



# Request for Proposals Financial and Compliance Audit Services

*RFP# 2016-03*

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| <b>Request for Proposal Issued:</b>                | <b>May 18, 2016</b>                      |
| <b>Request for Proposal Due to Issuing Agency:</b> | <b>June 8, 2016 4:00 PM Eastern Time</b> |

**Send Proposals To:** City of Franklin, Virginia  
Melissa D. Rollins, Director of Finance  
207 West 2<sup>nd</sup> Ave.  
P. O. Box 179  
Franklin, Virginia 23851

**Mark outside of your envelope with Request for Proposal # RFP-2016-03 and due date of proposal (June 8) as directed in Section 6-C.**

**Inquiries:** Melissa Rollins, Director of Finance  
mrollins@franklinva.com  
(757) 562-8535 (757) 562-0402 fax

**Request For Proposal  
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**1.0 PURPOSE**

The City of Franklin (hereinafter called the “City”) is soliciting proposals for the services of a qualified independent certified public accountant firm (hereinafter called the “Auditor”) to perform a financial and compliance audit in accordance with all applicable standards for the City of Franklin, Virginia. Entities to be included in this engagement include the Franklin Social Services Department, and component units Franklin City Public Schools (including but not limited to Operating, Cafeteria and Textbook Funds) and the Franklin Industrial Development Authority (all together, the “Audited Entities”) for the fiscal years ending June 30, 2016, June 30, 2017 and June 30, 2018 with the option of two additional fiscal years (Fiscal Years ending June 30, 2019 and 2020).

**2.0 RELEVANT INFORMATION**

The City of Franklin, population 8,582 (2010 Census), has an area of 8.2 square miles. This independent Virginia City is located in the Western Hampton Roads area and borders the Hampton Roads MSA. It is located 40 miles west of Norfolk and nine miles north of the North Carolina border.

The City provides multiple services to residents and businesses, including water and sewer utilities, electric utilities, and solid waste collection services. The City operates a municipal airport located just outside the city limits and acts as fiscal agent for the Smart Beginnings program. The City actively participates in several HUD programs, including Community Development Block Grants. The reported funds of the City and their respective components in the City’s ledgers include the following:

**General Fund**

**Special Revenue Fund:** Virginia Public Assistance

**Debt Service Fund:** City and Schools Debt Service funds

**Capital Projects Fund:** City and Schools Capital projects funds

**Proprietary Fund Types:** **Water & Sewer, Electric, Solid Waste & Airport Funds**

**Non-Major Special Revenue Funds:** Various

**Agency Funds:** Special Welfare (2), Early Childhood, Employee Emergency Trust and Flexible Spending Funds.

**Component unit:** School Board and Franklin Industrial Development Authority

The City does not have a Sheriff’s department, courts are shared and operated by Southampton County. The City of Franklin participates in the Virginia Retirement System. The City has intergovernmental agreements with Southampton County and Isle of Wight County for the sharing of revenue from specific geographic areas and the provision of community development services.

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In FY2016 the City began implementation of the MSCJ financial system, to replace the existing BAI/ Bright financial system operated on an AS400 platform. As of May 2016, General Ledger, Payroll, Accounts Payable, and Budgeting had been implemented on the new system with Cash Collections, Tax Billing, Tax Assessment, and Utility Billing to be implemented after June 30, 2016. The City does contract with a third-party accountant, Minor and Associates, PLLC, for the provision of supplemental accounting services on an as-needed basis. The City's current Auditors maintain the City's fixed asset inventory based on schedules of additions and deletions provided by the City.

Copies of prior years' annual financial reports can be obtained via the City's website at [www.franklinva.com](http://www.franklinva.com) under Departments ~ Finance ~ Financial Audits

**3.0 SCOPE OF WORK TO BE PERFORMED**

**A. Financial Statements**

The Auditor shall audit all funds of the City and its component units, in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States; the provisions of the OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and the *Specifications for Audits of Counties, Cities and Towns issued by the Auditor of Public Accounts (APA)*. As a result of the audit, the Auditor shall provide opinions on the financial statements, the City's compliance and internal control over financial reporting in accordance with *GAS*, the City's compliance with OMB Circular A-133, and the City's compliance with Virginia's Laws, Regulations, Contracts and Grants.

**B. Supplementary Information and Statistical Section**

The Auditor shall apply procedures and report on the required and other supplementary information included in the Comprehensive Annual Financial Report (CAFR), including the Schedule of Expenditures of Federal Awards. The Auditor is not required to apply audit procedures and report on the statistical section of the CAFR.

**C. Internal Controls**

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*. The City reserves the right to request additional internal control test work as deemed necessary.

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- D. **Compliance**  
In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns*.
- E. **Fixed Asset Inventory**  
The Auditor shall maintain separate inventories of fixed assets for the primary government, component units, and each proprietary fund based on schedules of additions and deletions provided by the City Finance Department. Such inventories, with applicable accumulated depreciation and depreciation expense by asset for each year, shall be provided to the City's Finance Director with the provision of the draft financial statements for review and approval in an agreed-to format.
- F. **Component Units**  
The City has identified Franklin City Public Schools and the Franklin Industrial Development Authority as component units requiring inclusion in the City's financial statements.
- G. **Comparative Report Transmittal Forms**  
The Auditor of Public Accounts requires all local governments to complete Comparative Report Transmittal Forms in accordance with the provisions of the *Uniform Financial Reporting Manual*. The Auditor will be responsible for preparing these transmittal forms for review by the City no later than November 23. The Auditor shall perform the agreed-upon procedures specified in the *Uniform Financial Reporting Manual*.
- H. **Changes in Standards**  
The Auditor shall keep the City fully informed of new Governmental Accounting Standards Board's (GASB) pronouncements. If the City encounters any difficulties in implementing and complying with the specific reporting requirements mandated by the GASB, the City may request the auditor's assistance to enable it to comply with these reporting requirements. Further, the Auditor is expected to comply with all changes to Auditing Standards Generally Accepted in the United States of America (GAAS), *Government Auditing Standards*, OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the *Specifications for Audits of Counties, Cities and Towns* which are applicable to the City.

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4.0 MEETINGS AND REPORTS

**A. Meetings**

The selected Auditor shall schedule conferences between the Auditor and the Finance Directors of the City and School Division before the preliminary work and throughout fieldwork. The purpose of these meetings is to keep management fully informed on the scope and progress of the audit.

**B. Required Reports**

Based on the audit work performed, the Auditor shall prepare and submit the following reports:

- (1) An opinion on the fair presentation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America,
- (2) An opinion on the fair presentation of the other supplementary information and the schedule of expenditures of federal awards in conformity with accounting principles generally accepted in the United States of America.
- (3) A report on compliance and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*. The Auditor shall communicate all instances of noncompliance that could have a material effect on the financial statements in the report. The Auditor shall communicate all reportable conditions and material weaknesses in internal controls over financial reporting and its operation in the report.
- (4) A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133. The Auditor shall report all instances of noncompliance with the specific requirements for major federal program in the report on compliance and in the Schedule of Findings and Questioned Costs. The Auditor shall communicate all reportable conditions affecting major federal programs in the report. Further, the Auditor shall identify any material weaknesses in the report. Any finding or weaknesses shall be reported immediately to the appropriate level of management.
- (5) A report on compliance with the Commonwealth of Virginia laws, regulations, contracts and grants.
- (6) A report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be forwarded to

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the City for submission with the forms to the Auditor of Public Accounts by November 30<sup>th</sup>:

- (7) The Auditor shall make an immediate, written report to the appropriate level of management of all management letter comments of which they become aware.
- (8) The Auditor shall prepare the Schedule of Expenditures of Federal Awards for the primary government and discretely presented component units and the Data Collection Form required by OMB Circular A-133 by November 30 for submission to the Federal Audit Clearinghouse as part of the City's Reporting Package.
- (9) The Auditor shall be responsible for preparing and submitting copies of the CAFR to appropriate state and federal agencies.

**C. Draft Reports**

The Auditor shall provide drafts of the financial statements and draft Auditor's reports, comments on the financial statements and recommendations to management for review by the appropriate level of management no later than October 31<sup>st</sup>. Any findings to be reported in accordance with the Auditor's work shall be available for review by Finance Director by the same date. The Auditor shall notify the City of the intent to issue any opinion other than an unqualified opinion, and the reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion, no later than the date upon which the draft financial statements are provided.

**D. Submission of Reports to the Government Finance Officers Association**

**(GFOA):** The City anticipates submitting the CAFR to the Government Finance Officers Association of the United States for review in its certificate of achievement program. It is anticipated that the Auditor will provide all necessary assistance to the City to meet the requirements of that program. The Auditor will assist with drafting responses to comments from the review and is expected to incorporate recommended changes into the subsequent year's statements.

**E. Report Preparation and Presentation:**

The Auditor will be responsible for CAFR preparation, editing and printing based on final trial balances and supporting schedules provided by the City. The Auditor shall provide 20 bound copies and an electronic file in .pdf format to the City. The Auditor shall present the CAFR, the recommendations to management, and the required communications to those charges with governance to the City Council at a public session as required by Section 15.2-2511 of the Code of Virginia.

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- F. **Additional Procedures:** The City is required to demonstrate financial responsibility for post-closure care arising from operating a municipal solid waste landfill. The Auditor will prepare correspondence to the Department of Environmental Quality demonstrating this responsibility.

5.0 **ASSISTANCE TO BE PROVIDED TO THE AUDITOR**

**A. Accounting Records**

The City shall fully balance the books of all accounts, reconcile subsidiary ledgers to control accounts, and reconcile all bank accounts within 90 days of each fiscal year end. Further, the City will post any adjusting entries as proposed by the Auditors to maintain financial records that support the audited financial statements.

**B. Schedules**

The staff of the City and School Division shall prepare the following information and any additional information requested by the auditors:

- (1) Interim and a final trial balance of each fund;
- (2) Interim and a final trial balance of each subsidiary ledger;
- (3) The final budget approved by the City for the audit period, the original budget resolution for the audit period, and all subsequent amendments to the budget resolution;
- (4) A schedule of capital asset additions and dispositions during the period;
- (5) Schedules of accounts payable, accounts receivable, taxes receivable, and due from other governments as of the statement date;
- (6) Such reasonable additional schedules as may be requested

The Auditors shall notify the City in advance of any required information to perform their work, and in sufficient time to allow the City to create such information. In no instances shall the Auditors provide less than two weeks advance notice for schedules of information to be provided by the client for audit field work.

**C. Other Assistance**

The staff of the City and responsible management personnel shall be available during the audit to assist the firm by providing information and explanations.



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6.0 PROPOSAL PREPARATION AND SUBMISSION

**A. Contents of the Proposal**

The Auditor is required to submit the following items as part of the proposal:

- (1) Title Page -Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person and date.
- (2) Letter of Transmittal
- (3) Supporting information that is clearly organized according to the following headings, and providing at a minimum the following information :
  - (a) The specific plans or methodology to be used in performing the audit, including:
    - a. A statement by the prospective Auditor of the understanding of the work to be performed with descriptions of the audit approach and illustrations of the procedures to be employed.
    - b. The approximate date the audit will begin (including preliminary fieldwork) and end; also, the approximate dates for delivery of the financial statements and Auditor's reports.
  - (b) The skill, experience and training of the specified persons who will be performing the services requested.
    - a. Biographies including experience, of the individuals who will be assigned to the engagement, relevant experience of each in auditing municipalities, and recent continuing professional education of each.
    - b. A description of the firm's experience with turnover, and the approach taken to ensure consistency in staffing and familiarity with the client on a year-to-year basis.
  - (c) The prior experience and reputation of the Auditor firm in auditing local governments similar to the City.
    - a. History of the firm, including the number of years in business and size of firm.
    - b. List of representative clients currently served by the Offeror focusing on clients similar in size and complexity with the City.
  - (d) Names, addresses, and telephone numbers of persons who may be contacted for reference.
  - (e) Description of the Offeror's experience with the GFOA's Certificate of Achievement for Excellence in Financial Reporting and how it will assist the City in maintaining the certificate.



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- (4) The Proposal should also contain the following:
- (a) A copy of the firm's most recent peer review.
  - (b) A statement by the prospective Auditor that:
    - (1) The firm is independent of the City of Franklin as that term is defined in the Ethical Rules of the AICPA.
    - (2) The firm and the partner assigned to the engagement are licensed to perform the audit as provided by applicable laws of the Commonwealth of Virginia.
    - (3) The firm has met the peer review standards of the AICPA and *Government Auditing Standards*.
    - (4) The firm will provide adequate supervision on a day-to-day basis.
    - (5) Staff assigned to the audit have met the continuing education requirements required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

**B. Right to Reject Proposals**

Proposals shall be signed by an authorized representative of the firm. All information requested must be submitted. Failure to submit all requested information may result in the rejection of the proposal. The City reserves the right to waive any irregularity or informality in any Proposal; provided however, that Proposal or amendments which are received after the time specified for the opening of Proposals will be neither opened nor considered.

THE CITY OF FRANKLIN EXPRESSLY RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS OR ANY PART OF A PROPOSAL IF SUCH ACTION IS DEEMED TO BE IN THE BEST INTEREST OF THE CITY OF FRANKLIN.

**C. Deadline for Submission**

To be considered for selection, the Auditor shall submit a complete response to the Request for Proposal. One (1) original and three (3) copies shall be submitted to the City. Copies of the proposal should be forwarded to Melissa D. Rollins, Director of Finance, P. O. Box 179, 207 West 2<sup>nd</sup> Avenue, Franklin, VA 23851 no later than 4:00 p.m. on June 8, 2016. The proposal should clearly be marked "Request for Proposal (RFP) No. 2016-03- Audit Services."

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7.0 EVALUATION AND AWARD CRITERIA

- A. Evaluation criteria shall include the following:
- (1) The specific plans or methodology to be used in performing the audit (i.e., the audit approach) including the stated ability to complete the audit and submit all reports referenced above to their respective destinations by the required deadline.
  - (2) The skill, experience and training of the specified persons who will be performing the services requested.
  - (3) The prior experience and reputation of the Auditor firm in auditing local governments similar to the City.
  - (4) References from other local governments or clients.
  - (5) Willingness to assist the City as needed for submittal of CAFR to the GFOA for the Certificate of Excellence in Financial Reporting and experience in working with localities receiving the Certificate.
- B. Award of Contract  
Two or more offerors deemed to be fully qualified and best suited among those submitting proposals will be identified on the basis of the evaluation factors stated in the Request for Proposal.

Repetitive informal interviews shall be permissible wherein, offerors are encouraged to elaborate on their qualifications, performance data, staff expertise pertinent to the proposed services, as well as alternate concepts. At the discussion stage, the City may discuss non-binding estimates of audit costs. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors.

At the conclusion of discussions, outlined above, on the basis of evaluation factors published in this RFP and all information developed in the selection process to this point, the Evaluation Committee shall select, in the order of preference, two or more offerors whose professional qualifications and proposed services are deemed most meritorious.

Negotiations will then be conducted beginning with the offeror ranked first. If a contract which is satisfactory and advantageous to the public body can be negotiated at a price considered fair and reasonable, the award will be made to that offeror. Otherwise, negotiations with the offeror ranked first will be formally terminated and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price.

Should the Evaluation Committee determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offerors

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clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror. (Code of Virginia, 2.2-4301.) At any time during the negotiations, the City may terminate all negotiations and re-advertise the requirement.

8.0 PAYMENT TERMS

Payment terms shall be negotiated with the successful vendor, however, under no circumstances will final payment be made until presentation of the final report to the City Council.

9.0 GENERAL TERMS AND CONDITIONS

A. APPLICABLE LAWS AND COURTS

This solicitation and any resulting contract shall be governed in all respects by the law of the State of Virginia, and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The auditor shall comply with all applicable federal, state and local laws, rules and regulations.

B. ETHICS IN PUBLIC CONTRACTING

By submitting their proposals, auditors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit or money, services or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

C. CHANGES TO THE CONTRACT

The City may order changes within the general scope of the contract at any time as mutually agreed to by the Auditor.

D. DEFAULT

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

E. CANCELING OR AMENDING A SOLICITATION

The City may cancel or withdraw a solicitation in whole or in part and reject any and all proposals at any time prior to an award. The City also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.

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**F. RENEWAL OF CONTRACT**

This contract shall automatically renew for the three year term (FY2016, FY2017, and FY2018 audits) unless terminated by either party no later than March 1 of the calendar year in which the audit will take place. The City will notify the vendor of its intent to renew each of the subsequent two years (FY2019 and FY2020) no later than March 1.

**G. AVAILABILITY OF FUNDS**

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

**H. FILLING REQUIREMENT**

The prospective bidders are reminded that the audit contract will be filed with the Auditor of Public Accounts, Commonwealth of Virginia.

**I. RETENTION OF WORKING PAPERS**

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

**J. DRUG-FREE WORKPLACE**

During the performance of this contract the contractor shall agree to:

- a. Provide a drug-free workplace for the Contractor's employees.
- b. 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 such prohibition.
- c. State in all solicitations or advertisement for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace.
- d. Include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000.00, or so that the provisions will be binding upon each subcontractor or vendor.

For the purpose of this section, "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 chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

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LEGAL COMPLIANCE

- e. The Contractor shall be solely responsible for complying with all applicable federal, state and municipal laws, codes and regulations during the performance of this Contract.
- f. The Contractor agrees that it does not, and shall not during the performance of this Contract for goods and services, knowingly employ unauthorized alien or aliens as defined in the Federal Immigration Reform and Control Act of 1986.

**K. EMPLOYMENT DISCRIMINATION**

In the event this Contract price is in excess of Ten Thousand Dollars (\$10,000.), then during the performance of this Contract, the Contractor agrees as follows:

- a. The Contractor will 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 non-discrimination clause.
- b. 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.
- 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 paragraph.

The Contractor will include the provisions of this Contract paragraph in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

In all contracts, regardless of contract amount, the Contractor will abide by the provisions of the Americans with Disabilities Act, and will require each subcontractor to do so.

**L. NON-DISCRIMINATION**

The City of Franklin, in procuring goods and services or in making disbursements pursuant to this section, shall not discriminate against a faith-based organization on the basis of the organization's religious character or impose conditions that restrict the religious character of the faith-based organization, except funds provided for expenditure pursuant to contracts with public bodies shall not be spent on religious worship, instruction, or proselytizing, or impair, diminish, or

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discourage the exercise of religious freedom by the recipients of such goods, services, or disbursement.

**M. INSURANCE REQUIREMENTS**

The successful Offeror may be required to provide evidence of the minimum coverage described in Section I (B) of this Request for Proposal and detailed below. **NO CONTRACT SHALL BE FINALIZED AND NO WORK SHALL COMMENCE UNTIL THE CITY'S INSURANCE REQUIREMENTS ARE MET.**

Each successful Offeror awarded a Contract shall comply with the Insurance Requirements set forth herein. Your Proposal submission must note any desired exceptions to the insurance coverage which may include the submission of proposed alternatives.

- a. The Contractor (successful Offeror) shall be responsible for its work and every part thereof, and for all materials, equipment, and property of any and all description used in connection therewith. The Contractor assumes all risks of direct and indirect damage or injury to any person or property wherever located, resulting from any action, omission, commission, or operation under the Contract, or in connection in any way whatsoever with the contracted work.
- b. The Contractor shall, during the continuance of all work under the Contract provide and agree to maintain the following unless omitted from the attached "Insurance Checklist":
  - i. Workers' Compensation and Employers' Liability Insurance under the Commonwealth of Virginia statutory requirements, to protect the Contractor from any liability or damages for any injuries (including death and disability) to any and all of its employees, volunteers, or Subcontractors, including any and all liability or damage which may arise by virtue of any statute or law in force within the Commonwealth of Virginia, or which may be hereafter enacted. Employer's Liability minimum coverage shall be at least \$100,000.
  - ii. General Liability Insurance in the amount prescribed by the City, to protect the Contractor, its Subcontractors, and the interest of the City, against any and all injuries to third parties, including bodily injury and personal injury, wherever located, resulting from any action or operation under the Contract or in connection with the contracted work. The General Liability Insurance shall also include the Broad Form General Liability endorsement, in addition to coverages for explosion, collapse, and underground hazards, where required. Completed Operations Liability coverage shall continue in force for one (1) year after completion of work. Minimum limits are as

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follows: Bodily Injury \$1,000,000 Each Occurrence/  
\$1,000,000 Aggregate, Products & Complete Operations;  
Property Damage \$500,000 Each Occurrence/ \$500,000  
Aggregate. Products and Completed Operations Insurance  
shall be maintained for a minimum period of one (1) year after  
final payment, and the Contractor shall continue to provide  
evidence of such coverage to the Owner for an annual basis  
during the aforementioned period.

- iii. Automobile Liability Insurance, including property damage, covering all owned, non-owner, borrowed, leased, or rented vehicles operated by the Contractor. In addition, all mobile equipment used by the Contractor in connection with the contracted work, will be insured under either a standard Automobile Liability policy, or a Comprehensive General Liability policy. Minimum limits are as follows: Bodily Injury: \$500,000 Each Person/ \$1,000,000 Each Accident; Property Damage: \$500,000 Each Occurrence.
- iv. Professional Liability Insurance at the minimum limit of \$1,000,000.
- v. Liability insurance may be arranged by general liability and automobile liability policies for the full limits required, or by a combination of underlying liability policies for lesser limits with the remaining limits provided by an excess or umbrella liability policy.
- vi. The Contractor agrees to provide insurance issued by companies admitted within the Commonwealth of Virginia, with the Best's Key Rating of at least A:VIII.
- vii. It is understood and agreed that the Offeror is at all times herein acting as an Independent Contractor.
- viii. The Contractor will provide an original, signed Certificate of Insurance, evidencing such insurance and such endorsements as prescribed herein, upon request.
- ix. The Contractor will secure and maintain copies of all insurance policies of its Subcontractors which shall be made available to the City on demand.
- x. The Contractor will provide on demand, certified copies of all insurance coverage on behalf of the Contract within ten (10) days of demand by the City. These certified copies will be sent to the City from the Contractor's insurance agent or representative.
- xi. No change, cancellation, or non-renewal shall be made in any insurance coverage without a forty-five (45) day written notice to the City Procurement Officer. The Contractor shall furnish a new certificate prior to any change or cancellation date. **THE FAILURE OF THE CONTRACTOR TO DELIVER A**



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**NEW AND VALID CERTIFICATE WILL RESULT IN SUSPENSION OF ALL PAYMENTS REQUIRED OF THE CITY UNTIL THE NEW CERTIFICATE IS FURNISHED TO THE CITY MANAGER.**

- xii. **INSURANCE COVERAGE REQUIRED BY THIS REQUEST FOR PROPOSAL SHALL BE IN FORCE THROUGHOUT THE CONTRACT TERM. SHOULD THE CONTRACTOR FAIL TO PROVIDE ACCEPTABLE EVIDENCE OF CURRENT INSURANCE WITHIN FIVE (5) DAYS OF WRITTEN NOTICE AT ANY TIME DURING THE CONTRACT TERM, THE CITY SHALL HAVE THE ABSOLUTE RIGHT TO TERMINATE THE CONTRACT WITHOUT ANY FURTHER OBLIGATION TO THE CONTRACTOR, AND THE CONTRACTOR SHALL BE LIABLE TO THE CITY FOR THE ENTIRE ADDITIONAL COST OF PROCURING THE UNCOMPLETED PORTION OF THE CONTRACT AT THE TIME OF TERMINATION.**
- xiii. Compliance by the Contractor and any Subcontractors with the foregoing requirements as to carrying insurance shall not relieve the Contractor or any Subcontractors of their liabilities and obligations under this Request or any provisions of the awarded Contract.