American Institute of Certified Public Accountants – Member
- Maryland Association of Certified Public Accountants – Member
- Association of Government Accountants – Member
- Government Finance Officers Association – Member
- Virginia GFOA – Member



Sean Walker, CPA, CFE, CGFM, CGMS

CliftonLarsonAllen LLP

Quality Assurance Principal, Eastern Region State and Local Government Leader
Baltimore, Maryland



CliftonLarsonAllen



Engagement Responsibilities: Sean Walker complete the quality review of all work performed and audit reports prior to issuance. His review is to confirm adherence to industry and firm quality control guidelines and to make sure the work performed supports the audit opinions issued. He will dedicate approximately 2%-3% of time to the Contract.

Profile

Sean is the Eastern Region State and Local Government leader and has been serving public sector clients since 1999. Sean specializes in providing accounting, financial auditing, and consulting to large and complex governmental audit engagements. Sean is involved in the government industry on a national basis. He is a frequent speaker on government accounting, auditing, and single audits for professional associations around the country. He also serves as a consulting technical partner on CLA's clients on government accounting and auditing, including OMB Uniform Guidance.

Technical Experience

- State and local government
- Nonprofit entities

Educational Background

- Bachelor of Business Administration in accounting from University of Wisconsin, Milwaukee, Wisconsin
- Master of Business Administration from Concordia University, Wisconsin

Professional Certifications

- Certified Public Accountant (CPA)
- Certified Government Financial Manager (CGFM)
- Certified Grants Management Specialist (CGMS)
- Certified Fraud Examiner (CFE)

Professional Registrations and Memberships

- American Institute of Certified Public Accountants – Member
- Maryland Association of Certified Public Accountants – Member
- AICPA Government Audit Quality Center Executive Committee
- GFOA Special Review Committee for the Certificate of Achievement for Excellence in Finance Reporting
- American Institute of Certified Public Accountants – Member
- National Grant Management Association – Member
- Association of Government Accountants – Member
- Maryland Government Finance Officers Association – Member
- Association of Local Governmental Auditors – Member
- Institute of Internal Auditors – Member
- Information Systems Audit and Control Association – Member
- Rotary Club of Frederick, Maryland – Member
- AICPA State and Local Government Expert Panel – Past Member
- AICPA National Governmental Accounting and Auditing Conference Planning Committee – Past Member



Aires Coleman, CPA
CliftonLarsonAllen LLP
Single Audit Director
Baltimore, Maryland



Engagement Responsibilities: Aires will be responsible for the planning, execution and management of the single audit fieldwork. She will also assist in the resolution of technical and reporting issues. Aires will be on-site in the field supervising the single audit to identify and resolve issues as they arise. She will dedicate 10% of time to the Contract.

Profile

Aires has over 15 years of experience with auditing and accounting services. She is recognized as one of CLA's single audit technical expert as she coordinates A-133 compliance audits for governmental entities. During her career, Aires has developed a specialty in governmental auditing and accounting with an emphasis on state and local government agencies. She manages a team who specializes in OMB Circular A-133 single audits, and is well versed in Government Auditing Standards. Prior to joining CLA, Aires was an internal auditor for the State of Maryland Controller's Office as well as for the Judiciary department, where she served as one of the audit managers. Her expertise with single audits means the City can feel comfortable that the audit of federal funds will be conducted thoroughly, accurately and in accordance with all federal guidelines.

Technical Expertise

- Performed OMB Circular A-133/UGG single audits for a variety of governmental entities, with a concentration on large local governments, states, and educational organizations
- Government experience that encompasses progressive professional supervisory skills
- Experienced with policies/procedures for financial preparation, reporting, and reconciliation as well as other financial duties/responsibilities
- Proficient knowledge of government accounting, Generally Accepted Accounting Principles (GAAP) and Generally Accepted Government Auditing Standards (GAGAS)

Educational Background

- Bachelor of Arts in business administration from University of Maryland, Baltimore, Maryland

Professional Certifications

- Certified Public Accountant

Professional Registrations and Memberships

- Maryland Association of Certified Public Accountants – Member
- Maryland Government Finance Officers Association – Member
- American Institute of Certified Public Accountants – Member
- Government Finance Officers Association – Member



Kara Morcomb, CPA, CFE

CliftonLarsonAllen LLP

Manager

Baltimore, Maryland



Engagement Responsibilities: Kara Morcomb will act as the lead manager on the engagement. In this role, Kara will assist the engagement principal with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of comprehensive annual financial report and all related reports. She will dedicate 15% of time to the Contract.

Profile

Kara has over 7 years of experience serving government clients. This experience includes single audits. She specializes in governmental auditing and accounting with an emphasis on state and local government agencies.

Technical Experience

- State and local government
- Plans and performs CAFR audits and single audit procedures conducted in state and local government engagements
- Performed audits of nonprofit organizations, including organizations serving the developmentally disabled, HUD assisted projects, community service organizations and membership organizations
- Performs audits, reviews and consulting for government contractors, including assisting with calculation of overhead rates and compliance with Federal Acquisition Regulations and state equivalents
- Utilized computer assisted audit techniques (CAATs) to improve effectiveness and efficiency on audit

Educational Background

- Bachelors of Science in accounting from Towson University, Baltimore, Maryland

Professional Certifications

- Certified Public Accountant
- Certified Fraud Examiner

Professional Registrations and Memberships

- American Institute of Certified Public Accountants – Member
- Maryland Association of Certified Public Accountants – Member
- Maryland Association of Certified Fraud Examiners – Member



Joel Eshleman, CISA, CIA
CliftonLarsonAllen LLP
IT Manager
Baltimore, Maryland



Engagement Responsibilities: Joel Eshleman will assist the audit team in documenting and evaluating general computer controls and IT application controls. He will dedicate 5% of time to the Contract.

Profile

Joel has 15 years of experience and is the leader of the information technology audit teams serving assurance clients. Joel's experience includes five years' experience with a Big 4 firm performing information technology, business process and controls, and third-party reporting projects. Joel assisted a number of clients with system design implementations in the government, manufacturing, and entertainment industries. Joel has lead training seminars on the risks and controls related to system design and implementation.

Joel has led SAP information technology and security controls tests for compliance with SOX for organizations such as Astra-Zeneca Pharmaceuticals, Discovery Communications, Invista, and the Commonwealth of Pennsylvania since 2004. Joel specializes in the development, testing, reporting, remediation, and monitoring of sensitive access and segregation of duties through automated tools in SAP (Approva and GRC).

Joel has assisted clients with ERP system design and implementation in the government, manufacturing, and entertainment industries, including the following specialized projects:

- Security: Design/re-design of profiles and roles to meet processing/controls needs
- Transport: Design of Transport paths and associated controls
- ITGC: Assess the adequacy of information technology general controls (change management, access controls, support system security configuration)
- Data Conversion: Identify, map, design, and monitor the conversion of data

Project Management:

- Participate and validate that management complies with the established SDLC with appropriate control points and reporting.

Technical Expertise

- Information Technology

Educational Background

- Bachelor of Science in accounting from York College of Pennsylvania, York, Pennsylvania

Professional Certifications

- Certified Information Systems Auditor
- Certified Internal Auditor

Professional Registrations and Memberships

- Information System Audit and Control Association – Member
- Institute of Internal Auditors, Member – Member





Makenna McGlasson, CPA
CliftonLarsonAllen LLP
Senior Associate
Baltimore, Maryland

Engagement Responsibilities: Makenna McGlasson will be responsible for the day to day activities for this engagement, including the supervision of all staff assigned. She will dedicate 20% of time to the Contract.

Profile

Makenna has more than four years of experience serving government and nonprofit clients. Makenna focuses in governmental auditing and accounting with an emphasis on state and local government agencies.

Technical Experience

- State and local government
- Nonprofit entities
- OMB Circular A-133 single audits

Educational Background

- Bachelors of Art in accounting from Lycoming College, Williamsport, Pennsylvania.

Professional Certifications

- Certified Public Accountant

Professional Registrations and Memberships

- American Institute of Certified Public Accountants
- Maryland Association of Certified Public Accountants



TAB 7 – SUBCONTRACTING

Minority Business Enterprise (African American) – Tyrone E. Dickerson, CPA, PLC

We have partnered with Tyrone E. Dickerson, CPA, PLC, a certified public accountant and tax preparer, to fulfill the MBE/ESB participation goal for this contract of 10%.

A. Reasons for Subcontracting

Tyrone E. Dickerson, CPA is a local accountant, located in Richmond, VA who is especially familiar with the Virginia and Richmond audit standards and guidelines. By lending his expertise and knowledge of Richmond's audit practices, he will be an invaluable asset to our engagement team.

B. Proposed Subcontractor Responsibilities

Mr. Dickerson will perform a minimum of 10% of the total dollar amount or hours of the proposed contract. His role will be to assist in the performance of the on-site audits. He will be subject to the technical requirements of CLA. His work will be reviewed by key personnel from CLA, and no separate reports will be issued by him.

C. Identity of Proposed Subcontractors

Below is the location Mr. Dickerson works from.

Tyrone E. Dickerson, CPA, PLC
2911 Kenbury Road
Richmond, Virginia 23236
(804) 272-1250

As previously mentioned, we will utilize Mr. Dickerson to assist our engagement team. His professional information is as follows:

Tyrone E. Dickerson, CPA, PLC

Tyrone has over 40 years of professional experience in financial management, including manpower training programs, partner/principal in public accounting, broadcast owner, and investment officer with a venture capital firm funded by 24 of America's top corporations. He has extensive knowledge of a broad range of nonprofit organizations and businesses in the private and public sector. Tyrone has a proven track record in financial analysis, auditing, accounting systems, and controls, and has worked on the City of Richmond's audit as the engagement partner for six years with a Big Four accounting firm.

Tyrone received his MBA from the Harvard Graduate School of Business and a Bachelor of Science degree in accounting from Central State University. He is a member of the American Institute of Certified Public Accountants, Virginia, New York, and Pennsylvania Societies of Certified Public Accountants, and the National Association of Black Accountants.

Prior to the merger of Clifton Gunderson and Larson Allen, Clifton Gunderson subcontracted with Tyrone on several state and local government audit and consulting engagements, including the Virginia Department of Medical Assistance Services and University of Virginia.



TAB 8 – APPROACH TO PROVIDING SERVICES

Financial Statement Audit Approach

CLA is one of a few firms that have developed its own proprietary audit program. Many firms use canned, off-the-shelf audit programs, which limits their flexibility in determining what procedures they can and cannot perform because they must follow the audit methodology they have purchased. Our audit teams are able to customize our audit programs to address the specific risks and unique characteristics of your operation. We do not perform the exact same procedures for every client. In addition, our audit programs are interactive, providing guidance to the staff while they are performing the audit procedures.

Our audit approach for year one and subsequent years will have certain consistent elements. However, we expect that the subsequent years will result in fewer audit hours based on the efficiencies gained as we become more familiar with your operations. Our audit objective extends beyond the issuing of an opinion on financial statements. We believe that a good audit yields substantial information for management, and is a valuable tool in recognizing opportunities and identifying areas that can be strengthened. An effective audit performed by our team will also provide:

- An objective look at your policies and procedures
- Valuable suggestions for improvements in your financial operations and other areas
- An analysis of trends and unusual variations from year-to-year
- Protection for current and future resources through improved internal controls
- A deterrent to embezzlement and other fraudulent activities

Benefits of CLA's Risk-Based Approach

Our audit services are designed to protect the interests of the members, governance, and management by concentrating on high-risk areas. Risk identification is the first step of the audit process, providing the basis upon which the overall plan is developed. Our risk assessment process involves consideration of the following types of risk:

- **Inherent risk** - that an error in the accounting and reporting process may occur
- **Control risk** - that internal control systems designed to prevent/detect errors may fail
- **Audit detection risk** - the risk that audit procedures may fail to detect errors

Commitment to Communication with Management

As you will see, we are committed to ongoing communication throughout the engagement. Continual communication starts when an engagement letter is issued, continues until the completion or closeout of an engagement and throughout the remainder of the year. We believe effective communication is critical to a successful engagement. This communication includes the exchange of ideas and advice as changes are considered or implemented by the entity or the accounting profession.

During the engagement we will hold regular status meetings with the City to enhance day-to-day operations, results, and any issues are commonly understood and addressed. The objectives of tracking and formally reporting the engagement status are to:

- Provide a consistent technique for monitoring progress against plan
- Identify any issues quickly to allow for timely corrective action
- Provide an objective rather than subjective evaluation of status
- Provide timely information on a regular basis
- Assist with obtaining buy-in of any audit recommendations on a timely basis



Our proactive measures foster communications, both written and oral, which are ongoing, relevant and routine to our engagements. Our commitment to this practice encourages open lines of communication and often prevents and/or mitigates service delivery issues. Our professionals are trained in documenting observations, recommendations, business issues, and new developments as part of their daily routine.

We will conduct our financial statement audit in four primary phases, as shown in *Figure 3* below:



Continuous Communication Throughout

Figure 3. Proven Methodology. Our audit is performed based on a risk-based approach. We conduct our audits under the concept of "understanding the entity." This concept is based fundamentally on the fact that the City is unique. By understanding the City, we gain the necessary perspective for performing an effective audit. Our audit approach places particular emphasis on the planning phase to determine maximum efficiency and effectiveness.



Planning & Strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures. We will accomplish our planning by following the methodology below:

- Conduct an entrance meeting with the City – Bill Early and staff will meet with the City personnel to mutually agree on an outline of responsibilities and timeframes. The agenda will include but not be limited to the following:
 - Establish audit approach and timing schedule
 - Assistance to be provided by the City personnel
 - Application of generally accepted accounting principles
 - Initial audit concerns
 - Concerns of the City's management
 - Establishment of report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of the operations of the City, including any changes in its organization, management style, and internal and external factors influencing the operating environment. We will utilize reference materials such as the budget and related materials, organizational charts, manuals and programs, financial, and other management information systems
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using Interactive Data Extraction and Analysis (IDEA), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the City, and establish mutually agreed upon deadlines



We will document our planning through preparation of the following:

- **Entity Profile.** This profile will help us gain an understanding of City activities, organizational structure, services, management, key employees and regulatory requirements
- **Preliminary Analytical Procedures.** These procedures will assist in planning the nature, timing and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results, and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit
- **General Risk Analysis.** This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations and other key planning considerations
- **Account Risk Analysis.** This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion
- **Prepared by Client Listing.** This document will contain a listing of schedules and reports to be prepared by City personnel with due dates for each item

One of the key elements in the planning of this audit engagement will be the heavy involvement of principals and managers. We will clearly communicate any issues in a timely manner, and will be in constant contact with the City as to what we are finding and where we expect it will lead.

We will develop our audit programs during this phase. Utilizing the information we have gathered and the risks identified we will produce an audit program specifically tailored to the City. This program will detail by major section the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.



Systems Evaluation

During the systems evaluation phase, we will gain an understanding of the internal control structure of the City for financial accounting and relevant operations. Next, we will identify control objectives for each type of control that is material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles. One audit efficiency initiative is to rely heavily on internal controls when appropriate, and to creatively look at internal control testing to make it as efficient as possible. This means not routinely performing detailed tests of transactions using large samples. We first seek to identify key controls, and then identify possible testing through alternative methods, such as observation, interviews, and re-performance. These tests serve not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance.

We will also develop our internal control tests to assess the compliance with certain provisions of laws, regulations, contracts, and grants for which noncompliance could have a direct and material effect on the



determination of financial statement amounts. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the City has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated Prepared by Client Listing based on our test results and our anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application Information Systems (IS) controls for the applications that are significant to financial statements to conclude whether IS general controls are properly designed and operating effectively, and consider application controls as part of the internal control assessment in the financial statement audit. Our strategy for the IS review of the applications will involve reviewing all of the general control activities, including the computerized and manual processes. We will determine the scope of work by applying the concepts of materiality and risk assessment to effectively reduce examination inefficiencies. When planning this examination, we will gain an understanding of the City's operations by reviewing its current controls and control objectives as documented, and will also review prior years' audit work and the status of corrective actions.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then proceed to assess the significant computer-related controls.

For IS-related controls that we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support appropriate findings and will provide recommendations to improve internal controls. For those IS controls that we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.



Testing & Analysis

The extent of our substantive testing will be based on results of our internal control tests. It has been our experience that governmental entities, like the City, often have a system of internal controls that, with appropriately designed tests and correlation to account balances, can be used to limit the extent of account balance substantiation testing.

Audit sampling will be used only in those situations where it is the most effective method of testing. Before deciding to sample, we will consider all possible approaches and audit techniques. Items where, in our judgment, acceptance of some sampling risk is not justified will be examined 100 percent. These may include unusual items or items for which potential misstatements could individually equal or exceed tolerable error.

After identifying individually significant or unusual items, we will decide on the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase



the percent of coverage of the account balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use IDEA to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will also provide the City with status reports during the course of the audit fieldwork. As in all phases of the audit, we will be in communication with the City to determine that all identified issues are resolved in a timely manner. We will also hold a final exit conference with the City to summarize the results of our fieldwork and review significant findings.



Reporting & Follow-Up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- Management Letter
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the City
 - The City's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, which is a process that actually starts while the fieldwork is in process, our opinion, the financial statements and management letter will be issued.

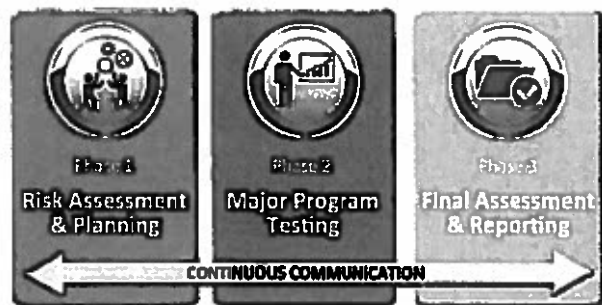


Single Audit Approach

As illustrated in *Figure 4*, we will conduct our audit in three primary phases:

- Phase 1 – Risk Assessment and Planning
- Phase 2 – Major Program Testing
- Phase 3 – Final Assessment and Reporting

Figure 4. Tailored Single Audit Approach. CLA understands that each contract/grant agreement is as unique as each governmental and nonprofit entity. Therefore, we tailor our audit procedures to match each client's risks.



Phase 1

Risk Assessment & Planning

The risk assessment and planning phase will encompass the overall planning stage of the single audit engagement. During this phase, we will work closely with the City's management to ensure that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We will also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We will accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs.
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we will identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the UG.
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits.
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs.
- Determine the major programs to be tested for the current fiscal year based on the previous steps.
- Based on our determination of the major programs, we will obtain the current year UGG compliance requirement supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly.
- Prepare and distribute templates to the City's management to obtain the Summary Status of Prior Year Findings.
- Determine the preferred methods of communication during the audit.

Phase 2

Major Program Testing

We will determine the programs to be audited based on the risk assessment performed in the planning phase. We will perform the audit of the programs in accordance with UG.

To accomplish this, we will perform the following:

- Schedule an introductory meeting and notify the City's management of the major programs for the current fiscal year.
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards.
- Perform tests of compliance and internal controls over compliance for each major program identified.



- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise.
- Conduct entrance and exit conference meetings with each grant manager.

Phase
3

Final Assessment and Reporting

We will re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Based on the final determination of the programs we will perform the following:

- Identify Type A and significant Type B programs which were not previously identified.
- Re-assess the risk and determine if we are required to audit additional programs.
- Perform compliance testing at the entity wide level related to procurement and cash management requirements.
- Perform testing to validate the status of prior year findings for those programs not selected for audit.
- Prepare the Schedule of Findings and Questioned Costs.
- Conduct exit conference with the City's management to review drafts of required reports:
 - Independent Auditor's Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB's UG

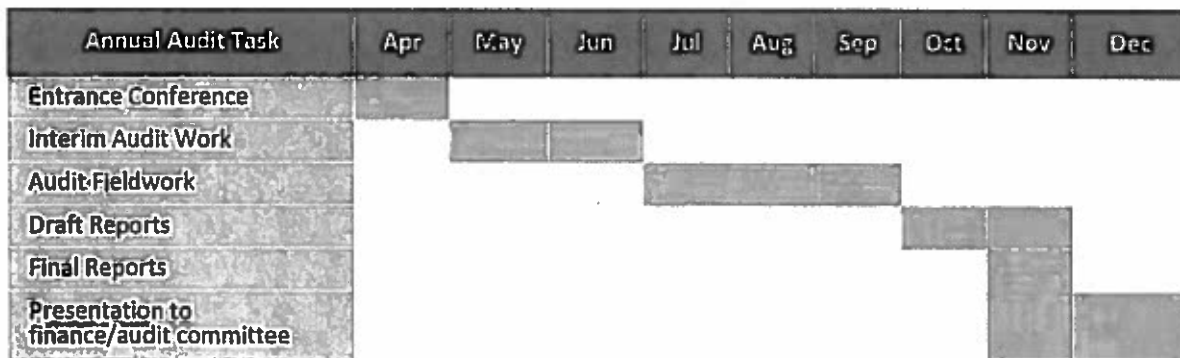
Throughout the Single Audit, we will maintain communication through periodic progress meetings with those designated by the City. These meetings will be on a set schedule, but as frequently as the City determines. During these meetings, we will discuss progress impediments and findings as they arise.



Proposed Schedules

Our project management methodology results in a client service plan that provides for regular, formal communication with the entire management team and allows us to be responsive to your needs. The schedule allows for input from your personnel to make certain that the services are completed based on your requirements. The plan may also be amended during the year based on input from the audit committee.

Please see the below chart for the estimated time frame for the June 30 audit relating to each segment of this engagement:



Personnel to be Assigned

Please see the below chart for the audit segments our assigned personnel will be a part of.

Audit Segment	Personnel
CAFR Audit	Greg Bussink, Principal, Sean Walker, Quality Assurance Principal, Kara Morcomb, Manager, Makenna McGlasson, Senior Associate, other CLA seniors and associates, and Subcontractor staff
Uniform Guidance and APA compliance	Greg Bussink, Principal, Sean Walker, Quality Assurance Principal, Aires Coleman, Audit Director, other CLA seniors and associates, and Subcontractor staff
Information Technology	Joel Eshleman, IT Director. IT portion of the engagement is coordinated with both the CAFR and Compliance teams

Assistance from City Personnel

We request that the City provide access to all records required for the audits and other requirements of the contract. In addition, we request that you assign a "project coordinator" through whom we will communicate and coordinate activities. We do not foresee needing the City's personnel other than during normal business hours.

To assist in this process, we will provide a detailed Prepared by Client list early in the engagement. We will ask that your accounting staff provide us with standard schedules, as well as additional requested supporting items. We anticipate that your accounting personnel will need to locate and submit to us certain invoices, vouchers, cancelled checks, and other documents and records. We are extremely flexible as to the format in which we receive this information and will ensure, through the use of the latest technology that your personnel will not be asked to perform any unnecessary or extensively disruptive tasks.



We will depend on your staff to provide us with as much information as possible, in an effort to limit everyone's time on the engagement and, ultimately, to save your organization money.

Use of Computer Assisted Audit Techniques

One of CLA's advantages is access to advanced audit tools and technology. Throughout the audit we may employ the use of Computer Assisted Audit Techniques (CAATs) to increase efficiency and effectiveness. The key CAATs that we will use include:

- **Interactive Data Extraction and Analysis (IDEA)** – IDEA is a statistical data analysis tool that has the ability to import data from virtually any data source or file type, with no limitations on the size of the data files that can be examined. IDEA utilizes powerful, built-in tools designed for the performance of audits and fraud investigations, providing the ability to:
 - Statistically sample, summarize, stratify and/or perform an aging of large data sets
 - Compare, join, append or otherwise manipulate multiple, related populations of data
 - Identify gaps or duplicates in record sequences
 - Extract subsets of data using a variety of criteria or filters
 - Build reports and graphs to summarize testing results
- **FX Engagement** – FX Engagement is our “paperless” audit product. This product allows us to file and save all of our audit workpapers in an electronic storage capacity; allowing our firm to save time and resources associated with maintaining and storing paper files. FX Engagement also boasts a trial balance software program, which is utilized to produce financial statements, lead schedules, and allows us to perform trend analysis utilizing our clients’ trial balances.
- **Audit Program Generator (APG)** – In order to provide a uniform approach to all engagements, the firm requires the use of APG, a software program custom-written for CLA. This software package allows the tailoring of audit programs, based on the requirements of your engagement. We have developed a customized CLA audit program, which effectively makes our audit processes paperless and will enhance our present electronic practices.



The primary use of APG is to take a standard audit program and modify, add, and delete procedures to create a program that has been specifically tailored to meet the needs of your engagement. Once tailored, the document can be completed electronically. Specific reports in addition to the basic program are generated to accommodate planning and review of your engagement. APG is an example of a technology tool that is designed to promote audit efficiencies. This software produces an industry-specific base program that is intended to encourage more thoughtful and specific tailoring. For an engagement to be effective in dealing with the risk of errors and efficient in avoiding riskless work, the engagement team will create a plan – the program – that contains the steps necessary to accomplish the goals of your engagement. Using APG is viewed as a thinking process, not just a documentation process.

- **LeapFile** –We use LeapFILE, an encrypted internet file transfer solution that helps us meet our clients' demands for secure GLBA (Gramm-Leach Bliley) and SOX (Sarbanes-Oxley) compliant file transfer processes. Furthermore we provide distribution of request lists well in advance of audit fieldwork which allows us to have significant planning of your audit before we arrive in the field – all of which leads to minimal disruption for the staff in preparation for the audit.
- **Microsoft SharePoint** – Throughout the year management and CLA use Microsoft SharePoint to access client files. SharePoint is a tool that management uses to centralize information that is requested during



the audit. The implementation of Microsoft SharePoint has led to a more efficient audit, as CLA can access documents in a secure manner when we are off-site.



PART II
INSTRUCTIONS TO OFFERORS

1.0 Interpretations.

1.1 Incorporation of City Policies and Procedures. This Request for Proposals is subject to the provisions of Chapter 21 of the Code of the City of Richmond, as amended, and the Policies and Procedures of the Department of Procurement Services, as amended, which are hereby expressly incorporated into this Request for Proposals by reference. Offerors may inspect copies of these documents at the City's website, www.RichmondGov.com.

1.2 Explanations to Offerors.

1.2.1 Inquiry. All inquiries requesting clarification of this Request for Proposals should be made in writing no later than ten business days prior to the closing date to the Contracting Officer identified on the cover sheet of this Request for Proposals. If submitting an inquiry by electronic mail or facsimile transmission, the offeror should notify the Contracting Officer by telephone that the person is sending the inquiry by that means. All inquiries should clearly state the number of this Request for Proposals. Because each offeror may have different needs for information, that offeror must make whatever inquiries it deems necessary in order to respond to the Request for Proposals. Inquiries that the Contracting Officer determines to be pertinent to all solicited contractors will be answered by addenda to all solicited firms.

1.2.2 Form of Explanation. No oral explanation in regard to the meaning of this Request for Proposals will be made and no oral instructions will be given before the award of the contract. Any explanation, interpretation or modification of the Request for Proposals that is pertinent to all solicited offerors will be made only by an addendum duly issued by the City, a copy of which will be mailed or delivered to each offeror known to have received the Request for Proposals. The City shall not be responsible for any other explanations or interpretations anyone presumes to make on behalf of the City before the expiration of the ultimate time set for the receipt of proposals.

1.2.3 Addenda. From time to time, addenda may be issued that will provide clarifications or supplemental information about the Request for Proposals documents. All firms receiving Request for Proposals documents issued by the City will be provided copies of addenda. If an offeror fails to acknowledge any addendum that (i) has a material effect on the proposal (i.e., that relates to price, quantity, quality or delivery) and (ii) is not merely administrative, the City may consider that offeror's proposal incomplete, and the proposal thus may be rejected or receive a lower score in the evaluation process. The offeror shall acknowledge receipt of all addenda as part of its proposal and on the form provided for that purpose by the City. The offeror shall be solely responsible for verifying the existence of all addenda items.

1.3 No Contact Policy. Any contact with any City officer, employee, agent, or other representative concerning this Request for Proposals other than that outlined in section 1.2

("Explanation to Offerors") above is prohibited. Any such unauthorized contact may disqualify the offeror from this procurement.

- 1.4 **Other Documents.** The Statement of Needs, the General Terms and Conditions, and any Special Terms and Conditions attached to this Request for Proposals are hereby expressly made a part of and incorporated into this Request for Proposals. The General Terms and Conditions and any Special Terms and Conditions shall be a part of any contract that results from this Request for Proposals. This Request for Proposals also includes a sample of the City's form contract as an attachment. All conditions contained in this attached contract are hereby expressly made a part of and incorporated into this Request for Proposals.
- 1.5 **Disqualification Due to Participation in Preparation of Solicitation.**
- 1.5.1 **Prohibition.** City Code § 21-281(a) prohibits any person who, for compensation, prepares a solicitation for or on behalf of the City from submitting a response to that solicitation or any portion thereof.
- 1.5.2 **Definition.** For purposes of this section 1.5 ("Disqualification Due to Participation in Preparation of Solicitation"), the word "prepares" has the meaning set forth in City Code § 21-281(b) and thus includes but is not limited to the following:
- (1) Serving as a director or deputy director of the agency which has initiated the procurement;
 - (2) Serving as the director of procurement services after the department of procurement services has received information on an agency's intent to procure;
 - (3) Serving as the procurement manager for the agency which has initiated the procurement;
 - (4) Serving as the procurement officer in charge of the procurement;
 - (5) Assisting in the development of specifications for invitations for bids or requests for proposals;
 - (6) Attending an evaluation committee meeting that is closed to the public;
 - (7) Voting on or scoring a bid or proposal; or
 - (8) Any other participation in the procurement process which could lead to unfair advantage.
- 1.5.3 **Disqualification and Waiver.** Pursuant to City Code § 21-281(c), the Chief Administrative Officer shall make the determination that a person is disqualified from submitting a response to a particular solicitation because of that person's participation in preparing that solicitation.

- 1.5.4 **No Contact Policy Applicable.** If a person planning to submit a response to a solicitation contacts the Chief Administrative Officer concerning such a disqualification, such person and the person's firm shall be disqualified from responding to the solicitation for violating the City's no contact policy because the person discussed the solicitation with a City representative other than the Contracting Officer responsible for the procurement.
- 1.5.5 **Appeal of Disqualification.** In accordance with City Code § 21-281(d), any person who has been disqualified pursuant to this section 1.6 ("Disqualification Due to Participation in Preparation of Solicitation") and City Code § 21-281 may appeal the Chief Administrative Officer's determination of disqualification by following the administrative appeals procedure set forth in City Code § 21-168 or by instituting legal action as provided in City Code § 21-169.
- 2.0 **Preparation of Proposals.**
- 2.1 **General Requirements.** The proposal must be typed and bound and should be presented as described in the paragraphs that follow. All pages in the proposal must be consecutively numbered. To be considered substantive, the proposal must respond to all requirements of this part of the Request for Proposals. Information supplied must be current and up to date. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. If the offeror supplies publications to respond to a requirement, the response must include reference to the document number and page number to provide a quick reference for the evaluation panel. Proposals not providing this reference will be considered to have no reference included in the additional documents. The proposal must include all the information defined below and be organized as set forth in the Statement of Needs.
- 2.2 **Substantive Nature of Proposals.** Proposals must be substantive. It is not sufficient for the offeror to address the proposal in general terms or in terms other than those outlined in this Request for Proposals. Proposals should be prepared simply and economically, providing a straightforward, concise description of the offeror's ability to meet the requirements set forth in the Request for Proposals.
- 2.3 **Authorized Signature.** All proposals must be signed in order to be considered. If the offeror is not an individual or a sole proprietor but rather a corporation or any other type of legal entity, the offeror must show the title of the individual executing the proposal and a resolution or other documentation clearly establishing the authority of the individual to sign the proposal and any subsequent contract.
- 2.4 **MBE/ESB Participation.** It is the policy of the City to encourage minority participation in all City contracts. To implement this policy, the City encourages minority participation through subcontracting, joint ventures, or other methods in contracting for services. In the proposal evaluation process, points will be given to those proposals that have a substantial degree of minority business enterprise and emerging small business participation. In order

to expedite the evaluation process, the Participation Commitment Minority Business Enterprise and Emerging Small Business form is attached to this Request for Proposals.

- 2.5 **Faith-Based Organizations.** The City does not discriminate against faith-based organizations. By signing its proposal, the offeror, if a faith-based organization, agrees that it understands the requirements of City Code § 21-43 (Va. Code § 2.2-4343.1).
- 2.6 **Licenses, Permits and Fees.** All proposals submitted shall have included in the prices submitted the cost of any business or professional licenses, permits or fees required by the City of Richmond or the Commonwealth of Virginia.
- 2.7 **Public Inspection of Records.**
 - 2.7.1 **In General.** All proceedings, records, contracts and other public records relating to the procurement transaction that this Request for Proposals concerns shall be open to the inspection of any citizen of the Commonwealth of Virginia or any representative of a media organization with circulation in or that broadcasts in or into the Commonwealth of Virginia in accordance with the Virginia Freedom of Information Act.
 - 2.7.2 **Inspection by Offerors.** Any offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed, but prior to award, except in the event that the City decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.
 - 2.7.3 **Proprietary Information.** Pursuant to City Code § 21-5(f) (Va. Code § 2.2-4342(F)), trade secrets or proprietary information submitted by an offeror in connection with this procurement transaction shall not be subject to the Virginia Freedom of Information Act, provided that the offeror (i) invokes the protections of section 21-5 of the Code of the City of Richmond prior to or upon submission of the data or other materials, (ii) identifies the data or other materials to be protected, and (iii) states the reasons why protection is necessary. Classifying aspects of the proposal that are not trade secrets or proprietary is cause for the City to reject the proposal. Budgets and price quotations are considered public information in proposals submitted to the City. Classifying budgets and price quotations as “proprietary” or “confidential” is cause for the City to reject the proposal.
- 2.8 **Use of Brand Names.** Where a brand or trade name appears in the Request for Proposals, it is understood that the brand or trade name referred to, or its approved equal, shall be furnished. If the offeror proposes similar but not identical items, it must furnish full particulars. If no mention is made of any exceptions, it is assumed that the offeror’s pricing is for the article mentioned and not an approved equal, and the offeror will be required to deliver the exact article specified. The City shall decide, in its sole discretion, if a proposed equal will be approved.
- 2.9 **Descriptive Literature.** Each offeror shall submit with its proposal descriptive literature of equipment or supplies that the offeror proposes to furnish if such articles are of a

different manufacture than those specified in this Request for Proposals. Should the description furnished in such literature differ from the specifications submitted by the City and should no mention be made to the contrary, the description shall be construed to mean that the offeror proposes to furnish equipment or supplies in accordance with such description and not in accordance with the City's specifications, and the City will evaluate the offeror's proposal accordingly.

2.10 Exceptions.

- A. An exception is any condition, limitation, qualification, restriction, term, or other deviation from the requirements of the Request for Proposals that is a condition of the offeror's proposal or that the offeror expects to become part of a contract with the City. Offerors are neither required nor encouraged to take exceptions to the requirements of the Request for Proposals. In some cases, where permitted by law, exceptions may count against an offeror during the evaluation stage or the negotiation stage of the procurement process.
- B. The offeror shall state in its proposal each exception, including the page number, the part and section numbers, the specific text at issue, and the nature of the exception, except as follows:
 - 1. If the Request for Proposals is one for "information technology" as defined in Va. Code § 2.2-2006, the offeror shall not state in its proposal any exception to any liability provisions contained in the Request for Proposals. Instead, if the offeror is selected for negotiations, the offeror shall state any exception to any liability provisions contained in the Request for Proposals in writing, including all of the information required by this section, at the beginning of negotiations.
 - 2. If the Request for Proposals is one for architectural or professional engineering services, the offeror shall not state in its proposal any exception to any proposed contractual term or condition unless such term or condition is required by statute, regulation, ordinance, or standards developed pursuant to Va. Code § 2.2-1132 until after the qualified offerors are ranked for negotiations. If the offeror is selected for negotiations, the offeror shall state any exception to any proposed contractual term or condition contained in the Request for Proposals in writing, including all of the information required by this section, at the beginning of negotiations.
- C. If the offeror fails, neglects, or refuses to note any exception in the manner and at the time required by this section, the offeror agrees that it shall comply with the Request for Proposals as originally issued and modified by any addenda.

3.0 Warranties and Representations of Offeror.

- 3.1 **Compliance with Request for Proposals Documents.** By signing its proposal in response to this Request for Proposals, the offeror warrants and represents that the offeror is in compliance with all terms and conditions of this Request for Proposals.
- 3.2 **Ethics in Public Contracting** By signing its proposal in response to this Request for Proposals, the offeror warrants and represents that (i) it has not violated any provisions of federal law, the Code of Virginia, the Charter of the City of Richmond, or the Code of the City of Richmond, (ii) its proposal is made without any understanding, agreement, or connection with any other person, firm, corporation, or joint venture making a proposal for the same purposes, and is in all respects fair and without collusion or fraud, (iii) it has not offered or received any kickbacks or inducements from any other contractor, supplier, manufacturer or subcontractor in connection with its proposal and (iv) 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, unless consideration of substantially equal or greater value was exchanged. The offeror further warrants and represents that no officer, employee or other person whose salary is payable in whole or in part by the City is, shall be, or become interested, directly or indirectly, as a contracting party, partner, stockholder, surety or otherwise, in this proposal, in the performance of the contract, in the supplies, materials, or equipment and work or labor to which it relates, or in any portion of the profits thereof. In addition, the offeror warrants and represents that the provisions of City Code §§ 21-274—21-285 (Va. Code §§ 2.2-4367—2.2-4377) pertaining to offerors, contractors and subcontractors apply to this Request for Proposals and any resulting contract. The offeror agrees that if these warranties and representations are in any respect breached, such breach shall constitute a material breach of any contract that the City may award to the offeror and the offeror shall pay to the City the full price agreed by the City to be paid for the supplies, materials, equipment or services to be furnished under its proposal.
- 3.3 **Lawful Age and No Others Have Interest.** By signing its proposal in response to this Request for Proposals, the offeror represents that the offeror is of lawful age and that no other person, firm, corporation or joint venture has any interest in this proposal or in the contract proposed to be entered into.
- 3.4 **No Debts to City.** By signing its proposal in response to this Request for Proposals, the offeror warrants and represents that it is not in arrears to the City, upon debt or contract; is not a defaulter, as surety or otherwise, upon any obligation to the City; and has not been delinquent or unfaithful in any former contract with the City.
- 3.5 **Offeror Not Debarred.** By signing its proposal in response to this Request for Proposals, the offeror warrants and represents that neither its organization nor any of its officers, directors, partners or owners is currently barred from bidding on contracts by any agency of the federal government, any agency of the Commonwealth of Virginia, any agency of any other state, or any other public body or agency thereof.
- 3.6 **No Kickbacks or Conflicts of Interest.** By signing its proposal in response to this Request for Proposals, the offeror represents and warrants that it is in compliance with the provisions

of section 2.3 (“Anti-Kickback Provision”) of the General Terms and Conditions included with this Request for Proposals and, further, that the offeror’s firm has no business or personal relationships with any other companies or persons that could be considered as a conflict of interest or potential conflict of interest to the City, and that there are no principals, officers, agents, employees, or representatives of the offeror’s firm that have any business or personal relationships with any other companies or persons that could be considered as a conflict of interest or a potential conflict of interest to the City, pertaining to any and all work or services to be performed as a result of this Request for Proposals and any resulting contract with the City.

3.7 State Corporation Commission Registration.

3.7.1 Generally. State law requires most business entities to register with the Commonwealth of Virginia’s State Corporation Commission to obtain legal authorization to transact business in Virginia. A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with the City 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 cancelled at any time during the term of the contract.

3.7.2 Form Required. Each offeror organized or authorized to transact business in the Commonwealth of Virginia pursuant to Title 13.1 or Title 50 of the Code of Virginia shall include in its proposal the identification number issued to it by the State Corporation Commission. Any offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 of the Code of Virginia, or as otherwise required by law, shall include in its proposal a statement describing why the offeror is not required to be so authorized. Each offeror shall indicate the above information on the State Corporation Commission Form included with the Request for Proposals.

3.7.3 Warranty. By signing its proposal in response to this Request for Proposals, the offeror represents and warrants that all information the offeror submits on its completed State Corporation Commission Form is true and complete at the time the offeror submits its proposal and will remain true and complete throughout the duration of any contract between the City and the offeror that results from this Request for Proposals. The offeror agrees that the process by which compliance with Title 13.1 and Title 50 of the Code of Virginia is checked during the solicitation stage (including without limitation the State Corporation Commission Form provided) is streamlined and not definitive, and the City’s use and acceptance of such form, or its acceptance of the offeror’s statement describing why the offeror was not legally required to be authorized to transact business in the Commonwealth of Virginia, shall not be conclusive of the issue and shall not be relied upon by the offeror as demonstrating compliance.

4.0 Submission of Proposals.

- 4.1 **Copies.** Offerors shall submit an original proposal, clearly identified as such and signed in blue ink by the offeror's contractually binding authority. In addition, offerors shall submit additional copies of their proposals in such number and such electronic and paper formats as may be specified in the Statement of Needs.
- 4.2 **Labeling.** All proposals must be sealed and labeled (on the outside of the sealed container), with the label displaying the following information:
- Proposal for
 - Request for Proposals No.
 - Name of offeror
 - Address of offeror
 - Receipt and Closing Date:
- 4.3 **Recipient.** All proposals are to be addressed and delivered by the date and time specified on the Cover Sheet to the Contracting Officer identified on the Cover Sheet.
- 4.4 **Transmittal Letter.** The proposal should include a transmittal letter that lists the following:
- Firm's Name
 - Firm's Address
 - Contact Name and Telephone Number
 - Fax Number and E-mail Address
- 4.5 **Closing Date.** To be considered, a proposal must arrive at the address set forth in section 4.3 ("Recipient") on or before the time and date set forth on the Cover Sheet to this Request for Proposals. The City will not accept a proposal that is late. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt of their proposals. The offeror shall not make any other distribution of proposals. However, materials or information received from a prospective contractor as result of a request by the Contracting Officer shall not be considered a violation of this section.
- 4.6 **Multiple Proposals.** An offeror may submit more than one proposal. At least one of the proposals should be complete and should comply with all of the instructions contained in this Request for Proposals. Additional proposals may be in abbreviated form following the same format and providing only the information that is different from that in the complete proposal.
- 4.7 **Separate Proposals.** Proposals for separate Requests for Proposals shall not be combined on the same form or placed in the same envelope. At its option, the City may decline to consider such proposals.
- 4.8 **Return of Proposal.** All proposals submitted pursuant to this Request for Proposals will become the property of the City and will not be returned.
- 5.0 **Evaluation and Selection Process.**

- 5.1 **Opening of Proposals.** At the designated time and date, the Department of Procurement Services will open and list the proposals for the record. This is not a public opening. The proposals, if responsive, will then be forwarded to the using agency and Evaluation Committee to initiate the review and selection process. Responses received after the date and time specified in section 4.5 (“Closing Date”) will be deemed non-responsive and will be returned unopened.
- 5.2 **Initial Evaluation of Proposals.** An evaluation panel established by the Director of Procurement Services will review the proposals submitted by each offeror. The evaluation panel will score each proposal based on the evaluation and selection criteria set forth in the Request for Proposals. The City intends that this scoring result in the selection of two or more offerors deemed fully qualified, responsible and suitable on the basis of the proposals submitted and with emphasis on professional competence to provide the required services for discussions in accordance with section 5.3 (“Discussions with Offerors”). The City reserves the right to conduct any test it deems advisable and to make all evaluations pursuant thereto it deems necessary.
- 5.3 **Discussions with Offerors.** The City shall engage in individual discussions with two or more offerors deemed in the evaluation conducted under section 5.2 (“Initial Evaluation of Proposals”) fully qualified, responsible and suitable on the basis of the proposals submitted and with emphasis on professional competence to provide the required services. The City may engage in repetitive informal interviews with offerors. The offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage, the City may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information submitted by competing offerors pursuant to City Code § 21-5(f) / Va. Code § 2.2-4342(F) shall not be disclosed to the public or to competitors. (City Code § 21-68(b) / Va. Code § 2.2-4301.)
- 5.4 **Final Ranking of Offerors.** At the conclusion of the discussions outlined in section 5.3 (“Discussions with Offerors”) and on the basis of the evaluation and selection criteria set forth in the Request for Proposals and all information developed in the selection process to this point, the City shall select in the order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. (City Code § 21-68(b) / Va. Code § 2.2-4301.)
- 5.5 **Conduct of Negotiations.** Negotiations shall be conducted beginning with the offeror ranked first. If a contract satisfactory and advantageous to the City can be negotiated at a price the City considers fair and reasonable, the City shall award the contract 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. However, should the City 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. (City Code § 21-68(b) / Va. Code § 2.2-4301.)

- 5.6 **Intent to Award.** Upon the conclusion of negotiations with one or more offerors, the City will post an intent to award a contract pursuant to this Request for Proposals to such offeror or offerors. The intent to award shall state that final award is subject to City Council approval pursuant to section 5.7 (“City Council Approval”) of Part II (“Instructions to Offerors”) of this Request for Proposals.
- 5.7 **City Council Approval.** Section 8.10 of the Charter of the City of Richmond requires that the City Council approve the award of this Contract. After the intent to award is posted, the City Auditor will recommend to the City Council that it adopt an ordinance authorizing the award of the contract for which an intent to award has been posted.
- 6.0 **Award and Execution of Contract.**
- 6.1 **Award.**
- 6.1.1 **In General.** The City will make the award to the responsible and responsive offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and the evaluation factors set forth in this Request for Proposals.
- 6.1.2 **Multiple Awards.** The City reserves the right to make awards under this Request for Proposals to more than one offeror if the City determines that doing so is in the best interests of the City. If the City makes multiple awards under this Request for Proposals, each contract awarded will specify the portion of the scope of services awarded to that offeror.
- 6.2 **Rejection of Proposals.** The City reserves the right to reject any or all proposals, in whole or in part, and to delete items prior to making the award, whenever it is deemed in the sole opinion of the City to be in its best interest.
- 6.3 **Nondiscrimination in Award.** The City shall not discriminate against any offeror in the solicitation or award of a contract based on this Request for Proposals because of race, religion, color, sex, national origin, age, disability, faith-based organizational status or any other basis prohibited by state law relating to discrimination in employment or because the offeror employs ex-offenders unless the using agency has made a written determination that employing ex-offenders on the specific contract is not in its best interest.
- 6.4 **Notice of Award.** A contract is awarded only when the Director of Procurement Services signs the contract. The Contracting Officer may provide notice of the City’s decision to award a contract prior to award of that contract by posting a notice of intent to award on the website of the Department of Procurement Services. A notice of intent to award means that the City intends to award the contract to the offeror named in the notice ten calendar days after the notice is posted. Offerors are responsible for monitoring the website of the Department of Procurement Services for content posted thereon.

- 6.5 **Contractual Obligation.** The proposal submitted by the selected contractor and this Request for Proposals shall become an attachment to the contract signed by the City and the selected offeror. Price quotations and other time-dependent information contained in proposals should be valid for a minimum of 90 days from the closing date of this Request for Proposals. The City may undertake negotiations with offerors whose proposals show them to be qualified, responsible and capable of performing the work in accordance with the stated criteria. The City shall not be liable for any costs incurred by offerors in connection with the preparation or submission of proposals and related materials or negotiations.
- 6.6 **When Contractual Obligation Arises.** No contract shall result from the submission of any proposal and no liability shall accrue with respect thereto until a written contract and any other necessary documents have been fully and completely executed by both the successful offeror and the City.
- 6.7 **Contract Execution Requirements.** Upon notice of the award of a contract pursuant to this Request for Proposals, the successful offeror shall sign the final contract document, a sample of which is included with this Request for Proposals, upon receipt thereof from the Contracting Officer, register in the City's online Supplier Portal, and furnish the insurance documents required by the General Terms and Conditions included with this Request for Proposals. The offeror shall furnish the City with the signed contract and the required insurance documents and must have registered in the City's online Supplier Portal within 15 calendar days after the date of the notice of award or within such further time as the City may allow. Once the City has received the signed contract and insurance documents from the successful offeror, the City's representative will then sign the contract. The signature of the City's representative on the contract constitutes the award of the contract.

END OF INSTRUCTIONS TO OFFERORS