

CAUDILL & ASSOCIATES, CPA'S
725 5TH STREET
PORTSMOUTH, OH 45662
TELEPHONE # 740-353-5171
FAX # 740-353-3749

FAX

To: Environmental Protection Department of Office of Administration

From: Gregory Caudill, CPA, Owner/Director

Pages: 17 including fax cover sheet

Date: 6/12/07

Re: Bid on the West Virginia Water Pollution Control Revolving Fund

Comments: This is Caudill & Associates, CPA's bid on the WV Water Pollution Control Revolving Fund as specified in the request for quotations. Please confirm that this bid has been received and was accepted. THANK YOU!

RECEIVED
2007 JUN 13 A 8:06
PURCHASING DIVISION
STATE OF WV

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IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL (740) 353-5171





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

RFQ COPY

TYPE NAME/ADDRESS HERE

*601144933 740-353-5171
CAUOZU: Associates, CPAs
725 5th Street
Portsmouth, OH 45662

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

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
06/06/2007				

BID OPENING DATE: 06/21/2007 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-20	\$12,000.00	\$12,000.00
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	TELEPHONE	DATE
<i>Gregory C. Smith</i>	740-353-5171	6/12/2007
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
OWNER/DIRECTOR	30-0353925	

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



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725 5th Street
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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

SIGNATURE <i>Gregory C. Smith</i>	TELEPHONE 740-353-5171	DATE 6/12/2007
TITLE OWNERS/DIRECTOR	FED 30-0353925	ADDRESS CHANGES TO BE NOTED ABOVE

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Cruzell Associates, CPAs
725 5th Street
Pottersmouth, OH 45662

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LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
				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		

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	Dragon Carroll	TELEPHONE	740-353-5171	DATE	6/12/2007
TITLE	owner/ Director	FEIN	30-0353925	ADDRESS CHANGES TO BE NOTED ABOVE	

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CAOZU: Associates, CPAs
725 5th Street
Portsmouth, OH 45662

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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

SIGNATURE	<i>Gregory C. Smith</i>	TELEPHONE	740-353-5171	DATE	6/12/2007
TITLE	OWNER/DIRECTOR	FEDIN	30-0353925	ADDRESS CHANGES TO BE NOTED ABOVE	

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



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ADDRESS CORRESPONDENCE TO ATTENTION OF
CHUCK BOWMAN 304-558-2157

RFQ COPY

TYPE NAME/ADDRESS HERE

*601144933 740-353-5171
CAOZU? Associates, CPAs
725 5th Street
Portsmouth, OH 45662

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
06/06/2007				

BID OPENING DATE:

06/21/2007

BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<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: CAOZU? Associates, CPAs</p> <p>DATE: 6-12-2007</p> <p>SIGNED: [Signature]</p> <p>TITLE: OWNER/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	DATE
[Signature]	740-353-5171	6/12/2007
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
owner/director	30-0353923	

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



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

Request for Quotation

RFQ NUMBER
DEP14100

PAGE
6

ADDRESS CORRESPONDENCE TO ATTENTION OF
CHUCK BOWMAN 304-558-2157

RFQ COPY

TYPE NAME/ADDRESS HERE

*601144933 740-353-3171
CAUOZU Associates, CPAs
725 5th Street
Portsmouth, OH 45662

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
06/06/2007				

BID OPENING DATE: 06/21/2007 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
NOTICE						
A SIGNED BID MUST BE SUBMITTED TO:						
DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130						
THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:						
SEALED BID						
BUYER: CB-23						
RFQ. NO.: DEP14100						
BID OPENING DATE: 06/21/2007						
BID OPENING TIME: 1:30 PM						
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:						
----- 740-353-3749 -----						
CONTACT PERSON (PLEASE PRINT CLEARLY): GREGORY CAUOZU						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>Gregory Cauozu</i>	740-353-3171	6/12/2007
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
OWNER/DIRECTOR	30-0353923	

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

Request for Quotation

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PAGE

7

ADDRESS CORRESPONDENCE TO ATTENTION OF

CHUCK BOWMAN
304-558-2157

RFQ COPY

TYPE NAME/ADDRESS HERE

VENDOR
#601144933 740-353-5171
Cruz: Associates, CPAs
725 5th Street
Portsmouth, OH 45662

SHIP TO

ENVIRONMENTAL PROTECTION
DEPARTMENT OF
OFFICE OF ADMINISTRATION
601 57TH STREET SE
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01:30PM

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***** THIS IS THE END OF RFQ DEP14100 ***** TOTAL:						\$12,000.00

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
<i>Sherry C. Hill</i>	740-353-5171	6/12/2007
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE
Director	30-0353925	

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

**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	20	\$ 100	\$ 2,000
Managers	40	\$ 70	\$ 2,800
Supervisory Staff	90	\$ 50	\$ 4,500
Audit Seniors	70	\$ 30	\$ 2,100
Other (Specify)	0	\$ 0	\$ 0
TOTAL	240	50	\$ 12,000

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: CANIZU Associates, CPAs

Authorized Signature: Gregory Caniz Date: 6/12/2007