



Request for Proposals

AUDIT SERVICES

RFP #NRVCS 2020-001

New River Valley Community Services
Issue Date: March 5, 2020

New River Valley Community Services (NRVCS) requests qualified independent auditors having sufficient governmental/public entity experience in performing an audit for fiscal year ending June 30, 2020 in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal. There is no expressed or implied obligation for NRVCS to reimburse auditor for any expense incurred in preparing proposals in response to this request.

Sealed proposals will be received until 5:00 P.M., EST, Friday, March 27, 2020

NRVCS provides public behavioral health and developmental services to citizens of the four counties of the New River Valley (Montgomery, Pulaski, Floyd, and Giles) and the City of Radford.

All inquiries for information should be directed to:

Patricia Cox, Director of Finance
New River Valley Community Services
700 University City Blvd
Blacksburg, VA 24060
pcox@nrvcs.org
540-961-8396

Completed proposals with "RFP – Audit Services" noted on the envelope should be mailed or delivered directly to:

New River Valley Community Services
ATTN: Patricia Cox
700 University City Blvd
Blacksburg, VA 24060

Offer and Agreement

In compliance with this Request for Proposals and to all the conditions imposed herein, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name of Vendor: _____
Address: _____

Signature: _____
By: _____
Title: _____

Date: _____
Phone No. and _____
Email Address: _____

INTRODUCTION

Established in 1969, NRVCS serves the counties of Floyd, Giles, Montgomery and Pulaski, and the City of Radford. Each of these localities allocates an annual amount of funding to NRVCS and appoint representatives to the agency's Board of Directors.

NRVCS is part of a state-wide system of Community Services Boards, which serves residents throughout the Commonwealth of Virginia.

NRVCS is a governmental agency that delivers mental health, intellectual disability, substance use disorder, and prevention services to the citizens of the New River Valley. We have a staff of approximately 850 full and part-time employees comprised of psychiatrists, nurse practitioners, social workers, counselors, educators, childhood specialists, nurses, service providers, and support staff. NRVCS receives its funding from state general funds, federal funds, local government funds and fee revenue.

Mountain Empire Services of the Southwest, Inc. (MES) is a 501c(3) blended component unit of NRVCS that provide offices, housing facilities and services which are helpful and useful, and designed or intended, to materially further the establishment, maintenance and promotion of the development of mental health, intellectual disabilities, and substance use disorder services in the Commonwealth of Virginia and, to this end, to provide employee assistance programs and other services for business and industry; and to own, acquire, lease, rent, hold title to and possess real estate, buildings, fixtures, furniture and equipment as may be necessary or useful for such purposes; to maintain and operate such facilities as may be useful or helpful in accomplishing the principal purpose of The Corporation, for its own account or as agent for Community Services Boards created and acting pursuant to Chapter 10 of Title 37.1 of the Code of Virginia.

The Financial Reporting Entity and Operations

The financial reporting entity includes all of the funds of MES and NRVCS.

NRVCS provides a full range of mental health services. Major programs include 5 local clinics, a crisis stabilization facility, a substance use disorder treatment facility, an adult residence home, an assisted living facility, an adult day care facility and transportation services.

NRVCS also serves as representative payee for some clients.

Personnel/Payroll

NRVCS has approximately 850 employees. Employees are paid bi-weekly. Electronic time and attendance is processed using a third party software package.

Accounts Payable

NRVCS Accounts Payable department processes disbursements for NRVCS and MES. During fiscal year 2019, approximately 3,000 checks were disbursed. Payee Representatives disbursed approximately 16,500 checks. NRVCS has 1,500 active vendors and there are approximately 250 Payee accounts.

Purchasing

NRVCS prepares manual purchase orders for all purchases and processes approximately 3,400 purchase orders a year.

NRVCS's accounting records are located in the Finance Department at 700 University City Boulevard, Blacksburg, VA. The electronic accounting records are processed using Great Plains Accounting software. The modules used by NRVCS include General Ledger, Human Resources/Payroll, Accounts Payable, and Fixed Assets. System development and improvements are provided by Keel & Company, LLC. NRVCS's in-house information systems personnel are responsible for security, backups, and installing vendor upgrades. In addition to the primary accounting system, the Reimbursement department uses the Credible software for client billing and accounts receivable.

Budgets are adopted annually, and revised during the fiscal year. NRVCS's budget of approximately \$58 million for the year ending June 30, 2020 includes approximately 700 full-time equivalents (FTEs).

PROPOSALS

An original and two copies of the sealed proposals from each bidder for the services specified must be received prior to 5:00 p.m. on March 27, 2020 by New River Valley Community Services. All proposals shall be signed by an authorized representative of the Bidder. All proposal envelopes must have the company name on the outside of the envelope along with the statement "RFP – Audit Services".

Proposals may be mailed or hand delivered to NRVCS, 700 University City Blvd, Blacksburg, VA 24060. It is the Bidder's responsibility to ensure that the proposal is received by 5:00 p.m. on March 27, 2020. Proposals received after 5:00 p.m. will not be accepted or considered. NRVCS will not be responsible for the loss of any proposal that is not appropriately marked as specified. Faxed or e-mailed proposals are not acceptable.

Bidders must address each item in this RFP in the order in which it appears. The terms "noted", "considered" and "understood" are not acceptable. Bidders shall respond to each item individually with "agreed", "will comply" or provide a satisfactory explanation of their variance from the request. Such variances, in themselves, will not eliminate the proposal from consideration, but will be evaluated along with other selection criteria. Failure to answer any requirement within this Specifications package MAY subject the total proposal to rejection.

In responding to this RFP, vendors must follow the prescribed format and use the included forms or reasonable facsimiles thereof. Each vendor will be providing NRVCS with data comparable to data submitted by other vendors and thus be assured of fair and objective treatment in the review and evaluation process.

Location of Services

Primary audit services will be in at NRVCS, 700 University City Blvd, Blacksburg, VA 24060.

Reservation

While price is a major consideration, NRVCS will consider all aspects of each proposal, including guarantees respecting the installation and servicing arrangement. This RFP does not commit NRVCS to award a contract or to pay costs incurred in the preparation of responses to this RFP. NRVCS reserves the right, at any time prior to award of the contract, to reject any and all proposals, or any part thereof, to make no award, and/or to issue a new RFP, or make modifications, corrections, or additions to the information contained herein. Offerors are cautioned this is a Request for Proposal, NOT a request for contract.

Evaluation Criteria

The following criteria will be used to evaluate the proposals but not necessarily in the order given:

- A. How thoroughly the proposal depicts an understanding of the work to be performed;
- B. The firm's technical experience;
- C. The audit team's experience and professional development, including experience in large public agency/governmental auditing;
- D. Experience working with single audit concept
- E. Experience working with other Community Services Boards/Agencies in the State of Virginia
- F. Compliance with RFP terms and conditions.

Oral Presentation

Bidders who submit a proposal in response to this RFP may be required to give an oral presentation in addition to their proposal to NRVCS. This will provide an opportunity for the Bidder to clarify or elaborate on the proposal. NRVCS will schedule the time and location of these presentations. Oral presentations are an option of NRVCS and may not be conducted. Therefore, proposals should be complete.

Important Dates

There are several dates that are important in the process.

Question Cutoff	March 20, 2020 5:00 pm
RFP's Due	March 27, 2020 5:00 pm
Anticipated Interview dates	March 30 – April 6, 2020
Award date	April 13, 2020
Final Audit report presented to NRVCS	November 1, 2020

PURPOSE

The purpose and intent of this Request for Proposals (RFP) is to enter into a contract with an auditor to provide audit services for a one (1) year term, with two (2) optional one-year renewals.

The Finance Department staff will provide assistance during the audit. The members of the Finance Department staff are highly qualified and experienced. Auditors will have access to all printed reports and the availability to view electronic records.

Much of the agency's financial information can be exported into electronic formats.

The audit will be conducted in accordance with generally accepted auditing standards and financial statements will include management's discussion and analysis required by general accepted accounting principles. In addition, the auditor is expected to provide informal advice and consultation throughout the year on matters relating to tax, accounting, and financial reporting. This would not necessarily include any task that entails significant research or a formal report.

Should circumstances arise during the audit that require significant additional work to be performed in excess of the amounts set forth in the contract, additional costs shall be negotiated prior to commencement of the work and an amended contract executed.

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

- a. A report on the fair presentation of the financial statements in conformity with general accepted accounting principles for NRVCS. The audit will include an expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with general accepted accounting principles in the United States of America.
- b. The audit will also include reporting on internal controls related to the financial statements and compliance with laws, regulations and provisions of contracts or grant agreements. In addition, the report will include a report on internal control related to major programs and an opinion on compliance with laws, regulations and provisions of contracts or grant agreements.
- c. A schedule of findings and questioned costs (Single Audit).

The audit and all reports must be completed no later than November 1, 2020, and November 1 of any subsequent year for which a renewal is granted for these financial statement and audit services.

Each annual audit will include written recommendations made to management, which address any findings, observations, opinions, or comments relating to internal controls, financial systems, compliance or other matters that come to the attention of the auditors during the examination process. This management letter shall be provided in draft form prior to publication of the final report and discussed with NRVCS officials. In addition, the auditor will prepare and submit the tax form 990 for Mountain Empire Services of the Southwest, Inc.

The working papers shall be retained, at the auditor's expense, and made available upon request by NRVCS or any appropriate agency for no less than five years from the date of the audit report.

The planning phase of the audit engagement may commence upon notification to the auditor of acceptance of their proposal. The auditor shall meet with the Finance Director, and other Finance staff as determined by the Finance Director, prior to the commencement of each audit to discuss the auditor's planned approach to the audit and to provide a list of schedules to be prepared by NRVCS staff prior to the beginning of fieldwork. It is expected that interim filed work will be performed in May with the final phase of field work commencing in September.

An exit conference is required of the auditor upon completion of fieldwork to discuss any management recommendations or required communications with the Finance Director or Executive Director. The meeting should occur at the end of the week audit fieldwork is performed.

PROPOSAL PREPARATION AND SUBMISSION REQUIREMENT

RFP Response

In order to be considered for selection, vendors must submit a complete response to this RFP including requirements listed in all sections of this RFP. One original and two copies of each proposal must be submitted to the address listed on the first page. No other distribution of the proposals shall be made by the vendor.

Proposal Preparation

- A. Proposals shall be signed by an authorized representative of the vendor. By signing this proposal, the vendor certifies that it will remain in full compliance with:
 - The Federal Civil Rights Act of 1964, as amended;
 - The Federal Immigration Reform and Control Act of 1986;
 - The Virginia Fair Employment Act of 1975, as amended, where applicable;
 - The Virginia Conflict of Interest Act;
 - The Virginians With Disabilities Act;
 - The Americans With Disabilities Act;
 - Section 11-51 (Employment Discrimination Act) of the Virginia Public Procurement Act;
 - Section 11-77 and 11-78 (Ethics in Public Contracting) of the Virginia Public Procurement Act;
 - The Antitrust laws of the United States and the Commonwealth of Virginia.
- B. All information requested must be submitted. Failure to submit all information requested may result in NRVCS requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals that are substantially incomplete or lack key information may be rejected by NRVCS. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- C. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
- D. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume. The proposal package should be clearly marked as: "RFP – Audit Services."

Ownership of all data, materials and documentation originated and prepared for NRVCS pursuant to the RFP shall belong exclusively to NRVCS and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by a vendor shall not be subject to public disclosure under the

Virginia Freedom of Information Act; however, the vendor must invoke the protections of Section 11-52 of the Virginia Public Procurement Act prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

Specific Requirements

Proposals should be as thorough and detailed as possible so that NRVCS may properly evaluate vendor's capabilities to provide the required services. Vendors are required to submit the following items as a complete proposal:

- A. Title Page: The return of the RFP cover sheet completed and signed as required.
- B. Letter of Transmittal
 - i. Limit of two pages.
 - ii. Briefly state your understanding of the work to be accomplished and whether or not you can perform the work within the time period.
 - iii. Provide the names of the persons who will be authorized to make representations for your firm, their titles, addresses, and telephone numbers.
- C. Profile of the Firm (provide / state how the firm meets the following)
 - i. Provide information on whether the firm is local, state-wide, or national
 - ii. The firm is independent and licensed to practice in Virginia
 - iii. Give the location of the office from which the work is to be performed and the number/types of staff employed at the office.
 - iv. Describe the range of activities performed by the local office, such as audit, accounting, tax services, or management services.
 - v. Describe the local office's electronic capability.
- D. Summary of the Proposer's Qualifications (in addition to the minimum qualifications)
 - i. Identify the partners, managers, and supervisors who will work on the audit. Include resumes for those to be assigned to the audit.
- E. Describe recent local and state-wide public agency auditing experiences similar to what is being requested and for an entity that approximates the size and complexity of NRVCS.
- F. Scope Section
 - i. Clearly describe the scope of the required services to be provided.
 - ii. Comment specifically on the timeline and how NRVCS can assist in expediting the audit. Describe assistance expected from NRVCS staff, other than outlined in the RFP.
- G. Compensation
 - i. Estimate the total hours and maximum fee for the audit of the fiscal year ended June 30, 2020. Include the hourly rates to be charged for each staff classification. Include the expected level of fees for future engagements. Please also provide a total amount charged for drafting the audit report, as part of the total fee.
 - ii. For each additional proposal year, including extensions, please provide

the total hours and maximum fee.

H. References

- i. Please provide a minimum of three (3) references that NRVCS may contact regarding audit services provided by your firm. Please include entity name, contact person's name and position, address, phone number and email address.

EVALUATION AND AWARD CRITERIA

EVALUATION CRITERIA

Selection criteria will include the following:

- A. Qualifications and experience of the vendor in providing the required goods and services;
- B. Financial stability of the vendor;
- C. Vendor's understanding of and ability to meet NRVCS' requirements;
- D. Vendor's ability to define their performance objectives (what, when and how);
- E. Reasonable timeframes for process;
- F. Ability of vendor to provide superior level of service, support and product to clients as evidenced by references;
- G. Pricing.

AWARD

The selection process will be in accordance with Section 11-37 "Competitive Negotiation" of the Code of Virginia. Negotiations shall be conducted, beginning with the vendor ranked first. If a contract satisfactory and advantageous to NRVCS can be negotiated at a price considered fair and reasonable, the award shall be made to that vendor. Should NRVCS determine in writing and in its sole discretion that only one vendor is fully qualified, or that one vendor is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that vendor.

The pricing will be in the form of a fixed contract price for software and rate schedule for implementation and training. Fees for additional services must be mutually agreed upon by the vendor and NRVCS.

GENERAL TERMS AND CONDITIONS

NRVCS' Procurement Policy

This solicitation is subject to the provisions of NRVCS' Procurement Procedures and any revisions, which are hereby incorporated into this contract in their entirety. The procedures are available for review at NRVCS' Blacksburg office.

Mandatory Use of NRVCS Form and Terms and Conditions

Return of this document with the completed signature and contact information listed on page 1 with the vendor's proposal in the format specified in section IV.B. Is required. Failure to submit in this format, modification of or additions to any portion of this RFP document may be cause for rejection of the proposal; however, NRVCS reserves the right to decide, on a case by case basis, in its sole discretion, whether or not to

reject such a proposal.

Clarification of Terms

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

Payment Terms

Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after receipt of invoice or delivery, whichever occurs last. However, this shall not affect offers of discounts for payment in less than 30 days.

Invoices

Invoices for services ordered, delivered and accepted shall be submitted by the contractor to the attention of Patricia Cox, Director of Finance and mailed to NRVCS' address as shown on the RFP cover sheet.

Default

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

Assignment of Contract

A contract shall not be assignable by the contractor in whole or in part without the written consent of NRVCS.

Antitrust

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

Anti-Discrimination

By submitting their proposals, all vendors certify to NRVCS that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, where applicable, and Section 11-51 of the Virginia Public Procurement Act which provides:

In every contract over \$10,000 the provisions in A and B below apply:

A. During the performance of this contract, the contractor agrees as follows:

- The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Section.
- B. The contractor will include the provisions of B above in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

Debarment Status

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

Applicable Law and Courts

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

Qualifications of Vendors

NRVCS may make such reasonable investigations as deemed proper and necessary to determine the ability of the vendor to perform the work and the vendor shall furnish to NRVCS all such information and data for this purpose as may be requested. NRVCS reserves the right to inspect vendor's physical facilities regarding the vendor's capabilities. NRVCS further reserves the right to reject any proposal if the evidence submitted by or investigations of such vendor fails to satisfy NRVCS that such vendor is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

Immigration Reform and Control Act of 1986

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

Subcontracts

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

Ethics in Public Contracting

By submitting their proposals, all vendors certify that: (1) their proposals are made without collusion or fraud; (2) they have not offered or received any kickbacks or inducements from any other offeror, supplier,

manufacturer or subcontractor in connection with their proposal; and (3) they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

SPECIAL CONDITIONS

OWNERSHIP OF MATERIAL

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

INSURANCE

A. By signing and submitting a proposal under this solicitation, the vendor certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission. If vendor does not have or cannot obtain these insurances, NRVCS reserves the right to waive or reduce certain insurance requirements.

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

B. INSURANCE COVERAGES REQUIRED

- i. Worker's Compensation – at the statutory limits.
- ii. Broad Form Comprehensive General Liability-- \$1,000,000 Combined Single Limit, with the Commonwealth of Virginia named as additional insured.
- iii. Professional Liability – limits of \$1,000,000 at minimum
- iv. Automobile Liability--\$1,000,000 Combined Single Limit at minimum.

C. The vendor's signature on this solicitation constitutes certification that if awarded the contract, the vendor shall obtain the necessary coverage as specified within a specific number of days, as specified by NRVCS, of notification of award of the contract.

PROPOSAL ACCEPTANCE PERIOD

This proposal shall be binding upon the offer for 90 calendar days following the proposal opening date as specified on page 1. Any proposal on which the vendor shortens the acceptance period without prior written agreement by NRVCS may be rejected.

CANCELLATION OF CONTRACT

NRVCS reserves the right to cancel and terminate any resulting contract, in

part or in whole, without penalty upon 60 days written notice to the Contractor. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effect.

AVAILABILITY OF FUNDS

It is understood and agreed between the parties herein that NRVCS shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

EXTENSION OF CONTRACT

This contract may be extended by NRVCS, at its sole discretion, upon written agreement of both parties under the terms of the current contract. Fees will be negotiated.

CHANGES TO THE CONTRACT

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

CONFIDENTIALITY

The vendor selected must sign and comply with NRVCS' Business Associate Agreement (see Appendix A. As a Covered Entity under the Federal Health Insurance Portability and Accountability Act (HIPAA), NRVCS must ensure that any client Protected Health Information (PHI) disclosed to the vendor is treated confidentially and in full compliance with HIPAA Privacy Regulations.