



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER

DEP14100

PAGE

1

ADDRESS CORRESPONDENCE TO ATTENTION OF

CHUCK BOWMAN
304-558-2157

*A21093049 740-289-4131
BALESTRA HARR & SCHERER CPAS
PO BOX 687
528 SOUTH WEST ST
PIKETON OH 45661

ENVIRONMENTAL PROTECTION
DEPARTMENT OF
OFFICE OF ADMINISTRATION
601 57TH STREET SE
CHARLESTON, WV
25304 304-926-0499

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/14/2007				

BID OPENING DATE:

06/27/2007

BID OPENING TIME

01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** ADDENDUM NO. 1 *****						
ADDENDUM ISSUED FOR THE AUDITING SERVICES CONTRACT TO ADD THE REPORTS AND PAPERS FOR THE FUND'S FISCAL YEARS 2005 & 2006, PER VENDOR REQUEST AS ALLOWED IN THE SPECIFICATIONS SECTION II.E. ON PAGE 13 OF THE RFQ.						
BID DATE AND OPENING HAVE BEEN EXTENDED TO: 06/27/2007 AT 1:30 PM.						
***** NO OTHER CHANGES *****						
0001	1	LS		946-20		\$21,000.00
AUDITING SERVICES						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>Michael A. Ballester</i>	(740) 289-4131	June 27, 2007
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Vice President/Director	31-1413363	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

SIGNED BID TO:

Department of Administration
Purchasing Division
2019 Washington Street East
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DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/06/2007				

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0001	1	LS		946-20		\$21,000.00
AUDITING SERVICES						
THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, IS SOLICITING BIDS FROM QUALIFIED CPA FIRMS FOR A CONTRACT TO PROVIDE AUDITING SERVICES OF THE WEST VIRGINIA WATER POLLUTION CONTROL REVOLVING FUND, PER THE FOLLOWING SPECIFICATIONS, SCOPE OF WORK, BID REQUIRMENTS, AND TERMS & CONDITIONS.						
EXHIBIT 3						
LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON JULY 1, 2007 AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.						
UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.						
RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30)						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	<i>Mark A. Bales</i>	TELEPHONE	(740) 289-4131	DATE	June 27, 2007
TITLE	Vice President/Director	FEIN	31-1413363	ADDRESS CHANGES TO BE NOTED ABOVE	

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<p>DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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FEIN

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				AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM. REV. 04/11/2001 VENDOR PREFERENCE CERTIFICATE CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS). A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED: () BIDDER IS AN INDIVIDUAL RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR () BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR () BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF		

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SIGNATURE	TELEPHONE	DATE
<i>Michael A. Ballestra</i>	(740) 289-4131	June 27, 2007
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<p>BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION.</p> <p>B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:</p> <p>() BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>() BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX & REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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TELEPHONE

(740) 289-4131

DATE

June 27, 2007

TITLE
Vice President/Director

FEIN

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<p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: _____</p> <p>DATE: June 27, 2007 _____</p> <p>SIGNED: _____</p> <p>TITLE: Vice President/Director _____</p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE 	TELEPHONE (740) 289-4131	DATE June 27, 2007
TITLE Vice President/Director	FEIN 31-1413363	ADDRESS CHANGES TO BE NOTED ABOVE

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<p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: CB-23</p> <p>RFQ. NO.: DEP14100</p> <p>BID OPENING DATE: 06/21/2007</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:</p> <p>----- (740) 289-3639 -----</p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY): Michael A. Balestra</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE

Michael A. Balestra

TELEPHONE

(740) 289-4131

DATE

June 27, 2007

TITLE

Vice President/Director

FEIN

31-1413363

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***** THIS IS THE END OF RFQ DEP14100 ***** TOTAL:						\$21,000.00

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SIGNATURE <i>Michael A. Bales</i>	TELEPHONE (740) 289-4131	DATE June 27, 2007
TITLE Vice President/Director	FEIN 31-1413363	ADDRESS CHANGES TO BE NOTED ABOVE

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**STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**REQUEST FOR QUOTATIONS
FOR
PROFESSIONAL AUDITING SERVICES**

**OF THE
WEST VIRGINIA WATER POLLUTION CONTROL
REVOLVING FUND**

I. NATURE OF SERVICES REQUESTED

A. General

The Department of Environmental Protection (Department) is soliciting the service of qualified firms of Certified Public Accountants to audit the West Virginia Water Pollution Control Revolving Fund, also known as the Clean Water State Revolving Fund (CWSRF) for the fiscal year ending June 30, 2007.

B. Scope of Work to be Performed

The Department requires the auditor to express an opinion on the fair presentation of the CWSRF's financial statements in conformity with Generally Accepted Accounting Principles and render a report on the internal controls and compliance with Title VI of the Clean Water Act.

C. Auditing Standards to be Followed

To meet the 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 and Government Auditing Standards issued by the Comptroller General of the United States.

D. Reports to be Issued

Following the completion of the audit of the financial statements, the auditor shall issue a report on their fair presentation in conformity with Generally Accepted Accounting Principles; a report on the internal controls and a report on compliance with Title VI of the Clean Water Act.

Irregularities and illegal acts.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Comptroller of the Financial Accounting and Reporting Section (FARS) under the authority of Section 5A-2-33 of the State Code, as well as to the Secretary of the Department, the Division Director of the Division of Water and Waste Management (DWWM) and the Department's Controller.

Reporting to the Department's Secretary.

The auditors shall assure themselves that the Department is informed of each of the following:

1. The auditor's responsibility under Generally Accepted Accounting Principles.
2. Significant accounting policies.
3. Other information in documents containing audited financial statements.
4. Disagreements with management.
5. Difficulties encountered in performing the audit.

E. Special Considerations

The audit of the CWSRF is funded by the United States Environmental Protection Agency (USEPA).

Federal and State audit requirements.

1. The auditor will include a reasonable period of time for meetings with USEPA in the bid.
2. The per hour rate will be spelled out in the bid so that only hours actually spent with USEPA will be charged at the rate.
3. Any anticipated travel must be incorporated into the vendor's fee. No travel will be reimbursed by the State and is the sole responsibility of the vendor.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a period of five (5) years, unless the firm is notified in writing by the Department of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

Controller
Department of Environmental Protection
State of West Virginia

Financial Accounting and Reporting Section
Department of Administration
State of West Virginia

United States Environmental Protection Agency
1650 Arch Street
Philadelphia, PA 19103-2029

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

II. DESCRIPTION OF THE WATER POLLUTION CONTROL REVOLVING FUND

A. Names and Telephone Number of Contact Persons and Location of Offices

The auditor's principal contact with the Division will be the Controller or a designated representative who will coordinate the assistance to be provided by the Department to the auditors.

LIST OF KEY POSITIONS, OFFICE LOCATIONS AND TELEPHONE NUMBERS

Mike Johnson
Program Manager
601 57th Street, S.E.
Charleston, WV 25304
Telephone: 926-0499 ext. 1611

Ramona S. Dickson, CPA
Controller
601 57th Street, S.E.
Charleston, WV 25304
Telephone: 926-0499 ext. 1551

Jennifer R. Paxton, CPA
Accounting & Financial Reporting Manager
601 57th Street, S.E.
Charleston, WV 25304
Telephone: 926-0499 ext. 1565

B. Background Information

The Water Pollution Control Revolving Fund (CWSRF) was established under Article 2, Chapter 22C of the West Virginia Code to fill the void left by the demise of the Construction Grants Program. The purpose of this fund is to:

- 1) Provide low interest loans to communities that require sewer service either by upgrading the existing wastewater system or establishing a new utility.
- 2) "Clean" up the State's water supply, and
- 3) Exist in perpetuity by administering the principal, administrative fees and interest earned from the repayment of loans.

The WVDEP Division of Water and Waste Management maintains responsibility for the operation and general management of this fund. The fund has been in operation since November 1, 1991.

The source of revenue for the CWSRF includes principal repayments, interest earnings both on the loans made and from the subsequent investments of these payments with the

Investment Management Board, administrative fees, Federal Grants and the 20% state match funds provided by the West Virginia Infrastructure and Jobs and Development Council.

Once the project has met all pre-construction technical and administrative requirements, the loan recipients are allowed to go to bid. A bid package is submitted for review and authorization before loan closing is set. The Water Development Authority (WDA) is the Program's bank. The WDA bond counsel takes the necessary steps to insure the bonds payable by the locality to the CWSRF are properly issued. The WDA also monitors the loans to ensure that the repayment schedules are being met.

The loan recipients make the principal, interest and administrative fee repayments directly to the Municipal Bond Commission (MBC). The MBC calculates the interest due on each repayment and maintains the repayment schedules. The MBC transfers the funds collected to the CWSRF on a quarterly basis. The funds, if not currently required, are then invested with the Investment Management Board.

C. Department Structure/Method of Reporting

The Water Pollution Control Revolving Fund is administered by the Division of Water and Waste Management, with oversight by the Office of Administration, Fiscal Services.

The CWSRF operates as a special revenue fund of the Department. The fund is accounted for and reported as an enterprise business-type fund in West Virginia's Comprehensive Annual Financial Report and in separately reported financial statements.

D. Maintenance and Tracking of Financial Operations

The financial operations of the Department are maintained as follows:

Hardware:

- Cisco (routers, fast Ethernet switches, firewall services, vpn solution, etc.)
- IBM xSeries 342 Type: 8669 servers (file/print services, data storage, web hosting, data processing, etc.)
- IBM Storage Area Network (SAN) solution
- Silicon Graphics servers

Network Operating Systems:

- Novell Netware (user data/file/print services proxy services email)
- Microsoft Server (web server applications, Internet/Intranet content)
- IRIX (GIS data and applications)
- Linux (Oracle database functionality)

Personal Computer Operating Systems and Applications:

- Microsoft Windows 2000
- Microsoft Windows XP

- Microsoft Office Suite (Word, Excel, Access, Powerpoint)
- Group Wise email
- Passport 3270 emulation software (telnet/mainframe access software)
- WordPerfect
- GIS Applications (ArcView, ArcInfo, etc.)
- Crystal Reporting
- Internet Explorer
- ERIS (Environmental Resource Information System)

Outside Systems Utilized:

- State Mainframe (FIMS, EPICS, Inventory, etc.)
- AVS (Office of Surface Mining Violator System)

CWSRF financial statements are currently maintained using Microsoft Excel. However, the CWSRF Project Manager is being implemented. Project Manager is a Microsoft Access-based software application designed to help states manage the financial and technical aspect of their projects.

E. Availability of Audit Reports and Work Papers

Reports and work papers for the Fund's fiscal years 2005 and 2006 will be made available upon request from the WVDEP Controller.

F. Audit of Investments

The CWSRF's investment portfolio is managed by and in the custody of the Investment Management Board (IMB) of the State of West Virginia. The IMB is audited annually by independent Certified Public Accountants. The auditor will be required by the Department to rely on this audit work to the fullest extent.

III. TIME REQUIREMENTS

A. Terms of Engagement

The contract is to audit the trial balance and the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Net Assets, and the Statement of Cash Flows for the fiscal year ending June 30, 2007.

B. Timetable for Completion of Audit

Conference	Within 2 weeks of Notice to Proceed.
Field work completed and draft financial statements	August 31, 2007
Exit conference and draft audit report	September 24, 2007
Final audit report	October 5, 2007

The exit conference will be held with the Controller, the Program Manager and the Accounting and Financial Reporting Manager. The purpose of the meeting will be to summarize the results of the audit.

Thirty signed copies of the Independent Auditor's Report on the firm's letterhead will be delivered to the Controller.

IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Fiscal Services Office and Clerical Assistance

Fiscal Services office staff and responsible management personnel will be available during the audit to assist the firm by providing information documentation and explanations. The preparation of confirmations, including copies for Fiscal Services, will be the responsibility of the auditor.

B. Fiscal Services Staff Assistance

The Controller and Accounting and Financial Reporting Manager will provide draft copies of the financial statements, notes to financial statements, relevant supporting work papers, and will be available to coordinate requests for additional information.

C. Report Preparation

Report preparation, editing, and printing shall be the responsibility of the auditor.

V. TOTAL ALL-INCLUSIVE MAXIMUM PRICE

Cost Proposal

The cost proposal shall contain all pricing information relative to performing the engagement as described in the Request for Quotations. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

Rates by Partner, Specialist, Supervisory and Staff Level Time Hours Anticipated for Each

	HOURS	HOURLY RATE	TOTAL
Partners	40	\$ 125.00	\$ 5,000.00
Managers	40	\$ 95.00	\$ 3,800.00
Supervisory Staff	80	\$ 70.00	\$ 5,600.00
Audit Seniors		\$	\$
Staff Auditor	120	\$ 55.00	\$ 6,600.00
TOTAL	280	\$ 75.00	\$ 21,000.00

STATE OF WEST VIRGINIA
Purchasing Division

016

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

LICENSING: Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies, or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY: The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendors should visit www.state.wv.us/admin/purchase/privacy for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated.

Vendor's Name: Balestra, Harr & Scherer, CPAs

Authorized Signature:  Date: June 27, 2007

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

Proposal to Serve as
Independent Auditors

SUBMITTED JUNE 27, 2007 BY
BALESTRA, HARR & SCHERER, CPAs, INC.
MICHAEL A. BALESTRA, SHAREHOLDER/DIRECTOR
balestra@bhscpas.com

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June 27, 2007

West Virginia Department of Environmental Protection
601 57th Street, SE
Charleston, WV 25304

We appreciate the opportunity to submit this proposal for consideration to conduct the West Virginia Department of Environmental Protection audit for the year ending June 30, 2007. The information you provided was very helpful in determining the scope of the engagement and our estimated fees. We are familiar with organizations similar to yours, and have worked with many governmental entities and nonprofit organizations, for a number of years. As a result, we believe these engagements would fit well with our firm's niche and client base.

In the remainder of this proposal we will attempt to describe our understanding of the scope of the engagement, highlight our firm's general attributes, as well as specific qualifications, estimate our professional fees and provide you with information on some of our clients and professional staff.

Scope of Work

We understand that the work to be performed includes the annual audit for the year ending June 30, 2007 for the West Virginia Educational Department of Environmental Protection in accordance with generally accepted auditing standards and other applicable laws and regulations including OMB Circular A-133, GASB 34, and SAS 99. Also, the audits will be performed in accordance with the Generally Accepted Auditing Standards as established by the AICPA and other applicable laws and regulations.

We will express an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles of the United States of America. Also, we will prepare all supporting schedules required by the Department of Administration (FARS) for the preparation of the state's Comprehensive Annual Financial Report (CAFR). We will perform certain limited procedures on the supplementary information as required by Governmental Accounting Standards Board as mandated by generally accepted auditing standards. We will assist with the preparation on the Corporation for Public Broadcasting Annual Financial Report, to review and attest to the information on the Corporation for Public Broadcasting Annual Financial Report, and to provide the Independent Accountant's Report and the Audited Financial Statements to the Corporation for Public Broadcasting in the required format. We will be available to provide advice on accounting issues to management.

Our approach to the audit will be a risk-based approach. That is, we allocate more of our time to those areas that we perceive to have the most potential for possible misstatement. We start by carefully planning the engagement. During this process we obtain information concerning the organizational structure, document an understanding of the significant transaction processing systems and establish the scope of our testing. We believe this is the most important step in the audit process and have found that this "up-front" investment of time allows us to direct our resources more efficiently.

We will document and testing internal control systems, performing confirmation work, etc. We perform substantive tests to verify the final balances. Some of these procedures include verification of year end balances through third parties, analytical procedures and review of supporting documentation. At the conclusion of the audit, we will prepare all of the required reports in draft form, which will be reviewed with management prior to their issuance.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, we will issue a report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. A report on the Compliance and Internal Controls over Financial Reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards* and a report on compliance with Title VI of the Clean Water Act.

Federal and State Audit Requirements

1. The Auditor includes a reasonable period of time for meeting with the USEPA in the bid.
2. The per hour rate is spelled out in the bid so that only hours actually spent with the USEPA will be charged at the rate.
3. All anticipated travel is incorporated into our hourly fee. No travel will be reimbursed by the State and is our sole responsibility.

Irregularities and Illegal Acts

We will make an immediate written report of all irregularities and illegal acts of which we become aware to the comptroller of the Financial Accounting and Reporting Section (FARS) under the authority of Section 5A-2-33 of the State Code, as well as the Secretary of the Department, The Division Director of the Division of Water and Waste Management (DWWM) and the Department's Controller.

Assurances

We will assure that the WVEBA Chief Financial Officer is informed of the following:

4. The Auditor's responsibility under generally accepted auditing standards.
5. Significant accounting policies
6. Other information in documents containing audited financial statements.
7. Disagreements with management.
8. Difficulties encountered in performing the audit.
9. Special Considerations.

Working Paper Retention and Access

All working papers and report will be retained for a minimum of three (5) years, unless the firm is notified in writing by the Department of the need to expand the retention period. We will make the working papers available upon request of the WVEP, FARS, and the USEPA.

Time Considerations and Requirements

1. Audit Conference within 2 weeks of Notice to Proceed.
2. Field work completed and draft financial statements by August 31, 2007.
3. Exit Conference and draft audit report by September 24, 2007..
4. Final Audit Report by October 5, 2007.

Firm Profile

Balestra, Harr & Scherer, CPAs, Inc. is a CPA firm licensed in the states of Ohio, Indiana, Kentucky, Michigan and West Virginia. We employ approximately 50 people of which 46 are professional staff, including 20 CPAs. Our client base includes entities in Ohio, Michigan, Indiana, Kentucky and West Virginia.

Our firm is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants and Independent Accountants International. We also have several professional staff that are members of and active in the National Society of Accountants for Cooperatives, which provides us with industry specific training and resources. As members of these organizations, we subject ourselves to a triennial peer review in an effort to ensure that the quality of our work and our staff's education is maintained at the highest levels of our profession. Independent Accountants International provides us with a national and international network of carefully screened CPAs that enables us to perform work in virtually all parts of the world. It also provides a resource to assist in resolving unique tax and accounting problems.

A peer review consists of a review of our quality control system conducted by specially trained CPAs from other firms. Our most recent peer review was performed in March 2006. We received an unqualified report with no letter of comment or recommendations for improvement. A copy of the report has been enclosed.

Balestra, Harr & Scherer, CPAs, Inc. offers a full range of services, including, but not limited to, audits, reviews, compilations, tax planning and return preparation, payroll preparation, employee benefit plans and computer consulting. We audit numerous cooperative, governmental and nonprofit entities in the five-state area annually. Our audit staff members are located throughout the state of Ohio (including some in your area) to better serve clients in those areas. Audit, tax and consulting services to the above entities represent approximately 80% of our practice. Our goal is to develop and maintain client relationships for the long-term and make the relationship mutually beneficial.

Professional Fees

Our philosophy is to provide the highest quality professional services at a reasonable, competitive fee. Our clients are entitled to and expect us to perform our work in an efficient and effective manner. We provide all of our audit staff with proper training and equipment, including laptop computers and the necessary software to promote efficiency. Our fees are based upon hourly rates, which vary according to each individual's qualifications and experience. We strive to maintain our costs through low overhead so that we can continue our history of infrequent rate increases.

There are certain nonrecurring costs associated with the start-up of a new engagement. These start-up costs include, but are not limited to, obtaining and documenting policies, procedures and operations, developing tailored audit programs and accumulating the necessary historical information. As an expression of our desire to obtain these engagements, we will absorb these costs.

It is very difficult to estimate hours and fees for engagements with which we are not intimately familiar. However, we have had a great deal of experience with organizations such as yours. As a result, we feel comfortable providing the following estimates of maximum fees for the respective audits:

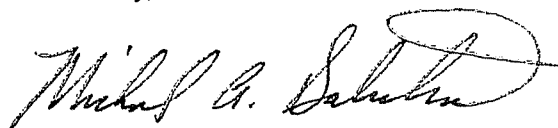
Based upon our preliminary estimates, our fees should approximate \$21,000.00.

As noted earlier, our estimated fees are based on our limited knowledge of West Virginia Department of Environmental Protection. We are willing to commit to you that our fees will not exceed the amounts noted.

We encourage our clients to call us any time throughout the year with questions, projects or to just talk about current problems or conditions. We like to pride ourselves on our accessibility and staff continuity and believe that we can both benefit from our relationship.

In closing, I would like to express our appreciation for being considered for meeting your auditing requirements. I hope this letter expresses our sincere interest in working with you. If you need any additional information, please call. We would also welcome the opportunity to meet with anyone else you believe appropriate. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, reading "Michael A. Balestra". The signature is fluid and cursive, with a large, stylized "B" at the end.

Michael A. Balestra, CPA, CFE, CGFM, CISM
Balestra, Harr & Scherer, CPAs, Inc

Girardot, Strauch & Co.
A PROFESSIONAL CORPORATION
Certified Public Accountants

Stanley C. Girardot, CPA
Michael A. Strauch, CPA, CFE, CVA
William L. Lapcheska, CPA
Dennis G. Mellon, CPA
Richard L. Bartholomew, CPA, JD
Lorita K. Bill, CPA
Michelle M. Withers, CPA
Melissa R. Christlieb, CPA
Sarah A. Martinez, CPA

March 11, 2006

To the Owners
Balestra, Harr & Scherer CPA's Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Balestra, Harr & Scherer CPA's Inc. (the firm) in effect for the year ended May 31, 2005. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming to professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Balestra, Harr & Scherer CPA's Inc. in effect for the year ended May 31, 2005, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Girardot, Strauch & Co.

Girardot, Strauch, & Co.

Balestra, Harr & Scherer, CPAs, Inc.

PROFESSIONAL STAFF

Michael A. Balestra, CPA, CFE, CGFM, CISM, graduated from The Ohio University in 1981 with a BBA and a major in accounting. Mike is a partner and the firm's Director of Government Auditing and was employed for fifteen years in the audit department with the Auditor of State of Ohio and for the past ten years is a partner of Balestra, Harr & Scherer, CPAs, Inc. an accounting firm with special expertise in auditing. He has taught numerous auditing courses for the accounting firm. He has been responsible for directing all phases of client services for many organizations, including financial and compliance audits, agreed-upon procedures and consulting for not-for-profit and government entities. Mike is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, Government Finance Officer Association, the Association of Government Accountants, and the Information System Audit and Control Association.

Natalie L Stang, CPA, graduated from The Ohio University (BSBA, 1996) with a major in accounting and finance and has been employed with the firm for eight years. Natalie also worked for KPMG for one year. She is a manager specializing in auditing government and nonprofit clients. She is a member of the American Institute of Certified Public Accountants, the Ohio Society of Certified Public Accountants and the Association of Government Accountants.

Mary Ann VanMeter, CPA, graduated from The Rio Grande University (BSBA, 1995) with a major in accounting and has been employed with the firm for eight years. She has performed audits of all types of businesses, including rural electric cooperatives, agricultural cooperatives, construction and nonprofit organizations. She also is involved in government audits. Mary Ann is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, and the Association of Government Accountants.

Kathy J. Lambert, CPA, graduated from Rio Grande University in (BSBA, 1997) with a major in accounting and has been employed with the firm for seven years. She has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Kathy is a member of the American Institute of Certified Public Accountants, The Ohio Society of Certified Public Accountants, and the Association of Government Accountants.

Brenden D. Balestra, CISA, CGAP, graduated from Bienville University in (BSBA, 1997) with a major in accounting and has been employed with the firm for nine years. He has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Brenden is a member of the Institute of Internal Auditors and the Association of Government Accountants.

Robyn Roush, graduated from Rio Grande University in (BSBA, 2002) with a major in accounting and has been employed with the firm for four years. She has been involved almost exclusively in nonprofit and governmental audit, agreed-upon procedures and consulting engagements. Robyn is a member the Association of Government Accountants.

Note: All the staff noted above met the yellow book requirements for continuing professional education in the past three years. All staff members are independent of the West Virginia Department of Environmental Protection

Balestra, Harr & Scherer, CPAs, Inc.

Similar Clients

NAME OF CLIENT	TYPE OF SERVICE	HOURS	CONTACT	PHONE
WV ABCC	Audit	160	Tom Mullins	304-558-2487
WV DOE	Audit	200	Sally Bearl	304-558-7881
Ohio DOT	Audit	200	Jim Brushart	740-772-1243
OHSA	Audit/Tax	400	Jeff Jordan	614-466-7571
OHSA Foundation, Inc.	Audit/Tax	100	Jeff Jordan	614-466-7571
Ohio DOE	Audit	160	Jeff Jordan	614-466-7571
Ohio School to Work	Audit	600	Jeff Jordan	614-466-7571

Please note we perform numerous audits and tax services for other NFP Organizations. These references will be made available upon request.

SEALED COST PROPOSAL
FOR
WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION
FOR
PROFESSIONAL AUDITING SERVICES
JULY 1, 2006 THROUGH JUNE 30, 2007

SUBMITTED JUNE 27, 2007 BY
BALESTRA, HARR & SCHERER, CPAs, INC.
MICHAEL A. BALESTRA, VICE PRESIDENT/DIRECTOR
balestra@bhscpas.com

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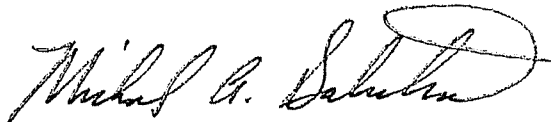
Sealed Dollar Cost Bid

TOTAL ALL-INCLUSIVE MAXIMUM FEE
FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF
THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

For the period July 1, 2006 Through June 30, 2007

Total all-inclusive fixed fee: \$ 21,000.00

I certify that I am entitled to represent this firm, empowered to submit the bid and authorized to sign a contract with the West Virginia Department of Environmental Protection. Further, the total all-inclusive fixed fee for this audit engagement shall be twenty one thousand dollars.



Michael A. Balestra

Vice President/Director
Title

June 27, 2007

Date

BALESTRA, HARR & SCHERER, CPAS, INC.

SEALED DOLLAR BID

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
TO SUPPORT THE TOTAL ALL-INCLUSIVE MAXIMUM FEE
FOR THE AUDIT OF THE FINANCIAL STATEMENTS OF
THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

FOR THE PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007

Estimate Hours/Cost by Classification		Hours	Hourly Rate	Total Cost
Engagement Partner		40	\$ 125.00	\$ 5,000.00
Audit Manager		40	\$ 95.00	\$ 3,800.00
Senior Auditor		80	\$ 70.00	\$ 5,600.00
Staff Auditor		120	\$ 55.00	\$ 6,600.00
Total Fixed Fee Bid for Fiscal Year 2007		280	\$ 75.00	\$ 21,000.00