



REQUEST FOR QUOTATIONS for Professional Auditing Services

RFQ Release Date

March 21, 2023

Quotation Submittal Deadline

April 11, 2023

4:00 p.m. local prevailing time

Questions with regard to submissions, process, or quotations can be emailed to:

Jill Underwood

Director of Finance

junderwood@brwa.com

1723 Falling Creek Rd. • Bedford, VA 24523 •

540-586-6098

REQUEST FOR QUOTATIONS FOR PROFESSIONAL AUDITING SERVICES
Bedford Regional Water Authority (the “Authority”)
March 21, 2023

I. INTRODUCTION

A. Purpose

The Authority is seeking quotations from qualified firms of certified public accountants to audit the financial statements of the Bedford Regional Water Authority. Generally accepted auditing standards include a compliance review in connection with the review of the Entity’s system of internal control for the purpose of submitting a written report to the governing body setting forth findings on material weaknesses in internal control, together with recommendations for improvement.

The Auditor shall, after completing the audit, submit to the governing body a written report of the audit. This report shall include the financial statements and notes thereto prepared in accordance with generally accepted accounting principles, supplementary information requested by the client for full disclosure under the law and the Auditor’s opinion on the material presented. The Auditor shall furnish the report by November 1st following the close of the fiscal year and as required copies of the final report upon receipt and approval of the preliminary draft by the Authority.

Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under the ordinary circumstances, or should there be a turnover audit required, or should accounting and/or auditing standards change thereby increasing the scope of service, the Auditor shall inform the Authority and the parties shall negotiate additional compensation required as a result.

B. Background

The Bedford Regional Water Authority was chartered December 18, 2012 under the Virginia Water and Waste Authorities Act and Sewer Authorities Act, Chapter 51 Title 15.2 of the Code of Virginia 1950 as amended, by concurrent resolutions adopted by the Bedford County Board of Supervisors and the City Council of the City of Bedford, Virginia (now the Town of Bedford). The Authority is authorized to acquire, finance, contract, operate, and maintain water systems, sewer systems, sewerage disposal and treatment systems, and other facilities or combinations thereof; furthermore, it is able to borrow money and to issue its revenue bonds to pay all or any part of the cost of such systems and facilities and related financing costs. The revenues of the Authority are based on fixed and usage charges from the system users. The Authority does not have taxing power.

The Authority utilizes Microsoft Dynamics GP as its accounting software. This includes financials/general ledger, accounts payable, capital assets, payroll/human resources, etc. The Authority also utilizes Impresa, a Harris Product, for its water and sewer utility billing and collections. Journal entries are recorded from Impresa product into Dynamics GP on a monthly basis.

II. NATURE OF SERVICES REQUIRED

A. Term of Engagement

The Authority is seeking quotations from qualified independent firms of certified public accountants to perform an audit of the Authority's financial statements for a term of three years, beginning with the fiscal year ending June 30, 2023, with the option on the part of the Authority of renewing the contract for two subsequent fiscal years.

B. Scope of Work to be Performed

The Authority desires the Auditor to express an opinion on the fair presentation of the financial statements of the Bedford Regional Water Authority in conformity with generally accepted accounting principles, and present findings to the Board of Directors of the Bedford Regional Water Authority. An Annual Comprehensive Financial Report (ACFR) is requested to be prepared by the Independent Auditor. The Auditor will also apply limited procedures to Management's Discussion and Analysis (MD&A), required supplementary information included in the ACFR, the Transmittal submitted to the Auditor of Public Accounts (APA). The Authority staff will submit the ACFR for the Government Finance Officers Association (GFOA) award, and may require assistance from the Auditor to address comments. Other service needs for the Authority may arise during the term of this contract which will be provided by the Auditor after an agreed upon schedule and fee.

To meet requirements of this request for quotations, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth by the U.S. Government Accountability Office's Government Auditing Standards, the provisions of the Single Audit Act, and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, and the Specifications for Audits of Authorities, Boards, and Commissions, issued by the Auditor of Public Accounts of the Commonwealth of Virginia.

All working papers and reports must be retained, at the Auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the Bedford Regional Water Authority of the need to extend the retention period. The Auditor

will be required to make working papers available, upon request to the Bedford Regional Water Authority.

In addition, the firm shall respond to reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

III. SCHEDULE

The following is a list of key dates up to and including the date quotations are due to be received (subject to change):

- Request for quotation issued:..... March 21, 2023
- Due date for receipt of quotations: April 11, 2023 by 4:00 pm
- Contract awarded April 18, 2023

Services are being procured under the Small Purchases Procedure of the Authority’s Purchasing policy (Policy 10.10).

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR

The Authority will furnish items requested in the schedule of Prepared by Client (PBC) listing agreed upon annually. This non-exclusive list includes several items, such as:

- Confirmations for cash, debt, attorney letters, contract water and sewer purchases/sales, receivables, etc.;
- Copy of GFOA Certificate and related comments;
- Preliminary trial balance;
- Details on unusual transactions during the year;
- Various items required for the ACFR
- Copies of cash and investments;
- Details and workpapers on water and sewer receivables;
- Details and workpapers on inventory;
- Details and workpapers on capital assets;
- Details and workpapers on accounts payable;
- Details and workpapers on accrued wages and compensated absences
- Details and workpapers on debt;
- Details and workpapers on payroll;

V. **REPORT PREPARATION**

The Auditor shall have reviewed drafts of the audit reports and recommendations to management available for review by the Authority no later than November 1st. Report preparation, editing and finalization shall be the responsibility of the auditor, with a final electronic version submitted to the Authority for distribution to the Board of Directors and publishing to the Authority's website.

VI. **CONFLICTS AND QUESTIONS**

Should there be conflicts between the proposal documents and the final contract the final contract shall take precedence.

Interpretations and Requests for Substitution: Any Offeror in doubt as to the true meaning of any part of this request for proposals may submit a written request to the Authority for an interpretation. The Offeror submitting a request will be responsible for its prompt and actual delivery. Any interpretation or approval will be made by addendum duly issued. A copy of such addendum will be posted on the appropriate website listed above. The Authority will not be responsible for any other explanations or interpretations of such documents which anyone presumes to make. Only questions answered by formal written addenda will be binding; oral and other interpretations or clarifications will be without legal effect.

Offerors must submit every request for interpretation or clarification regarding the services to be provided in writing. Email requests must be sent to the Authority staff listed on the cover page of this RFQ. Failure to receive such addenda shall not relieve Offerors from any obligation under the request for proposals as clarified.

VII. **PROPOSAL PREPARATION AND INSTRUCTIONS**

In order to be considered for selection, Offerors must submit a complete response to this solicitation. **One electronic copy** of the proposal in PDF-format must be submitted to the Finance Department by the deadline specified in Section III. No other distribution of the proposal shall be made by the Offeror. In the event the electronic submission "bounces" or otherwise fails to go through, the burden will be upon the Offeror to show by an electronic time receipt that submission was made prior to the deadline, and doubts will be resolved against such Offeror.

- Quotes shall be signed by an authorized representative of the Offeror. All information requested must be submitted. Failure to submit all information requested may result in staff requiring prompt submission of missing information,

giving a lowered evaluation of the proposal, or rejecting the proposal entirely. Mandatory requirements are not subject to negotiation.

- Offerors shall examine the RFQ, shall exercise their own judgment as to the nature of the whole of the work to be done, and must assume all risk for any computations or statements made in completing the proposal.
- Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirement of the RFQ. Emphasis should be placed on completeness and clarity of content. Elaborate brochures and excessive promotion materials are not required or desired.
- All documentation submitted with the proposal should be contained in this single document, with the exception of proprietary information.

The Offeror will provide in a separate file a Non-Binding Annual Estimate of Cost for Professional Auditing Services. Cost estimates will include sufficient itemization of cost components for each fiscal year's financial and compliance auditing services, of preparing and printing the ACFR, and cost of other agreed upon services.

VIII. DISCLOSURE OF PROPOSAL CONTENTS

Offerors should be aware that the terms of the contract awarded pursuant to the RFQ are public information. During the RFQ submission and evaluation process, all proposals will be held in confidence and will not be revealed to or discussed with competitors, unless disclosure is required to be made by law or by court ruling. The Authority may use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this provision.

Offerors may designate portions of their proposals as confidential and proprietary, and such portions will be held perpetually in confidence. However, in order to designate portions of a proposal as confidential, an Offeror must (i) invoke the protections of this section with its submission, (ii) identify or designate the specific materials for which it requests confidential treatment, and (iii) state the reasons why such protection is necessary. An Offeror may not designate the entirety of its proposal as confidential and proprietary, designate any portion that does not contain trade secrets or proprietary information as confidential, or designate pricing information as confidential. The Authority shall make the final decision as to whether a designation is properly made in accordance with this section and the provisions of the Virginia Public Procurement Act.

IX. WITHDRAWAL AND MODIFICATIONS

Irregular Proposals: Proposals shall be considered irregular and may be rejected for any of the following reasons unless otherwise prohibited by law:

- If there are unauthorized additions or conditional conditions, or irregularities of any kind which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- If the Offeror adds any provisions reserving the right to accept or reject any award.
- If the Offeror fails to meet the proposal specifications or is unresponsive to proposal specifications, questions, and/or terms.
- If the Offeror fails to include an authorized representative's signature on company letterhead.

Withdrawal or Revision of Proposals: An Offeror may, without prejudice, **withdraw a proposal prior to the date and time specified for receipt of proposals** by requesting such withdrawal in writing before the time set for receiving proposals. Telephonic communications for withdrawal shall not be accepted.

Any Offeror may modify their proposal by email, provided such communication is received by the Authority prior to the due date of proposals. The communication should not reveal the proposal price but should provide the addition or subtraction or other modification. If written confirmation is not received within two days after the email, no consideration will be given to the email or facsimile modification.

Proposal Acceptance Period: Any proposal in response to this solicitation shall be valid for one hundred twenty (120) days. At the end of the 120 days the proposal may be withdrawn at the written request of the offeror. If the proposal is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.

X. EVALUATION PROCEDURES

Proposals meeting the mandatory elements will have their proposals evaluated and scored for technical qualifications. The following represents the principal selection criteria which will be considered during the evaluation process.

A. Mandatory Elements

1. The firm is independent and licensed to practice in Virginia.
2. The firm has no conflict of interest with the Bedford Regional Water Authority.
3. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.
4. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work.

B. Technical Qualifications:

1. The skill, experience, independence and training of the firm and specified persons who will be performing the service requested.
2. The Proposer's understanding of the Authority's system of accounting obtained through prior experience or discussion with the appropriate officials.
3. The prior experience and reputation of the Auditor in auditing similar entities.
4. Ability to complete and submit the audit and financial statements in order to meet required deadlines.

XI. SELECTION PROCESS/AWARD OF CONTRACT

The Small Purchases Procedure is being utilized for this professional contract. Bids shall be evaluated and the responsive and responsible bidder offering the products and/or services that will provide the Authority with the lowest total cost will be awarded the contract. The Authority reserves the right to reject any and all bids in whole or in part, to waive any informality.

XII. SPECIAL TERMS AND CONSIDERATIONS

A three (3) year contract, starting with the Authority's fiscal year 2023, is contemplated with the option of renewal for two subsequent fiscal years, not to exceed a maximum of five years, subject to the annual review and recommendation of management, the satisfactory negotiation of terms (including a price acceptable to both the Bedford Regional Water Authority and the selected firm) and the concurrence of the Bedford Regional Water Authority.

SWAM PARTICIPATION: In accordance with the Public Procurement Act, the Authority also encourages the utilization of Small, Women and Minority (SWaM) Businesses to participate in the performance of state funded contractor contracts. A list of Virginia Department of Small Business and Supplier Diversity (DSBSD) certified SWaM firms is maintained on the DSBSD web site <http://www.sbsd.virginia.gov/> under the SWaM Vendor Directory link. Contractors are encouraged to take all reasonable steps to ensure that SWaM firms have the maximum opportunity to compete for and perform services on the contract, including participation in any subsequent supplemental contracts. If the contractor intends to subcontract a portion of the services on the project, the contractor is encouraged to seek out and consider SWaM firms as potential sub-contractors. The contractor is encouraged to contact SWaM firms to solicit their interest, capability, and qualifications. Any agreement between a contractor and a SWaM firm whereby the SWaM firm promises not to provide services to other contractors is prohibited.

If portions of the services are to be subcontracted to a SWaM firm, the following needs to be submitted with your proposal and both must reference the RFQ for the services:

- A. Written documentation of the prime's commitment to the SWaM firm to subcontract a portion of the services, a description of the services to be performed, and the percent of participation.
- B. Written confirmation from the SWaM firm that it is participating, including a description of the services to be performed and the percent of participation.

Any SWaM firm must become certified (with the Virginia Department of Small Business and Supplier Diversity) prior to your response being submitted. If a SWaM firm is the prime contractor, the firm will receive full credit for planned involvement of their own forces, as well as the work that they commit to be performed by SWaM sub-contractors. SWaM prime contractors are encouraged to make the same outreach efforts as other contractors. SWaM credit will be awarded only for work being performed by them. When a SWaM prime contractor subcontracts work to another firm; the work counts toward SWaM goals only if the other firm is itself a SWaM. However, this certification does not guarantee that the firm will obtain Authority work nor does it attest to the firm's abilities to perform any particular work.

FORM 1 COVER SHEET

In compliance with this Request for Quotation, and to all the conditions imposed therein and hereby incorporated by the reference, the Undersigned offers, and agrees to furnish goods/services requested in this solicitation.

THIS SECTION TO BE COMPLETED BY OFFEROR:

NAME AND ADDRESS OF FIRM:

Date: _____

By: _____
(Signature)

FEI/FINT No.: _____

Name: _____
(Please Print)

Email: _____

Title: _____

Phone: _____

Fax: _____

Website: _____

CONTACT INFORMATION *(if differs from above):*

Name: _____

Email: _____

Title: _____

Office Phone: _____

Address: _____

Mobile Phone: _____

Fax: _____

FORM 2 PROPOSAL SIGNATURE SHEET
(Must be submitted on your corporate letterhead)

My signature certifies that the proposal as submitted complies with all Terms and Conditions as set forth in this RFQ. My signature also certifies that by submitting a proposal in response to this Request for Quotations, the offeror represents that in the preparation and submission of this proposal, said offeror did not, either directly or indirectly, enter into any combination or arrangement with any person, firm or corporation or enter into any agreement, participate in any collusion, or otherwise take any action in the restraint of free, competitive bidding in violation of the Sherman Act (15 U.S.C. Section 1 et seq.) or § 59.109.1 through 59.1-9.17 or § 59.1-68.6 through 59.1-68.8 of the Code of Virginia. In addition, my signature certifies that the offeror has been made aware of the initial Request for Proposals, as well as any and all addenda.

Certification of Eligibility: The firm is not ineligible to receive award of a contract due to the firm's inclusion on any Federal or Virginia State lists of debarred contractors, or otherwise ineligible to be awarded a contract using Federal or State funds.

I hereby certify that I am authorized to sign as a Representative for the Firm:

NAME OF OFFEROR: _____

ADDRESS: _____

FED ID NO.: _____

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

TELEPHONE: _____

EMAIL: _____

FAX: _____

DATE: _____

FORM 3 ADDENDA RECEIVED AND ACKNOWLEDGED

By signing this form, offeror acknowledges receipt of any and all Addenda published after initial RFQ was issued.

Receipt of addenda acknowledged: _____

Signature Date: _____

FORM 4 LITIGATION DISCLOSURE FORM

Respond to each of the questions below by checking the appropriate line. Failure to fully and truthfully disclose the information required by this Litigation Disclosure Form may result in the disqualification of your bid or proposal from consideration or termination of the contract, once awarded. For purposes of this disclosure form, “you” means the individual or entity in whose name the bid or proposals were submitted.

Have you or any principal, officer or director of your company, or any individual who will be assigned to work under any contract awarded pursuant this solicitation, been convicted of a felony, or a misdemeanor involving moral turpitude, during the last ten (10) years?

_____ Yes _____ No

Have you or any principal, officer or director of your company, or any individual who will be assigned to work under any contract awarded pursuant this solicitation, been terminated (for cause or otherwise) from any work being performed for the Authority or any other governmental or private entity during the last ten (10) years?

_____ Yes _____ No

Have you or any principal, officer or director of your company, or any individual who will be assigned to work under any contract awarded pursuant this solicitation, been involved in any claim or litigation with the Authority or any other governmental or private entity during the last ten (10) years?

_____ Yes _____ No

Has any parent company or wholly owned subsidiary of your company been involved in any claim or litigation with the Authority or any other governmental or private entity during the last ten (10) years?

_____ Yes _____ No

If you answered “Yes” to any of the above questions, please state the name(s) of the person(s), the nature, and the status and/or outcome of the conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your bid or proposal.

FORM 5 PROPRIETARY INFORMATION

Trade secrets or proprietary information submitted by an Offeror in response to this Request for Proposal shall not be subject to public disclosure under the *Virginia Freedom of Information Act*, however, the Offeror must invoke the protection of this section prior to or upon submission of data or materials and **must identify the data or other materials to be protected and state the reasons why protection is necessary** (§2.2-4342F of the *Code of Virginia*).

Please enclose all proprietary information in a separate document.

Below, please reference appropriate page numbers, section numbers, paragraph numbers, etc. where this data should be inserted, along with an explanation as to why it is proprietary and protected by §2.2-4342(F) of the Code of Virginia.

FORM 6 REFERENCES

Name of Firm:

Address:

Contact:

Name:

Title:

Email:

Phone:

Years in Relationship: _____

Name of Firm:

Address:

Contact:

Name:

Title:

Email:

Phone:

Years in Relationship: _____

Name of Firm:

Address:

Contact:

Name:

Title:

Email:

Phone:

Years in Relationship: _____

APPENDIX A - REQUIRED GENERAL TERMS AND CONDITIONS

A. **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 an appropriate state court of jurisdiction in Bedford County, Virginia. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.

B. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Authority that they will conform to the provisions of the *Federal Civil Rights Act of 1964*, as amended, as well as the *Americans With Disabilities Act* and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursement made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1(E))

In every contract over \$10,000.00, the provisions in 1. and 2. below apply:

1. 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 any 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 these nondiscrimination clauses.
 - 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 solicitation placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
2. The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

C. **ETHICS IN PUBLIC CONTRACTING:** By submitting their proposals, Offerors 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 of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

D. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their proposals, Offerors 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*.

E. **DEBARMENT STATUS:** By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia or any political subdivision thereof from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

F. **ANTITRUST:** By entering into a contract, the Contractor conveys, sells, assigns, and transfers to the Authority all rights, title and interest in and to all causes of 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 the Authority under said contract.

G. **PROMPT PAYMENT ACT:**

1. **To Subcontractors:**

a. A Contractor awarded a contract under this solicitation is hereby obligated:

- (1) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Authority for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
- (2) To notify the department and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Authority, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U.S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the prime contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Authority.

H. **TESTING AND INSPECTION:** The Authority reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

I. **ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the Contractor in whole or in part without the advance written consent of the Authority.

J. **CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:

- a. The parties may agree, in writing, to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
- b. The Authority may order changes within the general scope of the contract at any time by written notice to the Contractor. Changes within the scope of contract include, but are not limited to, things such as services to be performed, the method of delivery, and the place of delivery. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as a result of such order and shall give the Authority a credit of any savings. Said compensation shall be determined by one of the following methods:
 1. By mutual agreement between the parties in writing; or
 2. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Authority's right to audit the Contractor's records and/or to determine that correct number of units independently; or
 3. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Authority with all vouchers and records of expenses incurred and savings realized. The Authority shall have the right to audit the records of the Contractor as deemed necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Authority within thirty (30) days from the date of receipt of the written order from the Authority. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving dispute provided by the Disputes Clause of this contract. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the

contractor from promptly complying with the changes ordered by the Authority or with performance of the contract generally.

K. **DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Authority, 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 with the Authority may have.

L. **TAXES:** Sales to the Authority are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this contract shall usually be free of Federal excise and transportation taxes.

M. **USE OF BRAND NAMES (This section only applies to the procurement of goods):** Unless otherwise provided in this solicitation, the name of a certain brand, make or manufacturer does not restrict Offerors to the specific brand, make or manufacturer names, but conveys the general style, type, character, and quality of the article desired. Any article which the Authority, in its sole discretion, determines to be the equivalent of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted. The Offeror is responsible to clearly and specifically identify the product being offered and to provide sufficient descriptive literature catalog cuts and technical detail to enable the Authority to determine if the product offered meets the requirements of the solicitation. This is required even if offering the exact brand, make or manufacturer specified. Unless the Offeror clearly indicates in its proposal that the product offered is an equivalent product, such proposal will be considered to offer the brand name product referenced in the solicitation.

N. **INSURANCE:** By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the contract, it will have the following insurance coverages at the time the contract is awarded. The Offeror further certifies that the contractor and any subcontractors will maintain these insurance coverages 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.

Coverages afforded under the required policies listed below shall not be canceled by the Contractor or allowed to lapse or expire. However, in the event that any insurance coverage required under this Agreement is canceled by the insurance company or lapses due to no fault of the Contractor, Contractor shall (i) provide the Authority with not less than thirty (30) calendar days prior written notice that said insurance policy has lapsed or has been canceled due to no fault of Contractor and (ii) restore said insurance policy with the same insurance company or obtain a replacement insurance policy that satisfied the insurance obligations required in this Agreement within thirty (30) calendar days from the date of any notice to Contractor that its insurance policy has been canceled or has lapsed.

The Authority must be named as an additional insured on the insurance certificate reflecting Commercial General Liability and other insurance coverages.

INSURANCE OVERAGES AND LIMITS REQUIRED:

- a. Workers' Compensation – Statutory requirements and benefits.
- b. Employer's Liability - \$1,000,000.
- c. Commercial General Liability: A minimum of \$1,000,000. Combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage (*to extend for 2 years past the work completion date*).
- d. Automobile Liability - \$1,000,000 – Combined single limit. (*Only used if motor vehicle is to be used in the contract.*)
- e. Professional Liability Insurance: The Consultant shall maintain during the life of this contract such Professional Liability Insurance, *including Bodily Injury and Property Damage if excluded in Commercial General Liability coverage required above*, as to protect the Consultant, the Consultant staff, or by any subcontractor or anyone directly or indirectly employed by either of them against claims for damages, including protection of the Authority. The minimum acceptable limits of liability to be provided by such Professional Liability Insurance shall be as follows:
 1. \$1,000,000 each incident
 2. \$2,000,000 aggregate

NOTE: If a Contractor for professional services states there is property damage and bodily injury coverage equivalent to above within the Professional Liability policy that shall be specifically stated on the Insurance Certificate form.

O. **DRUG-FREE WORKPLACE:** 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 such 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.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connections with a specific contract awarded to a Contractor, the employees of which are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession of use of any controlled substance or marijuana during the performance of the contract.

P. **NONDISCRIMINATION OF CONTRACTORS:** A Bidder, Offeror, or Contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, or disability, or against faith-based organizations. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the Authority shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

Q. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the Authority shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

R. **TERMINATION OF CONTRACT:** The Authority may terminate the contract for cause or for convenience after giving seven (7) days' notice in writing to the Contractor. The written notice shall state whether the termination is for convenience or cause.

Termination for Cause: If the Contractor should breach the contract or fail to perform the services required by the contract, the Authority may terminate the contract for cause by giving written notice or may give the Contractor a stated period of time within which to remedy its breach of contract by delivering a written cure notice to the Contractor. If the Contractor shall fail to remedy the breach within the time allotted by the Authority, the contract may be terminated by the Authority at any time thereafter upon written notice to the Contractor or, in the alternative, the Authority may give such extension of time to remedy the breach as the Authority determines to be in its best interest. The Authority's forbearance by not terminating the contract for a breach of contract shall not constitute a waiver of the Authority's right to terminate nor acquiescence in future act or omissions by the Contractor of a like nature. If the contract is terminated for cause, breach of contract or failure to perform, the Contractor may be subject to a claim by the Authority for the costs and expenses incurred in securing a replacement contractor to fulfill the obligations of the contract. In the event a Cure Notice is required, the Authority will use the address provided to the Authority in bids or proposals. It shall be the Contractor's responsibility to notify the Authority in writing within 10 days of knowing a change of address. The written notice shall include the Authority's contract number and the effective date of the address change.

In the event the Contractor breaches the contract or fails to perform the services required by the contract, in addition to terminating this contract for cause, the Authority reserves the right, in its sole discretion, to terminate for cause any other open contract the Contractor has with the Authority.

Termination for Convenience: The contract may be terminated by the Authority in whole or in part for the convenience of the Authority without a breach of contract by delivering to the Contractor a written notice of termination specifying the extent to which performance under the contract is terminated and the effective date of the termination. Upon receipt of such a notice of termination, the Contractor must stop work, including but not limited to work performed by subcontractors and consultants, at such time as to the extent specified in the notice of termination.

If the contract is terminated in whole or in part for the convenience of the Authority, the Contractor shall be entitled to those fees earned for work done prior to the notice of termination and thereafter shall be entitled to any fees earned for work not terminated, but shall not be entitled to lost profits for the portions of the contract which were terminated. The Contractor will be compensated for reasonable costs or expenses arising out of the termination for the convenience of the Authority for delivery to the Authority of all products of the services for which the Contractor has or will receive compensation.

Delivery of Services: Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver to the Authority all products or services for which the Contractor has been or will be compensated. Failure to do so may result in action for “breach of contract” or “failure to perform.”

Compensation Due the Contractor: Upon such termination, the Contractor shall be entitled to the compensation accrued to the date of termination. Payment of the balance of the accrued compensation shall be dependent on the Contractor providing the required project material to the Authority. Said fees which have been earned shall be billed to the Authority in accordance with the normal billing process, but in no case later the sixty (60) days after the last work is performed. Any termination by the Authority for default, found by a court of competent jurisdiction not to have been justified as a termination for default, shall be deemed a termination for the convenience of the Authority.

The Contractor shall submit invoices for all such amounts in accordance with the normal billing process, but in no event later than sixty (60) days after all services are performed. All amounts invoiced are subject to deductions for amounts previously paid. All payments due the Contractor under this contract, to the extent they are dependent on grants from the state or federal government or other granting agencies are subject to appropriation by the granting agency.

S. **COOPERATIVE PROCUREMENT:** Procurement is being conducted pursuant to Section 2.2-4304 of the VPPA. Therefore, the Offeror agrees that it will contract with any other public agency or body in the Commonwealth of Virginia who so desires, to permit those public agencies or bodies to purchase at contract prices, in accordance with the terms, conditions and specifications of any contract resulting from this solicitation. The Offeror shall deal directly with each public agency or body, in a separate contract between those two entities, in regard to order placement, delivery, invoicing and payment. The Authority shall not be responsible or liable for any costs, expenses, or any other matters of any kind to either Offeror or such other public agency or body seeking to obtain services pursuant to cooperative procurement. Such other public agency or body shall be responsible for the administration of its individual contract with Offeror.

T. **LITIGATION WITH THE BEDFORD REGIONAL WATER AUTHORITY:** The Authority, in its sole discretion, may choose not to make an award to an Offeror who is in litigation with the

U. of Bedford, or Bedford County, Virginia, at the time of proposal evaluation. This provision also applies if any parent company, principal, officer, or wholly owned subsidiary of the Offeror is in litigation with any of the foregoing entities at the time of the proposal evaluation.

V. **PRIOR DEFAULTED CONTRACTS:** The Authority, in its sole discretion, may choose not to make an award to an Offeror who has previously defaulted on a contract with the Town of Bedford, or Bedford County, Virginia. This provision also applies any parent company, principal, officer, or wholly owned subsidiary of the Offeror has previously defaulted on a contract with and of the foregoing entities.

W. **CRIMINAL CONVICTIONS:** The Authority, in its sole discretion, may choose not to make an award to an Offeror if any principal, officer, director, or staff member of the firm assigned to work under a contract awarded pursuant to this solicitation has been convicted of any felony or of a misdemeanor involving moral turpitude in the past ten (10) years.

X. **AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A Contractor organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

Y. **ADVERTISING:** In the event a contract is awarded for services resulting from this proposal, no indication of such contract or the provision of services to the Authority will be used in the contractor's literature or advertising without prior written permission.

Z. **AUDIT:** The Contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Authority, whichever is sooner. The Authority shall have full access to the right to examine any of said materials during said period.

AA. **CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION:** Contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients shall be collected and held confidential, during and following the term of this agreement, and shall not be divulged without the individual's and the Authority's written consent and only in accordance with federal and state Code. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the Authority of any breach or suspected breach in the security of such information. Contractors shall allow the Authority to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement.

BB. CONTINUITY OF SERVICES:

1. The Contractor recognizes that the services under this contract are vital to the Authority and must be continued without interruption and that, upon contract expiration, a successor, either the Authority or another contractor, may continue them. The Contractor agrees:
 - a. To exercise its best efforts and cooperation to affect an orderly and efficient transition to a successor.
 - b. To make all Authority owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the contract to facilitate transition to successor.
 - c. That the Authority shall have final authority to resolve disputes related to the transition of the contract from the Contractor to its successor.
2. The Contractor shall, upon written notice from the Authority, furnish phase-in/phase-out services for up to ninety (90) days after this contract expires and shall negotiate in good faith a plan with successor to execute the phase-in/phase-out services. This plan shall be subject to the Authority's approval.
3. The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after contract expiration that result from phase-in/phase-out operations) and a fee (profit) not to exceed a pro-rate portion of the fee (profit) under this contract. All phase-in/phase-out work fees must be approved by the Authority in writing prior to commencement of said work.

CC. INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ) (This section only applies if IDIQ terms and conditions are so provided the request for proposal): The contractor shall complete any order issued during the effective period of this contract and not completed within the contract period within the time specified in the order. The contract shall govern the contractor's and Authority's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; that the Contractor shall not be required to make any delivery under this contract after thirty (30) days of the expiration of the contract.

DD. INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless the Authority, its officers, agents, and employees for any and all damages arising out of the negligent acts, errors or omissions, recklessness or intentionally wrongful conduct of the Contractor in performance of the contract.

APPENDIX B

A. Background Information

Description of the Authority

The Authority provides water service to approximately 14,500 accounts in Bedford County, including the Town of Bedford. The wastewater system serves approximately 5,600 accounts in Bedford County

Fiscal Year End

June 30

Personnel/Payroll

The Authority has 90 employees (funded positions, including vacancies).

Accounting Records

The Authority uses Microsoft Dynamics GP. The system is used for general ledger accounting, payroll, purchasing and fixed asset maintenance. Billings and collections are maintained separately using Harris Corporation's Impresa software.

B. The Authority's accounting records are kept under the accrual basis of accounting.

C. The Authority contributes to the Virginia Retirement System (VRS).

D. Transaction Volumes:

The Authority is currently issuing approximately 1500 accounts payable checks annually.

E. The Authority does not maintain an internal audit function at this time.

F. Federal Awards:

- The Authority is a subrecipient of American Rescue Plan Act (ARPA) funding from the Town of Bedford in the amount of \$4.5M.
- The Authority has a loan through the Virginia Clean Water Revolving Loan Fund in the amount of \$13.9M
- The Authority has a pending funding offer from the DEQ ARPA SCS program in the amount of \$1.2M