

***Request for Proposals
Certified Public Accountant Services for Pre-Audit***

***Town of Pennington Gap
FY 2024-2026***

***Tina Rowe
Town Treasurer***

***TOWN OF PENNINGTON GAP
REQUEST FOR PROPOSALS***

Issue Date: March 1, 2024

Title: Accounting Services Contract

Issuer: Town of Pennington Gap
528 Industrial Drive
Pennington Gap, VA 24277

The TOWN COUNCIL of THE TOWN OF PENNINGTON GAP requests qualified independent certified public accountants to submit proposals to enter a term contract to prepare the Town's financial records for audit by another firm for each of the fiscal years ended June 30, 2024, through 2026. (Renewable for up to two (2) additional one-year terms).

Proposals will be received until 4:00 p.m. on April 5, 2024.

Copies of the Request for Proposal may be obtained from the Town of Pennington Gap's website at www.townofpenningtonva.gov or by contacting the Town Treasurer.

All inquiries for information should be directed to:

Tina Rowe, Treasurer
528 Industrial Drive
Pennington Gap, VA 24277
(276)546-1177

If proposals are mailed, send directly to the local government issuer address shown above.

Consulting Services for the Years Ending June 30, 2024-2026

The Town of Pennington Gap, is requesting proposals for Certified Public Accountant Services to assist the entity in regard to implementation of Auditing Standards No. 115 as promulgated by the American Institute of Certified Public Accountants (AICPA) for the years ending June 30, 2024, 2025, and 2026 in accordance with the following specifications:

I. INTRODUCTION:

The Town Council of the Town of Pennington Gap, Virginia requests independent certified public accountants to submit proposals to enter a term contract to perform accounting work in preparation for the annual financial audit so that the fund basis financial statements be fully adjusted and ready for audit by the start of audit fieldwork for the years ending in June 30, 2024-2026. There is no expressed or implied obligation that the Town of Pennington Gap, Virginia shall reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Financial records of the Town of Pennington Gap are available for review.

II. SCOPE OF WORK TO BE PERFORMED

A. Financial Statements

The Accountant shall inquire, review, and assist in adjusting Town accounting ledgers as well as additional schedules needed by the auditor to prepare the financial statements in accordance with principles generally accepted in the United States of America and the Commonwealth of Virginia. Work shall include, but not be limited to the following:

- Prepare trial balances, revenue and expenditure summaries, and related lead schedules for each fund.
- For all balance sheet accounts, compare balances per the trial balances to supporting documentation and draft adjustments as necessary. Reconcile beginning fund balances to audited financial statements and prepare adjustments as required.
- Prepare adjusting entries to convert cash basis financial information to modified accrual and full accrual basis financial information. Generate and maintain documentation in support of all adjusting entries made in the conversion process. Prepare reversing entries for prior year accruals and prepare adjusting entries for current year accruals based on supporting documentation.
- Generate and maintain supporting documentation for footnote disclosures.
- For income/expense accounts, perform a broad analytical review to determine reasonableness as compared to the previous year and propose adjustments as necessary.

- Perform reconciliations of federal and state funding per the APA's Cardinal reports to trial balances and draft adjustments as necessary.
- Assist staff with recording additions and deletions of assets and prepare depreciation schedules.
- Inquire of staff whether there have been any transactions that may not have been recorded properly and draft adjustments as necessary.
- Prepare documentation of all procedures performed, said documentation is to be maintained on-site for use by the Town and its auditors.
- Assistance in compiling the list of leases and SBITAs and supporting documentation for auditor review.
- In coordination with the Town's auditors, assist with implementing statements issued by the Financial and Governmental Accounting Standards Board.
- Provide additional accounting services as deemed necessary.

B. Report Preparation and Presentation

- The Accountant shall be responsible for report preparation, editing and printing. The Accountant shall furnish 1 electronic copy and 1 paper copy of all work to the Town preferably by October 1st following the end of each fiscal year.

C. Privacy

- The Accountant shall safeguard the confidentiality of any information protected pursuant to federal or state law.

V. PROPOSAL PRESENTATION AND SUBMISSION:

A. Format of the Proposal

Proposals should be as thorough and detailed as possible so that the Town of Pennington Gap may properly evaluate the CPA's ability to provide the required services. Each copy of the proposal should be bound or contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

B. Contents of the Proposal

The CPA is required to submit the following items as a complete proposal:

1. Consultant background and credentials, which include the year established, resources available, location, etc. Consultant should have a minimum of five years of experience with similar projects.
 2. Expertise of Consultant in providing accounting services. Please provide a list of comparable projects.
 3. Personnel to be assigned to the project and work tasks, including resumes of key staff.
 4. Methodology to approach the assignment and work plan to outline the general work and timeframe.
 5. Pricing of work.
 6. References from clients familiar with similar work assignments over the past three years.
- C. **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.
- D. **Deadline for Submission**
To be considered for selection, the CPA shall submit a complete response to the Request for Proposal. One original and 7 copies of the proposal shall be submitted to the Town of Pennington Gap. Copies of the proposal may be mailed to the Town of Pennington Gap, Virginia 528 Industrial Drive, Pennington Gap, Virginia 24277; The proposal should be marked "Proposal for Pre-Audit Services." Proposals must be received no later than 4:00 pm, April 5, 2024.
- E. **Inquiries**
Inquiries concerning the request for proposal should be directed to Tina Rowe, Treasurer, Town of Pennington Gap. Offerors are encouraged to contact the Treasurer's office to get a clear understanding of the methodology and practices of the Town.

VI. EVALUATION AND AWARD CRITERIA

- A. **Evaluation of Proposals**
Proposals submitted will be evaluated by a committee appointed by the Town Manager.
- After receipt of all timely submitted and qualified proposals, the selection process shall include the following criteria in selecting the auditor(s) for competitive negotiations and recommendation to the governing body for contract award:
1. Relevant experience and qualifications of the Consultant and the specified employees who will perform the requested services;
 2. Prior experience, reputation, and demonstrated understanding of the Consultant;

3. Technical approach, methodology, and scope of the Consulting Services;
4. Ability of Consultant/CPA to deliver timely work in preparation for the start of the audit fieldwork.

VII. PAYMENT TERMS

The accounting service fee shall be payable based on monthly-itemized invoices and upon approval of the Town Council. Interim billings shall not exceed 80% of the total fee. Final payment shall be made upon approval of the reports by the Auditor.

Should circumstances disclosed by the audit call for a more detailed investigation by the Accountant than is necessary under ordinary circumstances, the Accountant shall inform the Town Manager in writing of the need for such additional investigation and the additional compensation to complete the investigation.

VIII. GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

- A. **Submission of Proposal:** Failure to submit a proposal per the requirements outlined in this solicitation is cause for rejection of the proposal. However, the Town of Pennington Gap reserves the right to decide, on a case-by-case basis, in its sole discretion, whether to reject such a proposal.
- B. **Clarification of Terms:** If any prospective offeror has questions about the terms contained in the solicitation documents, the prospective offeror should contact the Town of Pennington Gap Manager, no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum by the Town Manager.
- C. **Applicable Laws and Courts:** This solicitation and any resulting contract 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 of Virginia. The CPA shall comply with applicable federal, state, and local laws and regulations.
- D. **Anti-Discrimination:** By submitting their proposals the CPA certifies that he/she will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, the Virginians with Disabilities Act, and the Americans with Disabilities Act. The CPA also agrees that during the performance of this contract:
 - A. The CPA shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The CPA agrees to post in a conspicuous place, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - B. The CPA, in all solicitations or advertisements for employees placed by or on behalf of the Auditor, shall state that the CPA is an equal opportunity employer.
 - C. Notices, advertisements, and solicitations placed in accordance with federal laws, rules or regulations shall be deemed sufficient for meeting the requirements of this section.

- E. The CPA shall protect the confidentiality of any confidential information received by it pursuant to the Code of Virginia.
- F. The CPA shall keep a drug free workplace pursuant to the requirements of the Code of Virginia.
- G. Ethics in Public Contracting: By submitting their proposals, the CPA certifies that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder/offeror 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 of money, or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.
- H. Immigration Reform and Control Act of 1986: By submitting their proposals, The CPA certifies that they do not and will not during the performance of this employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.
- I. Qualifications of Prospective Bidder: The Town of Pennington Gap may make such reasonable investigations as they deem proper and necessary to determine the ability of the firm proposing to perform the work. The Town of Pennington Gap reserves the right to reject any proposal if the evidence submitted by the firm, or investigations of the firm, fail to satisfy the Town of Pennington Gap that the firm is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- J. Changes to the Contract: The Town of Pennington Gap may order changes within the general scope of the contact at any time by written notice to the CPA. The CPA shall be compensated for any additional costs incurred as a result of such order. Said compensation shall be determined by mutual agreement between the parties in writing.
- K. Default: In case of failure to deliver services in accordance with the contract terms and conditions, the Town of Pennington Gap, after due oral and written notice, may procure them from other sources and hold the CPA responsible for resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Town of Pennington Gap may have.
- L. Canceling or Amending a Solicitation: The Town of Pennington Gap may cancel withdraw a solicitation in a whole or in part and reject any and all proposals at any time prior to an award. The Town of Pennington Gap also may amend the solicitation by the issuance of an addendum prior to the time set for receipt of response.
- M. Claims: Contractual claims for money or other relief shall be submitted in writing no later than sixty days after approval by the Town Manager.

IX. SPECIAL TERMS AND CONDITIONS

- A. **Availability of Funds:** It is understood and agreed between the parties herein that the Town of Pennington Gap shall be bound hereunder only to the extent funds are available or which may hereafter become available for this agreement.
- B. **Cancellation of Contract:** The Town of Pennington Gap reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the CPA. Any contract cancellation notice shall not relieve the CPA of the obligation to complete a pre-audit accounting service commenced before the effective date of the cancellation.
- C. **Extension of Contract:** This contract may be extended by the Town of Pennington Gap upon written agreement of both parties for 2 successive one-year periods, under the terms of the current contract and at a reasonable time before the expiration.
- D. **Retention of Working Papers:** The CPA hereby agrees to retain all books, Records, and other working papers related to this contract for five (5) years after final payment. The Town of Pennington Gap, Virginia, its authorized agents, and/or state and federal auditors shall have full access to and the right to examine any of said materials during this period. In addition, the CPA hereby agrees to deliver, within ninety (90) days following completion of the project, a photocopy of all such materials including but not limited to the working papers used during the project.
- E. **Subcontracts:** No portion of this work shall be subcontracted without prior written consent of the Town of Pennington Gap, Virginia. The CPA shall, however, remain fully liable and responsible for the work to be done by the subcontractors and shall assure compliance with all requirements of the contract.
- F. **Filing Requirements:** The prospective bidders are reminded that the pre-audit accounting services be filed with the Auditor of Public Accounts, Commonwealth of Virginia.