



REQUEST FOR PROPOSALS
Audit Services for the Newport News Timber Fund
RFP 2009-5077-2205
April 8, 2009
DEPT. OF PURCHASING, OFFICE OF THE PURCHASING DIRECTOR
2400 Washington Avenue
Newport News, VA 23607

Sealed proposals, subject to the conditions and instructions contained herein, will be received at the above office of the Purchasing Director, 4th Floor, City Hall, 2400 Washington Avenue, Newport News, Virginia, 23607, until the time and date shown below (local prevailing time), for furnishing the items or services described in the proposal.

Scope of Services: Perform a financial audit of the Newport News Timber Fund. Perform other related auditing services as required to comply with local, state, and federal laws and regulations.

Proposal Due: April 24, 2009, @ Close of Business (COB)

Contract Officer: _____
Bill Lindsey, CPPO, C.P.M., Procurement Administrator

AN ORIGINAL AND TWO COPIES OF YOUR SUBMITTAL ARE REQUESTED

In compliance with this invitation for bids, and subject to all the conditions thereof, the undersigned offers, if this bid is accepted within (60) calendar days from the date of the opening, to furnish any or all of the items and/or services upon which prices are quoted, at the price set opposite each item, to be delivered at the time and place specified herein. The undersigned certifies he has read, understands, and agrees to all terms, conditions, and requirements of this bid, and is authorized to contract on behalf of firm named below.

Company Name: _____

Address: _____

City/State/Zip: _____

Telephone: _____ FAX No.: _____

E-mail: _____

Federal Tax ID (or Social Security #): _____

Print Name: _____ Title: _____

Signature: _____ Date: _____

(This Form Must Be Signed. Signature must be original, not photocopied)

Conditions and Instructions

1. All proposals must be submitted on and in accordance with this form. If more space is required to furnish a description of the commodities and/or services offered or delivery terms, the offeror may attach a letter hereto which will be made a part of the proposal. All proposals must be submitted in a sealed envelope plainly marked using RFP number, date and time.
2. It will be the responsibility of the offeror to see that his proposal is in this office by the specified time and date. Date of postmark will not be considered. Telephone, fax and verbal offers will not be accepted.
3. Prices, if requested, should be stated in units of quantity specified, less federal, state, and local taxes.
4. The offeror certifies by signing this proposal that this proposal is made without prior understanding, agreement or accord with any other person submitting a proposal for the same product or service and that this proposal is in all respects bona fide, fair and not the result of any act of fraud or collusion with another person engaged in the same line of business or commerce. Any false statement hereunder constitutes a felony and can result in a fine and imprisonment as well as civil damages.
5. In event of default by the offeror, the City reserves the right to procure the commodities and/or services from other sources, and hold the offeror liable for any excess cost occasioned thereby. If, however, public necessity requires use of materials or supplies not conforming to the specifications, they may be accepted and payment therefore shall be made at a proper reduction in price.
6. Availability of Funds: A contract shall be deemed executory only to the extent of appropriations available to each Department for the purchase of such articles or services. The City's extended obligations on those contracts that envision extended funding through successive fiscal periods shall be contingent upon actual appropriations for the following years.
7. The offeror guarantees to save the City, its agents or employees, harmless from liability of any nature or kind, for use of any copyright, composition, secret process, patented or unpatented invention, articles or appliances furnished or used in the performance of the contract, or which the offeror is not the patentee, assignee, or licensee.
8. All proposals must be signed by a responsible officer or employee of the named firm. Obligations assumed by such signature must be fulfilled.
9. If you do not submit a proposal, return the front signature page and state the reason. Otherwise your name may be removed from our mailing list
10. By signing this proposal, the offeror assigns to the City of Newport News any and all rights that he may have under the antitrust laws of the United States and the Commonwealth of Virginia in any way arising from or pertaining to this offer. This provision is remedial in nature and is to be liberally construed by any court in favor of the City of Newport News.
11. Appeals Procedure: Upon request, administrative appeals information will be provided which shall be used for hearing protests of a decision to award or an award, appeals from refusals to allow withdrawal of proposals, appeals from disqualifications and determinations of non-responsibility and appeals from decisions or disputes arising during the performance of a contract.

12. **Non-Discrimination:** During the performance of this contract, the successful bidder agrees as follows:

- a. He will not discriminate against any employees or applicants for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where one or more of these are a bona fide occupational qualification reasonable necessary to the normal operations 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 non-discrimination clause.
- b. The contractor will be and state that he is an equal opportunity employer in all solicitations or advertisements for employees.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

The contractor will include the provisions of the foregoing paragraphs (a), (b) and (c) in every subcontract or purchase order of over ten thousand dollars so that the provisions will be binding upon each subcontractor or vendor.

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

This public body does not discriminate against faith-based organizations

For the purposes of this subsection, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this subsection, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract

13. Direct contact with City Department other that Purchasing, on the subject of this proposal is expressly forbidden except with the foreknowledge and permission of the Director of Purchasing or their representative.
14. Assignment of Contract: A contract shall not be assignable by the Offeror in whole or in part without the written consent of the City of Newport News.
15. Applicable Law and Courts: Any purchase order/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 Offeror shall comply with applicable federal, state and local laws and regulations. These Conditions and Instructions shall be applicable to the extent that they are non-contradictory to the proposal terms and/or instructions on the following pages. The Offeror certifies that he does not and shall not during the performance of the contract for goods or services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986, as amended.

Every business must register with the Virginia State Corporation Commission before transacting business in Virginia.

16. If City Hall is closed for business at the time scheduled for the proposal opening, sealed proposal will be accepted and opened on the next business day of the City, at the originally scheduled hour.
17. If you have obtained this bid document from our home page or from a source other than directly from the City of Newport News or from demandstar.com, you are not on record as a plan holder. The Purchasing Department takes no responsibility to provide addenda to parties not listed by the City as plan holders. It is the bidder's responsibility to check with our office prior to submitting your bid to ensure that you have a complete, up-to-date package.

The original copy maintained at our offices, in the bid/proposal file folder, shall be considered the official copy. In the case of any inconsistency between bid/proposal documents submitted to the City, but not clearly listed on the exception page of the document as an exception by the offeror, the language of the official copy shall prevail. Furthermore, any exception or changes to the specifications made by the offeror may be cause to disqualify your bid/proposal.

AUDIT SERVICES FOR NEWPORT NEWS TIMBER FUND

GENERAL

The City of Newport News (“City”) is seeking proposals from qualified experienced public accounting firms (“Auditor”) whose principal officers are independent Certified Public Accountants, to provide audit services for the Newport News Timber fund for the period of one (1) year with an option for the City to renew for four (4) additional one year periods.

The City has a contract commitment to invest up to \$35 million of its pension funds in commercial timberlands with Regions Bank, an Alabama banking corporation and successor by merger to AmSouth Bank (Regions). In December 2008, the City acquired, at a cost of \$4.8 million , 2,942 acres of commercial timberlands in Richmond County, Georgia; Anson, Columbus, Onslow, Hoke, Moore, Pender, Richmond, Robeson and Sampson Counties, North Carolina; Fairfield, Lee, and Marion Counties, South Carolina.

SCOPE OF SERVICES

The Auditor shall perform a financial audit of the City’s Timber Fund and provide other audit related services described below. The Audit services shall include but not be limited to:

1. Provide audits of the acquisition and valuation of the City’s timber.
2. Provide an annual financial statement audit.

AUDIT STANDARDS AND ASSURANCES. The Auditor shall conduct examinations and render reports in accordance with:

- Generally Accepted Accounting Practice (GAAP).
- Generally Accepted Auditing Standards as defined by the American Institute of Certified Public Accountants (AICPA), and any revisions effective during the audit period.

Should the Auditor determine during the course of the audit that it cannot issue an unqualified opinion, the Auditor shall formally notify the Director of Finance as soon as possible.

The Auditor shall immediately report all irregularities and illegal acts or indications of illegal acts to the Director of Finance and the City Manager.

The Auditor agrees that the firm and all auditors working on the audit are independent of the City, and shall comply with all federal, state, and local laws and regulations in the performance of this engagement.

The Auditor agrees to attend requested meetings with the Director of Finance to discuss the financial statement audit.

SUBMITTAL

Submit *one* original and *two* complete copies of your proposal. The proposal should be concise and should not exceed 10 pages. Include all information requested. Any other information thought to be relevant, but not applicable to the enumerated categories, may be provided as a separately bound appendix to the proposal. **Should the Offeror fail to respond to all requirements of the RFP, or fail to provide adequate or complete documentation, as determined by the evaluation committee, the Offeror's proposal may be eliminated from further consideration.** The proposal shall be organized in tabs as described in the paragraphs that follow.

Tab Documents and Information

- A. Executive Summary – This should include a statement of understanding of the Scope of Services, and a brief overview of the key elements of your proposal. Highlight any features or areas that differentiate your services from competitors.
- B. Request for Proposal - The Request for Proposal document with any addenda acknowledgements filled out and signed as required.
- C. Audit Approach – Describe how the Auditor will plan, conduct, and report on the audit. Include milestones, deliverables, and estimated begin and end dates.
- D. Qualifications and Experience of Firm – Describe the firm's qualifications to perform the audit, and the firm's experience with timber operations. Include references from similar projects. Discuss availability of experts in the field of timber operations.
- E. Qualifications and Experience of Auditors – Identify the individual auditors assigned to the audit, and their qualifications, training and experience to perform the audit. (Resumes should be included.)
- F. Joint Ventures or Associated Firms – Name and describe any associated firm or joint venture that would be involved in the assignment. Show the names and addresses of all individuals or organizations included, and describe their particular areas of anticipated responsibility(ies) with respect to the requested audit services.
- G. Cost – Describe the total price for the Auditor to provide the services listed in this solicitation. Also include any travel and lodging expenses that the City may expect to pay.

EVALUATION CRITERIA (Listed in order of relative importance)

Each proposal will be evaluated for full compliance with the RFP instructions to the offeror and the mandatory terms and conditions set forth within the RFP document. The objective of the evaluation will be to recommend the firm who is most responsive to the herein described needs of the City. The proposal will be evaluated on the following criteria:

1. Qualifications, Resources, and Experience of the Firm – specific audit experience and client references as it relates to conducting timber audit services and dealing with fund management activities.
2. Capability and Skill – qualifications and prior job experience of proposed assigned auditors, and their professional competence to provide the required audit services.
3. The firms understanding of the risk of timber investment, an understanding of timber valuation, appraisals, operations and how timber investments may have changed over time.
3. Work Approach and Audit Plan - general understanding of the scope of services, the firm’s corresponding adaptability to the work, the project approach and demonstrated solutions to achieving a cost-effective project.
4. Cost – A reasonable cost offered to the City to provide the desired services.

EVALUATION PROCEDURES

Proposals will be evaluated and interviews scheduled with selected firms in accordance with the “other than professional services” method of selection outlined in the Code of Newport News, Virginia Section 2-570-2. Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposals (RFP). Interviews shall then be conducted with selected offerors. After interviews and negotiations have been completed, the City shall select the offeror, which, in its opinion, has made the best proposal, and shall award the contract to that offeror.

Should the City determine that only one offeror is fully qualified or that one offeror is clearly more highly qualified than others, a contract may be negotiated and subsequently awarded to that offeror.

AWARD

Award will be made in accordance with Code of Newport News, Virginia Section 2-570, Award. Award shall be made to the responsible offeror whose proposal is determined in writing to be the more advantageous to the city, taking into consideration price and the evaluation factors set forth in the request for proposals. The contract file shall contain the basis on which the award is made. The award of a contract shall be the sole discretion of the City. The award shall be based on the evaluation of all information as the City may request. The City reserves the right to accept or reject any or all proposals in whole or in part and to waive any informalities in the RFP. The City reserves the right to negotiate with the selected Auditor in order to best serve the City’s needs in respect to both evaluation criteria and cost effectiveness. Further, the City reserves the right to enter into a contract deemed to be in its best interest.

Upon making an award, or giving notice of intent to award, the City will place appropriate notice on the public bulletin board located outside of the Purchasing Department at City Hall. Notice of Award may also appear on the purchasing website: www.mngov.com/purchasing.

CONTRACTUAL OBLIGATIONS

The proposal submitted by the selected Auditor and this request for proposal shall become an attachment to the contract signed by the City and the selected Auditor. The City shall not be liable for any cost incurred by Auditors to research or respond to this competitive solicitation.

ADVERTISING CLAUSE

It is understood and agreed that, in the event a contract is awarded for audit services included in this proposal, no indications of such audit services to the City will be used in any way in product literature or advertising unless with written approval of the City except for bibliographical and curriculum vitae purposes and when required in response to a request for proposal by a prospective client.

CONTRACT TERM AND RENEWAL OPTION

The term of the contract shall be for one (1) year. Upon the sole discretion of the City and agreement by the Auditor, this contract may be extended for a period of four (4) additional one (1) year periods.

AVAILABILITY OF FUNDS

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

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

PAYMENT

Payment to the Auditor shall be made upon completion of the services and acceptance of the reports each year by the Director of Finance. The Auditor shall submit itemized invoices to the Director of Finance with detail consistent with final contract prices.

ACCESS TO AUDITOR'S WORK PAPERS

The Auditors' work papers will be available for routine review by the Director of Finance, Director of Internal Audit, and appropriate auditors of the Federal or State governments and retained for a period of five (5) years after final issuance of the audit reports.

Should the City change Auditors, the Auditor will make the work papers available to the successor auditor and provide usual and customary professional courtesy and responses to successor auditor inquiries without additional charge to the City or successor auditor.

CANCELLATION

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

Should the Auditor abandon services to be performed under the resulting contract, or terminate any resulting contract, the City shall be liable only to the extent of satisfactory work completed by the Auditor up to the time of abandonment or termination and upon delivery of completed or uncompleted work to the City. The City shall have full right to use such work in any manner without claim on the part of the Auditor for additional compensation. Cancellation shall not release the OFFEROR from legal remedies available to the City.

QUESTIONS

Questions regarding this RFP, should be directed to the Department of Purchasing, Bill Lindsey, CPPO, C.P.M. by email: blindsey@nngov.com *not less than five (5) calendar days* prior to the proposal due date.

DIRECT CONTACT

Direct contact with any City employee, including the Department of Finance, without the expressed permission of the Director of Purchasing or his designated representative, on the subject of this proposal, is strictly forbidden. Violation of this paragraph may result in disqualification of your proposal.

DEBRIEFING

The City Code requires that in the RFP process all information as to persons or firms making offers or the contents of any offers is kept confidential. This information can only be given out after an award or decision to award has been made.

After an award is made, or the decision to make an award is made, the file is available in the purchasing department for public review. Request a review time during normal business hours, 8 – 5, Mon-Fri.

SILENCE OF SPECIFICATIONS

The apparent silence of these specifications and any supplemental specifications as to any detail or the omission from the specifications of a detailed description concerning any point shall be regarded as meaning that only the best commercial practices are to prevail and correct type, size and design are to be used. All interpretations of these specifications shall be made on the basis of this statement.

***REFERENCES**

Please provide a minimum of 3 similar auditing projects your firm has successfully completed within the past 5 years.

NAME AND ADDRESS OF CONTRACTING ENTITY

1. _____

2. _____

3. _____

Please provide the principal client and phone number for each of the auditing projects listed above.

1. _____ Phone #: _____
2. _____ Phone #: _____
3. _____ Phone #: _____

** The City reserves the right to ask for additional information.*

TRADE SECRETS / PROPRIETARY INFORMATION

Trade Secrets or Proprietary information submitted by an, offeror, or contractor in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the, offeror or contractor must invoke the protections of this section prior to or upon submission of data or other materials to be protected and state the reasons why protection is necessary. Information leading to the decision to award, including prices and other factors, shall be made public (section 2-557.2 of City Code).

Budgets and price quotations are considered public information in proposals submitted to the City. Classifying budgets and price quotations as “proprietary” or “confidential” may render the proposal non-responsive. Classifying aspects of the proposal that are not trade secrets or proprietary, may render the proposal non-responsive.

Please mark One:

- No**, the submittal I have turned in does not contain any trade secrets and/or proprietary information.
- Yes**, the submittal I have turned in does contain trade secrets and/or proprietary information.

If **YES**, please list the *page numbers* **and** the *reasons* for why the information is considered a trade secret and/or proprietary information. **Do Not Mark the Whole Proposal Proprietary.**

All proposals submitted under this RFP shall become the property of the City of Newport News and will not be returned.