

COMMITMENT TO SERVE

**WEST VIRGINIA  
DIVISION OF HIGHWAYS**

**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 fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, 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, the State may deem this contract null and void, and terminate such contract 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 Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free workplace policy in compliance with the West Virginia and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

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**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 case 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: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130

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TRANSMITTAL LETTER



July 15, 2009

Mr. Fred W. Thomas  
West Virginia Division of Highways  
Procurement Division  
Building 5, Room 263  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0430

We are pleased to submit our proposal to prepare the financial statements of the West Virginia Division of Highways (the DOH) for the fiscal year ended June 30, 2009. We demonstrate in the attached proposal that we exceed your mandatory qualifications, understand your Request for Proposal and needs, and commit to meeting all of your requirements within the specified time periods.

The team we have assembled to serve the DOH has a long-standing established relationship with the DOH, as well as other agencies of the State of West Virginia. This means that we know and understand difficult issues and how to address them. We understand how the financial statements and comprehensive annual financial report are assembled and how to obtain the information needed. Our primary team members are located in Charleston, West Virginia, providing the DOH with local access to their professional accounting firm and team members. These primary team members have extensive technical knowledge of and experience with the State of West Virginia, and will be available at your request.

Our client service team's professional knowledge and understanding of the DOH and West Virginia State government, along with the cost effective total client service plan we have developed distinguishes us from the competition.

You want accountants who have a solid understanding of your needs and the technology, knowledge solutions, and resources to help you meet your goals. Selecting the Suttle & Stalnaker, PLLC team to serve the DOH provides you with the best choice to meet your needs.

Please feel free to contact Horace Emery or Chris Dewese in respect to any questions you may have concerning this proposal. This proposal is a firm and irrevocable offer for ninety (90) days.

Very truly yours,

A handwritten signature in cursive script that reads 'Suttle &amp; Stalnaker, PLLC'.

The Virginia Center • 1411 Virginia Street, East • Suite 100 • Charleston, WV 25301  
Phone (304)-343-4126 or 1-(800)-788-3844 • Fax (304)-343-8008

Towne Square • 201 Third Street • PO Box 149 • Parkersburg, WV 26102  
Phone (304)-485-6584 • Fax (304)-485-0971

www.suttlecpas.com • E-mail: cpa@suttlecpas.com  
A Professional Limited Liability Company

SERVICES TO BE PROVIDED

## SERVICES TO BE PROVIDED

1. Complete preparation of government-wide and fund financial statements for the West Virginia Division of Highways for the fiscal year ended June 30, 2009. These consulting services will include preparation of the following documents.
  - a. Review and assist with Managements Discussion and Analysis
  - b. Statement of Net Assets
  - c. Statement of Activities
  - d. Balance Sheet - Governmental Fund
  - e. Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Assets.
  - f. Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund
  - g. Reconciliation of the State of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities
  - h. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Budgetary Basis) - State Road Fund
  - i. Notes to the Financial Statements
  - j. Assistance with implementation of GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations.
  - k. Completion of a disclosure checklist to be provided by the Division of Highways.
  
2. Complete preparation of government-wide and fund financial statements for the West Virginia Department of Transportation for the fiscal year ended June 30, 2009. The Department of Transportation includes, the West Virginia Division of Highways, the West Virginia State Rail Authority, the West Virginia Parkways, Economic Development and Tourism Authority, the West Virginia Division of Motor Vehicles, the West Virginia Division of Public Transit, the West Virginia Aeronautics Commission, and the West Virginia Public Port Authority. These Consulting Services will include preparation of the following documents.
  - a. Review and assist with Managements Discussion and Analysis
  - b. Statement of Net Assets
  - c. Statement of Activities
  - d. Balance Sheet - Governmental Funds
  - e. Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets.
  - f. Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
  - g. Reconciliation of the State of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities
  - h. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Budgetary Basis) - State Road Fund
  - i. Combining Balance Sheet - Nonmajor Governmental Funds
  - j. Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

- k. Schedule of Expenditures of Federal Awards
  - l. Notes to the Financial Statements
  - m. Completion of a disclosure checklist to be provided by the Division of Transportation.
3. Complete preparation of financial statements for the West Virginia State Rail Authority for the fiscal year ended June 30, 2009. These consulting services will include preparation of the following documents.
- a. Review and assist with Managements Discussion and Analysis
  - b. Statement of Net Assets
  - c. Statement of Revenues, Expenses, and Changes in Fund Net Assets
  - d. Statement of Cash Flows
  - e. Notes to the Financial Statements
  - f. Assistance with implementation of GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations.
  - g. Completion of a disclosure checklist to be provided by the State Rail Authority.
4. Complete preparation of the Comprehensive Annual Financial Report (CAFR) for the West Virginia Division of Highways for the fiscal year ended June 30, 2009. These consulting services will include preparation of the following documents.
- a. Review of comments from the Government Finance Officers Association (GFOA) for previous fiscal year CAFR.
  - b. Review and assist with Introductory Letter.
  - c. Statistical Section
  - d. Preparation and layout of the CAFR
  - e. Completion of the GFOA CAFR checklist.

These financial statements will be prepared in accordance with Governmental Accounting Standards Board (GASB). This engagement will be conducted in accordance with the appropriate SSARS guidance. The final product will include both the GAAP basis financial statements along with a working paper copy of all support which ties to the financial and note disclosures.

Assuming that all information needed is available on a timely basis, draft financial statements for the Division of Highways and the State Rail Authority will be submitted by September 1, 2009. Division of Highways and State Rail financial statements must be completed to be included in the Department of Transportation financial statements. Draft financial statements for the Department of Transportation will be submitted by September 7, 2009. Draft financial statements are due to the West Virginia Department of Administration Financial Reporting Section on September 15, 2009 and final financial statements are due on October 15, 2009.

The Division of Highways CAFR must be submitted to the Government Finance Officers Association (GFOA) on or before December 31, 2009.



SUTILE & STALNAKER, PLLC

## **SUTTLE & STALNAKER, PLLC**

### **FIRM QUALIFICATIONS AND EXPERIENCE**

**Locations.** Suttle & Stalnaker, PLLC (S&S), Certified Public Accountants, has offices located at 1411 Virginia Street East, The Virginia Center, Suite 100, Charleston, West Virginia 25301 and at Towne Square, 201 Third Street, Post Office Box 149, Parkersburg, West Virginia 26102.

**Statistics.** S&S was founded in 1973 and has approximately 50 professionals, including 13 members (partners). S&S has 25 certified public accountants on staff. S&S is one of the largest accounting firms in the State of West Virginia and has a rich heritage in the West Virginia market. S&S performs a full range of services including financial reporting consulting, SOX consulting and compliance, audit and attest services, tax and tax planning, merger and acquisition consulting, operational consulting, internal audit assistance, audit preparation consulting, business valuations, and outsourcing. The Firm is one of the fastest growing CPA firms in West Virginia which is a primary result of our high quality services, commitment to clients and competitive fees.

### **PROFESSIONAL AFFILIATIONS**

Our firm and its professionals are members of numerous organizations that conduct educational training and provide educational publications to keep up with the current developments. Some of those organizations include:

American Institute of Certified Public Accountants (AICPA)  
PCPS: The AICPA Alliance for CPA Firms  
West Virginia Society of CPAs  
PKF North American Network (PKF)  
Government Finance Officers Association  
AICPA Government Audit Quality Center  
AICPA Employee Benefit Plan Audit Quality Center

### **WEST VIRGINIA DIVISION OF HIGHWAYS AND STATE OF WEST VIRGINIA GOVERNMENTAL EXPERIENCE**

Suttle & Stalnaker, PLLC has audited DOH's financial statements for six of the last eight years and assisted Hayflich & Steinberg for the last two years. In addition, Suttle & Stalnaker, PLLC has a long history of serving the State of West Virginia and DOH, having served virtually every major division and department in some capacity. Suttle & Stalnaker, PLLC has specialized in governmental and nonprofit agency auditing and accounting for over 35 years. This segment currently makes up the largest industry concentration of our audit practice, with our professional staff spending well over 12,000 hours per year on audits of governmental and nonprofit entities and programs. Every member of our audit staff has both training and experience in governmental and nonprofit accounting and auditing.

The State of West Virginia and its departments, divisions, and component units are the cornerstone of our government practice. Through a joint venture, we participate in the audit of the State of West Virginia's financial statements, and perform extensive work related to the requirements of the Single Audit Act and Office of Management and Budget's Circular A-133. In addition to the State Government Entities listed earlier our Firm has served numerous other governmentally and nonprofit funded clients and similar entities requiring audits in accordance with *Government Auditing Standards*, developing a strong reputation for providing quality services in the West Virginia market.

Other engagements with the State of West Virginia have included auditing component units, divisions or programs to be incorporated into the State of West Virginia's Comprehensive Annual Financial Reports. These engagements include the WORKFORCE West Virginia, West Virginia Offices of the Insurance Commissioner, West Virginia Economic Development Authority, West Virginia Public Defender Services, West Virginia School of Osteopathic Medicine, Concord University, Bluefield State College, New River Community and Technical College and Southern West Virginia Community College. These engagements demonstrate our ability to meet the time parameters required by the DOH, as well as our ability to effectively and efficiently complete audits in the complex State environment. This preeminence in governmental and nonprofit services is not the result of casual experience acquired through an on-going accounting practice. Rather, it results from the commitment of our Firm to the highest standards of service in the governmental and nonprofit sector.

#### **GFOA CERTIFICATE OF EXCELLENCE EXPERIENCE**

Only a few entities in West Virginia have applied for and obtained a GFOA Certificate of Excellence in Financial Reporting. Several of our current clients, including the West Virginia Division of Highways and our former clients the West Virginia Public Employee's Insurance Agency and the West Virginia Lottery obtained the GFOA Certificate of Excellence. In addition, the State of West Virginia, our client through joint ventures with Ernst & Young, LLP and Deloitte & Touche, LLP, obtained the GFOA Certificate of Excellence. As stated in the Suttle & Stalnaker, PLLC mission statement, we are continually striving to "provide world class professional services to quality clients by utilizing a team of dynamic individuals and advanced technology to achieve success for our clients and ourselves."

## PKF NORTH AMERICAN NETWORK

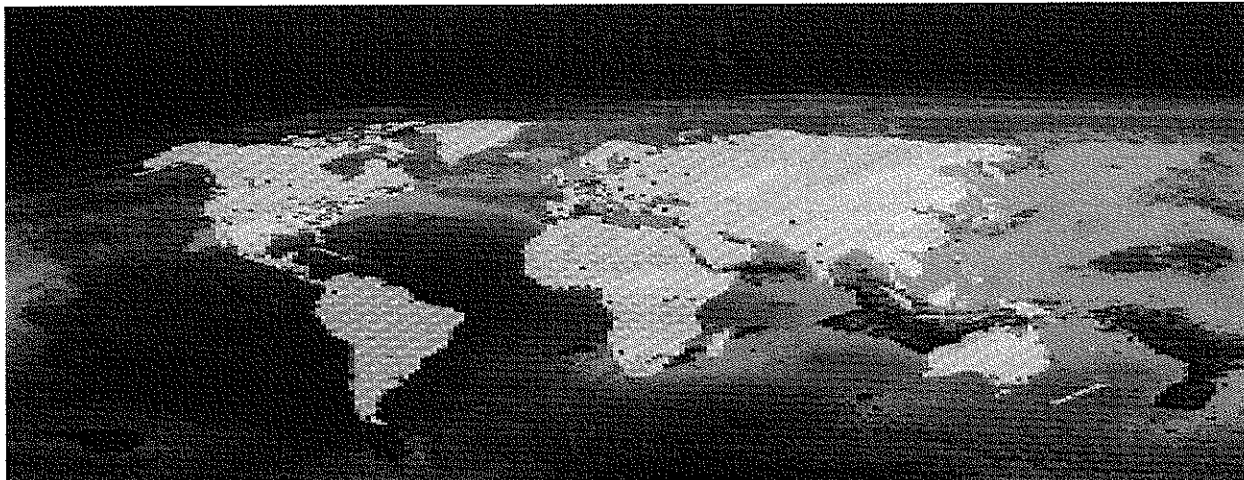
Suttle & Stalnaker, PLLC is a member of PKF North American Network, (PKF). PKF is a national and international association of independent certified public accounting firms, provides its members with continuing professional education, quality control, technical support, and marketing services.

**Location.** National and international.

**Statistics.** PKF includes over 200 member firms throughout the United States, Canada, Mexico, Europe and the Far East. PKF offers a network of experience and expertise covering a wide range of industries and client services on a regional, national and international basis. Admission is by invitation only.

PKF North American Network strengthens the practices of its member firms in a variety of ways:

- increased representation throughout the world
- access to specialized knowledge and expertise throughout the PKF North American Network association of firms
- superior professional education
- marketing and practice development support
- a library of best practices materials
- a network of international public accounting firms, through affiliation with PKF International, to meet their international needs



The dots represent PKF member firms through out the world.

**PKF North American Network and PKF International As of June 1, 2009**

	<u>PKF North American Network</u>	<u>PKF International</u>	<u>Combined</u>
Number of member Firms	86	146	232
Combined Net Fees of member Firms (in millions, U.S.)	\$726	\$1,320	\$2,046
Total Partners-Member Firms	831	2,073	2,904
Total Staff-Member Firms	5,215	9,801	15,016
Countries in which member Firms reside	3	116	119

**PKF North American Network Membership as of June 1, 2009**

Number of Firms with One Office:	44
Number of Firms with Multiple Offices:	42
Largest Firm Revenue:	\$25,958,300
Smallest Firm Revenue:	\$737,900
Average Firm Revenue:	\$8,438,000
Locations:	192
Number of States:	37
Number of Canadian Provinces:	6
Number of Mexican Provinces:	22

**TECHNOLOGY**

Suttle & Stalnaker, PLLC uses technology extensively in its audit engagements, including downloading client files for analysis using ACL or other programs, preparing automated workpapers, or reviewing client prepared automated workpapers. Furthermore we have degreed IT Assurance staff available that can provide experience with audits of general computer controls associated with complex and large information systems. Services include information security, application systems, database management, network support, system software support and information security.

Our team of IT Assurance professionals are an integrated part of the financial audit team. Many of these individuals are recognized as the leaders in our use of technology, knowledge sharing, enterprise-resource planning, application skills, and security services. Our methodologies and technology tools used in the IT Assurance not only assist in support of the financial audit process but also provide our clients with value added deliverables.

## **SPECIFIC CLIENTS SERVED**

The following partial list of clients illustrates Suttle & Stalnaker, PLLC's experience and diversity in serving governmental clients and similar entities:

- West Virginia Division of Highways
- West Virginia Department of Transportation
- West Virginia State Rail Authority
- West Virginia Public Defender Services - Seventeen Judicial Circuits
- West Virginia Offices of the Insurance Commissioner
- WORKFORCE West Virginia
- Single Audit of State of West Virginia, including the following:
  - WORKFORCE West Virginia
    - Unemployment Insurance Programs
    - Employment Services
    - WIA Cluster Programs
  - West Virginia Development Office
    - Community Development Block Grant Program
  - West Virginia Department of Health and Human Resources
    - Temporary Assistance for Needy Families
    - Social Services Block Grant
    - Low Income Housing and Emergency Assistance
    - Women's, Infant's and Children's
    - Foster Care - Title IV
    - Child Care Development Fund
    - Substance Abuse
    - Child Support Enforcement
    - Medicaid
    - Food Stamp Cluster
    - Adoption Assistance
  - West Virginia Department of Education
    - Child Nutrition Cluster
    - Office of Special Education
    - Child and Adult Care Food Program
    - Title I - Grants to Local Education Agencies
  - Division of Environmental Protection
    - Office of Abandoned Mine Lands
    - Office of Surface Mining
    - Capitalization Grants for State Revolving Loan Funds
- West Virginia Lottery - Drawing Auditors
- West Virginia Lottery - Consultant regarding review of Video Lottery Licensees
- Minnesota Lottery
- Twelve County Boards of Education - Single Audit
- Region III, Regional Education Service Agency - Single Audit
- West Virginia Higher Education Policy Commission
  - Shepherd College

- West Liberty State College
- Eastern Community and Technical College
- Glenville State College
- West Virginia University - Institute of Technology
- West Virginia University - Potomac
- West Virginia University - Parkersburg
- West Virginia Northern Community College
- WVNET
- West Virginia University
- Marshall University
- Fairmont State College
- West Virginia State University
- West Virginia Higher Education Policy Commission RHEP Consulting
- BCKP Regional Intergovernmental Council

**REFERENCES**  
**PRIOR ENGAGEMENTS WITH THE STATE OF WEST VIRGINIA**

Engagement	Scope of Work	Date	Engagement Member	Avg. Annual Hours	Client Contact	Telephone Number
Single Audit of the State of WV Building 1, Room E-119 1900 Kanawha Blvd., E. Charleston, WV 25305-0120	Participation in financial and compliance auditing for several departments, including numerous federal award programs	1986 thru present	Chris Deweese	3,500	Chris Sforza	304.558.4083
WV Department of Transportation Building 5, Room A-109 1900 Kanawha Blvd., E. Charleston, WV 25305-0440	Annual Financial Statement Audit including assistance with CAFR and FARS forms, including numerous federal award programs	2001 thru 2008	Horace Emery / Chris Deweese	3,000	Fred Thomas	304.558.2841
WV Division of Highways Building 5, Room 109 1900 Kanawha Blvd., E. Charleston, WV 25305-0403	Annual Financial Statement Audit including assistance with CAFR and FARS forms, including numerous federal award programs	2001 thru 2008	Horace Emery / Chris Deweese	800	Aaron Allred Legislative Post Audit Division Building 1, Room E-132 1900 Kanawha Blvd., E. Charleston, WV 25305-0160	304.347.4800
West Virginia State Rail Authority PO Box 470 Moorefield, WV 26836	Annual Financial Statement Audit	2001 thru 2008	Chris Deweese	300	Lucinda Butler	304.538.2305
WORKFORCE WV Building 4, Room 610 112 California Avenue Charleston, WV 25305-0112	Annual Financial Statement Audit	2000 thru present	Chris Deweese	600	Caren Jenkins	304.558.2631
WV Offices of the Insurance Commissioner 1124 Smith Street Charleston, WV 25301	Annual Financial Statement Audit	2000 thru present	Horace Emery	1,250	Melinda Ashworth Kiss	304.558.3029 X1205
West Virginia Economic Development Authority 160 Association Drive North Gate Business Park Charleston, WV 25311	Annual Financial Statement Audit	2006 thru present	Chris Deweese	400	David Warner Erin McCoy / Jackie Browning	304.558.3650



**REFERENCES  
SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES**

Engagement	Scope of Work	Date	Engagement Partner	Avg. Annual Hours	Client Contact	Telephone Number
BCKP Regional Intergovernmental Council	Single Audit of the Financial Statements in Accordance with OMB Circular A-133	1980's to present	Chris Deweese	200	Diana Tackett	304-345-8191
Boone County of Board of Education	Single Audit of the Financial Statements in Accordance with OMB Circular A-133	1994, 1996, 1997 to present	Chris Deweese	400	Charles Chapman	304-369-3131
Doddrige County of Board of Education	Single Audit of the Financial Statements in Accordance with OMB Circular A-133	1998 to 2007	Chris Deweese	400	John Wolfe	304-873-2300
Tyler County of Board of Education	Single Audit of the Financial Statements in Accordance with OMB Circular A-133	1998 to present	Chris Deweese	400	Jeff Davis	304-758-2145
Roane County of Board of Education	Single Audit of the Financial Statements in Accordance with OMB Circular A-133	1998 to present	Chris Deweese	400	Karen Cummings	304-927-6410

## QUALITY CONTROL

Suttle & Stalnaker, PLLC is a member in good standing of PKF International and of the PCPS: The AICPA Alliance for CPA Firms, and as such is required to provide a minimum average of 40 hours per year of continuing professional education for each professional on staff, have a complete quality control system in place which encompasses all of the quality control elements established by the AICPA, and have a peer review at least every three years.

In addition we are members of the Government Audit Quality Center and the Employee Benefit Plan Audit Quality Center of the American Institute of Certified Public Accountants. CPA firms that join the Center demonstrate their commitment to audit quality by agreeing to, and meeting, specific Center membership requirements. They also show their dedication to sharing best practices, learning about emerging issues, and demonstrating their commitment to enhancing quality in their practices.

The following is a brief summary of our policies as they relate to each quality control element.

### **Leadership Responsibilities For Quality**

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, principally the Director of Audit, assumes responsibility for the firm's system of quality control and designs the system (a) to emphasize the importance of performing work that complies with professional standards and regulatory and legal requirements and (b) to issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level.

### **Relevant Ethical Requirements**

It is the firm's policy that all professional personnel be familiar with and adhere to the relevant ethical requirements of the AICPA, the State of West Virginia Board of Accountancy, the West Virginia Society of CPAs, and State of West Virginia statutes. Furthermore, it is the firm's policy that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. In this regard, any transaction, event, circumstance or action that would impair independence or violate the firm's relevant ethical requirements policy on an audit, attestation, review or compilation engagement, or other service subject to the applicable standards is prohibited. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats but such situations are not specifically addressed by the independence rules of the *AICPA Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for AICPA Independence Standards* and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will decline to accept or withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach or potential breach.

## **Acceptance and Continuance of Clients and Engagements**

It is the firm's policy that for all compilation, review, audit, and attestation engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services and that the firm will accept only engagements that it believes can be completed with professional competence after considering the risk associated with providing professional services in the particular circumstances.

## **Human Resources**

The success of the firm is dependent upon its professional staff. It is the firm's intent to succeed in the marketplace by having members and staff that possess the capabilities, competence, and commitment to ethical principles to assure that engagements performed by the firm are in accordance with professional standards and regulatory and legal requirements and that appropriate reports are issued. Having effective quality control policies and procedures over the human resources element of quality control will help ensure the proficiency of firm personnel. Accordingly, policies and procedures have been established to provide the firm with reasonable assurance that-

- Those hired possess the appropriate characteristics to enable them to perform competently. Professional staff must normally have an accounting degree and a grade point average of at least 3.0 on a 4.0 scale.
- Work is assigned to personnel having the degree of technical training and proficiency required in the circumstances.
- Personnel participate in general and industry-specific continuing professional education and other professional development activities that enable them to fulfill responsibilities assigned. All professional personnel must comply with the continuing professional education requirements of the AICPA, the West Virginia State Board of Accountancy, and the U.S. General Accounting Office. Specifically, all professionals must obtain a minimum of 40 hours of continuing professional education per year. For persons involved in governmental auditing, at least 24 hours in any two-year period must be directly related to governmental accounting and auditing. All professional staff must maintain an adequate awareness and understanding of current developments in technical literature, and all professional staff must assist in the training and development of staff members under their supervision.
- Personnel selected for advancement must have the qualifications necessary for fulfillment of the responsibilities they will be called on to assume. These determinations are made based on periodic, objective evaluations of individual performances.

## **Engagement Performance**

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report and assembly of the work papers. Additionally, it is not uncommon for the firm's engagement teams to occasionally encounter complex or contentious issues that result in the need for consultation or that create differences of opinion. The firm believes in a strong quality control system and supports frequent engagement quality control review.

Specific detailed procedures have been developed in regards to the following three components of Engagement Performance.

- Engagement performance and documentation. - Specific policies and procedures include guidance on the use of various practice aids to help ensure that all engagements are properly planned, performed, supervised, reviewed, documented and reported in accordance with professional standards.
- Engagement quality control review. - It is the firm's policy (a) to evaluate all engagements against criteria established by the firm to determine whether an engagement quality control review should be performed, and (b) to perform an engagement quality control review for all engagements that meet these criteria. Engagement quality control reviews are completed before the report is released.
- Consultation and differences of opinion. - It is the firm's policy that personnel refer to authoritative literature or other sources when appropriate. The firm also recognizes the need for a constant exchange of ideas and opinions about technical issues on all professional engagements, and it is the firm's policy that all professional personnel seek consultation, on a timely basis, within or outside the firm whenever differences of opinion occur or uncertainty exists about the answer to a technical question; the application of a professional procedure or standard; the application of a rule, regulation, or procedure of a tax or other regulatory agency; or the application of a firm policy.

## **Monitoring**

It is the firm's policy that the quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of quality control are relevant, adequate, operating effectively, and being effectively applied. Monitoring activities may include engagement quality control reviews, inspection, and post-issuance review.

The specific procedures utilized to ensure compliance with the above policies are enumerated in our formal Quality Control Document which is available for inspection upon your request.

**PEER REVIEW**

A review of the Firm's system of quality control was performed in 2008, in accordance with the AICPA's peer review program. This review included a review of selected governmental engagements. **An unqualified opinion with no letter of comments was received as a result of this review.** A copy of that report is included on the following pages.



Kelley,  
Galloway &  
Company, PSC

CERTIFIED PUBLIC ACCOUNTANTS

▪ 1200 BATH AVENUE ▪ P. O. BOX 990 ▪ ASHLAND, KENTUCKY 41105-0990 ▪  
▪ Phone (606) 329-1811 ▪ Fax (606) 329-8756 ▪ E-mail [contact@kelleygalloway.com](mailto:contact@kelleygalloway.com) ▪ Web site [www.kelleygalloway.com](http://www.kelleygalloway.com) ▪

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Member of the Center for Public Company Audit Firms, the Private Companies Practice Section of the American Institute of Certified Public Accountants and PKF North American Network

December 31, 2008

To the Members  
Suttle & Stalnaker, PLLC

We have reviewed the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC (the firm) in effect for the year ended May 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and the procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

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. Our review was based on selected tests; therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality

control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control 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 Suttle & Stalnaker, PLLC in effect for the year ended May 31, 2008, 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.

*Kelley, Galloway & Company, PSC*

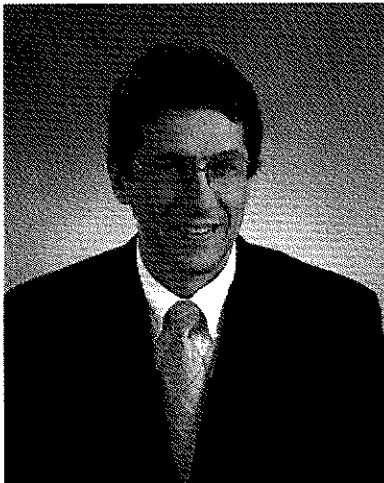
Kelley, Galloway & Company, PSC  
Ashland, Kentucky

ENGAGEMENT TEAM QUALIFICATION AND EXPERIENCE,  
INCLUDING RESUMES



## ENGAGEMENT TEAM QUALIFICATIONS AND EXPERIENCE

We will bring you a team of individuals that combines in-depth experience and knowledge with a strong commitment to serve the DOH. The professionals selected to serve the DOH all have extensive governmental experience, prior State of West Virginia experience and prior experience with DOH. We will provide for an organizational structure that ensures ongoing and knowledgeable supervision by management already familiar with numerous DOH issues to ensure maximum efficiency. The following individuals will have responsibility to ensure that our services to the DOH meet your requirements. **As identified below we will utilize a team of 10 individuals. Of the 10 individuals including the 3 IT Assurance team members that does not normally become CPA's 7 of these individuals are CPAs. Almost all of these team members have previous experience with the DOH and all of the team embers have extensive governmental experience.** Their resumes are included on the following pages.



Horace Emery, CPA  
Member

Horace Emery will continue to serve as Engagement Member. He will be responsible for the direct supervision of the engagement, including ensuring that all professional standards are met. He will act as a direct liaison between Suttle & Stalnaker, PLLC and your personnel during the engagement and throughout the year. He has served as Suttle & Stalnaker, PLLC engagement member from 2001 to 2006 and as a coordinating member working with Hayflich & Steinberg from 2007 to 2008. He has also served as engagement member for the audits of the West Virginia Lottery, the West Virginia Public Employees Insurance Agency, the West

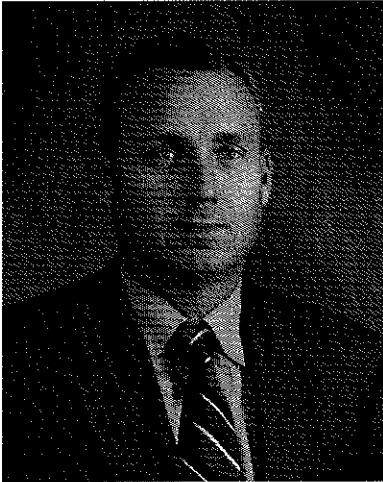
Virginia Workers' Compensation Division, and the West Virginia Bureau of Employment Programs. He has over 31 years experience in auditing with over 25 years experience auditing governmental entities and programs.



Chris Deweese, CPA  
Member

Chris Deweese, Member, will serve as the Independent Review Member. Chris is an audit and consulting Member and will be available to provide technical assistance as requested by the DOH. Chris has served on numerous State of West Virginia engagements, including the West Virginia Department of Transportation, the West Virginia Division of Highways, the WORKFORCE West Virginia, the West Virginia Lottery, the West Virginia Public Employees Insurance Agency, West Virginia Public Defender Services, and for Suttle & Stalnaker, PLLC's portion of the State of West Virginia Single Audit. Chris also

worked closely with the West Virginia Department of Administration regarding the implementation of GASB 45, *Other Post Employment Benefits*.



Chris Lambert, CPA  
Member

Chris Lambert will serve as one of the detail review Members and will assist Horace with the direct supervision of the engagement. He has served as engagement member for numerous governmental and not-for-profit organizations. He has over 18 years experience in auditing governmental entities, nonprofit organizations, and programs, including the seventeen West Virginia Public Defender Services Judicial Circuits.



Joellen Lucas, CPA  
Manager

Joellen Lucas, Manager, will be responsible for supervising staff assigned during the course of the engagement and executing the engagement plan. Joellen brings extensive experience in both the government industry and specifically with DOH. She has also had extensive experience with performing auditing numerous governmental and non-profit organizations.

**ABILITY TO MAINTAIN QUALITY OF STAFF**

Suttle & Stalnaker, PLLC realizes that our number one resource in effectively and efficiently serving our clients begins with our staff. As such, every effort will be taken to provide for staff continuity on your engagement team. In preparing and planning for the future success of Suttle & Stalnaker, PLLC and in an effort to provide our clients with the highest quality professional services, Suttle & Stalnaker, PLLC proactively implemented the EXCEL® program. The EXCEL® program allows each individual the flexibility to establish personal work commitments, continuing education goals, and career goals while ensuring that our commitments to our clients are met. This flexibility in today's work environment has been an instant success in helping to attract dynamic career oriented personnel dedicated to achieving success for our clients. The direct results of this program for Suttle & Stalnaker, PLLC have been a significantly lower turnover than other firms in public accounting. This results in an increased ability to assign a core group of the same individuals to recurring engagements, thus improving client service, and audit effectiveness. We believe our hiring, promotion, and personnel assignment policies and practices will ensure the quality of staff assigned to the engagement.

Suttle & Stalnaker, PLLC continually strives to hire the best personnel available to serve our clients. As outlined in the Quality Control Section of this proposal, we are committed to this effort in order to provide our clients with the high quality service they deserve.

## **HORACE W. EMERY, CPA**

### **Audit Member**

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#### Firm Responsibilities

Horace Emery is an audit member whose responsibilities include providing technical assistance on all accounting and audit engagements, and managing the Firm's continuing professional education program.

#### Experience

He has had over 31 years of diversified experience in public accounting with the firms of Suttle & Stalnaker, PLLC and Peat, Marwick, Main & Co. His extensive experience includes audits of nonprofit, governmental and healthcare entities as well as audits of retail wholesale, and manufacturing companies; reviews of accounting systems; and reviews of internal controls.

He has served as the engagement partner or independent partner during the past several years for numerous clients, including the following:

- West Virginia Division of Highways
- West Virginia Department of Transportation
- West Virginia State Rail Authority
- West Virginia Bureau of Employment Programs
- West Virginia Offices of the Insurance Commissioner
- West Virginia Workers' Compensation Division
- West Virginia Higher Education Policy Commission
- West Virginia Lottery
- State of West Virginia - Single Audit
- Appalachian Community Health Center, Inc.
- West Virginia PEIA - Plan Document Compliance Review
- Boone County Board of Education - Single Audit
- Mercer County Board of Education - Single Audit
- Putnam County Board of Education - Single Audit
- Kanawha County Board of Education - Single Audit
- Pendleton County Board of Education - Single Audit
- Tyler County Board of Education - Single Audit
- Gilmer County Board of Education - Single Audit
- Doddridge County Board of Education - Single Audit
- Monroe County Board of Education - Single Audit
- Roane County Board of Education - Single Audit
- Calhoun County Board of Education - Single Audit
- Upshur County Board of Education - Single Audit
- BCKP Regional Intergovernmental Council

**HORACE W. EMERY (Continued)**

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Education

Horace graduated from West Virginia University with a master's of business administration degree with an emphasis in accounting, and from Oberlin College with a Bachelor of Arts degree. He is a certified public accountant having received certificate number 1144 from the State of West Virginia.

Professional Activities

He is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, and the Government Finance Officers Association. He currently serves on the Peer Review Committee of the West Virginia Society of Certified Public Accountants, and is a past Chair of the West Virginia Society of Certified Public Accountants Peer Review Committee and the Committee on Cooperation with State and Local Governments. He also was a past president of the Charleston, West Virginia Chapter of the EDP Auditors Association. He has planned local office professional development training programs for several years and has instructed several technical seminars. Horace served on the State of West Virginia GASB 34 implementation task force on both the entity wide financial statement committee and the oversight committee.

## **CHRIS DEWEESE, CPA**

### **Audit Member**

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#### Firm Responsibilities

Chris is a member, and is responsible for helping develop and carryout the engagement plans for specific clients. These responsibilities include, but are not limited to, the development of the audit plan and audit program, communication with client during the course of the fieldwork, direct supervision of the audit staff and completion of the final audit report.

#### Experience

Chris has over 14 years of experience in public accounting. He has served as an auditor for the following clients:

- West Virginia Division of Highways
- West Virginia Department of Transportation
- West Virginia State Rail Authority
- WORKFORCE West Virginia
- West Virginia Lottery
- West Virginia Public Employees Insurance Agency
- State of West Virginia, Single Audit, including the following:
  - West Virginia Department of Education
  - West Virginia Bureau of Employment Programs
  - West Virginia Department of Environmental Protection
  - West Virginia Department of Health and Human Resources
  - West Virginia Development Office
  - West Virginia Division of Rehabilitative Services
  - West Virginia University
  - Marshall University
- West Virginia Higher Education Policy Commission - Purchasing Performance and Compliance Audits
- West Virginia School of Osteopathic Medicine
- Bluefield State College
- Concord University
- New River Community and Technical College
- Southern West Virginia Community and Technical College
- Tyler County Board of Education - Single Audit
- Roane County Board of Education - Single Audit
- Kanawha County Board of Education - Single Audit
- Boone County Board of Education - Single Audit
- Doddridge County Board of Education - Single Audit
- RESA III, Regional Education Service Agency

**CHRIS DEWEESE, (Continued)**

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Education

Chris graduated with a Bachelor's degree with a major in accounting from the University of Charleston. He is a certified public accountant having received certificate number 3961 from the State of West Virginia.

Professional Activities

Chris is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants (WVSCPA), and is the Past-President of the Board of Directors of the Charleston Chapter and co-chair of the Accounting and Audit subcommittee of the WVSCPA. Chris also serves on several not-for-profit boards in the area. Chris was the 2004 recipient of the WVSCPA Young CPA of the Year Award.

## **CHRIS S. LAMBERT, CPA**

### **Member**

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#### Firm Responsibilities

Chris is a member, and is responsible for helping develop and carryout the engagement plans for specific clients. These responsibilities include, but are not limited to, the development of the audit plan and audit program, communication with client during the course of the fieldwork, direct supervision of the audit staff and completion of the final audit report.

#### Experience

Chris has over 18 years of experience in public accounting. His extensive experience includes audits of governmental entities, employee benefit plans, nonprofit, construction, manufacturing, and healthcare entities. In addition, he has performed numerous reviews of accounting systems, internal control, and performed other consulting services for various entities. Following is a partial listing of clients he has served:

- Seventeen Public Defender Corporation Judicial Circuits
- West Virginia MS Society
- Tri-County YMCA
- American Lung Association
- Avampato Discovery Museum
- Childhood Language Disorders Center, Inc.
- The Ancient and Accepted Scottish Rite of Freemasonry - Valley of Charleston, West Virginia
- West Virginia Association of Realtors, Inc.

#### Education

Chris graduated with a Bachelor's degree with a major in accounting from the Marshall University. He is a certified public accountant having received certificate number 3212 from the State of West Virginia.

#### Professional Activities

Chris is a member of the American Institute of Certified Public Accountants, West Virginia Society of Certified Public Accountants, the Charleston Chapter of the West Virginia Society of Certified Public Accountants, and Putnam County Chamber of Commerce.



## **JOELLEN LUCAS, CPA**

### **Manager**

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#### Firm Responsibilities

Joellen is a manager of staff of Suttle & Stalnaker, PLLC and works primarily in the audit department. Her responsibilities include, but are not limited to, carrying out the audit plan and detailed testwork as assigned.

#### Experience

Joellen has over ten years of experience in public accounting. She has experience working for the following clients:

- West Virginia Department of Highways
- West Virginia Department of Transportation
- West Virginia State Rail Authority
- State of West Virginia, Single Audit, including the following departments:
  - Office of Emergency Services
  - National White Collar Crime
  - Office of the State Treasurer - Cash Management Act
  - Bureau of Employment Programs
  - West Virginia Department of Education
- Kanawha Valley Senior Services, Inc.
- Appalachian Community Health Center
- Potomac Highlands Mental Health Guild, Inc.

#### Education

Joellen graduated from Mt. Vernon Nazarene College with a BA in Accounting. She is a certified public accountant having received certificate number 4466 from the State of West Virginia and certificate number 000699 from Ohio.

#### Professional Activities

She is a member of the American Institute of Certified Public Accountants and West Virginia Society of Certified Public Accountants.

COST

**COSTS**

	<u>Hourly Rate</u>	<u>Lump Sum Quote</u>
<u>Item 1</u>		
WV Division of Highways Financial Statement Preparation for Year ending June 30, 2009	\$180	\$ 25,000
<u>Item 2</u>		
WV Department of Transportation Financial Statement Preparation for Year ending June 30, 2009	\$180	\$ 15,000
<u>Item 3</u>		
WV State Rail Authority Financial Statement Preparation for Year ending June 30, 2009	\$180	\$ 7,500
<u>Item 4</u>		
WV Division of Highways Comprehensive Annual Financial Report (CAFR) Preparation for Year ending June 30, 2009	\$180	<u>\$ 12,000</u>
<b>TOTAL</b>		<u>\$ 59,500</u>

These fees do not include services that fall outside the scope of the services listed as items 1 through 4 earlier in this proposal. For example, accounting assistance from us in researching and resolving unreconciled differences in accounting records or supporting account balances would fall outside the scope of our proposal. In the event these types of situations arise, it is our practice to discuss these types of issues with management before we would proceed so as to obtain management's authorization and to develop the best approach to solve the problem.

**COST PROPOSAL FOR ADDITIONAL SERVICES**

<u>Classification</u>	<u>Hourly Rates</u>
Partner/Member	\$260
Managers	\$150
Supervisory Staff	\$110
Staff	\$100
Other Support	\$80

We understand that no changes in scope to the project will be implemented by us until such time as an approved change order is received. Formal contract amendments and change orders will be negotiated with the DOH, whenever necessary, to address changes to the terms and conditions, cost of, or scope of work included under the contract. An approved contract amendment means one approved by the DOH, the Department of Administration, and all other applicable State agencies prior to the effective date of such amendment. An approved contract amendment is required whenever the change affects the payment provision and the scope of the work. Such changes may be necessitated by new and amended federal and state regulations and requirements. No changes in scope are to be conducted except at the approval of the DOH.

We will submit an invoice to the DOH for all services provided pursuant to the terms of the contract.

REQUEST FOR PROPOSAL



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  
**5890006**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF:  
**MICHAEL AUSTIN**  
**304-558-2402**

VENDOR

\*709043333      304-343-4126  
**SUTTLE & STALNAKER PLLC**  
**THE VIRGINIA CENTER SUITE 100**  
**1411 VIRGINIA STREET EAST**  
**CHARLESTON WV 25301**

SHIP TO

**DIVISION OF HIGHWAYS**  
**PROCUREMENT DIVISION**  
**BUILDING 5, ROOM 263**  
**1900 KANAWHA BOULEVARD, EAST**  
**CHARLESTON, WV**  
**25305-0430      558-0408**

DATE PRINTED <b>06/30/2009</b>	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **07/15/2009**      BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-36		
<b>FINANCIAL STATEMENT PREPARATION</b>  TO COMPLETE THE PREPARATION OF GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS FOR THE WEST VIRGINIA DIVISION OF HIGHWAYS FOR THE FISCAL YEAR ENDED JUNE 30, 2009. PER THE ATTACHED SPECIFICATIONS.  <b>EXHIBIT 10</b>  REQUISITION NO.: .....  <b>ADDENDUM ACKNOWLEDGEMENT</b>  I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.  <b>ADDENDUM NO.'S:</b> NO. 1 ..... NO. 2 ..... NO. 3 ..... NO. 4 ..... NO. 5 .....  I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.						

**RECEIVED**  
 2009 JUL 15 PM 12:55  
 WV PURCHASING DIVISION

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Suttle &amp; Stalnaker, PLLC by Anne Emery</i>	TELEPHONE <b>304.343.4126</b>	DATE <b>07/15/2009</b>
TITLE <b>Member</b>	FEIN <b>55-0538163</b>	ADDRESS CHANGES TO BE NOTED ABOVE

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 fee
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, 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, the State may deem this contract null and void, and terminate such contract 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 Cover Entity (45 CFR §160 103) and will be disclosing Protected Health Information (45 CFR §160 103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy "

---

**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 case 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: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130



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

# Request for Quotation

RFO NUMBER
5890006

PAGE
2

ADDRESS CORRESPONDENCE TO ATTENTION OF:
MICHAEL AUSTIN 304-558-2402

VENDOR

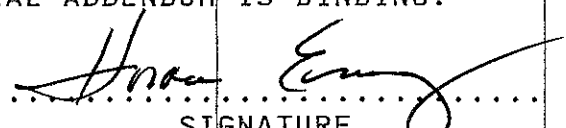
\*709043333      304-343-4126  
 SUTTLE & STALNAKER PLLC  
 THE VIRGINIA CENTER SUITE 100  
 1411 VIRGINIA STREET EAST  
 CHARLESTON WV 25301

SHIP TO

DIVISION OF HIGHWAYS  
 PROCUREMENT DIVISION  
 BUILDING 5, ROOM 263  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0430      558-0408

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/30/2009				

BID OPENING DATE: 07/15/2009      BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>VENDOR MUST CLEARLY UNDERSTAND THAT ANY VERBAL REPRESENTATION MADE OR ASSUMED TO BE MADE DURING ANY ORAL DISCUSSION HELD BETWEEN VENDOR'S REPRESENTATIVES AND ANY STATE PERSONNEL IS NOT BINDING. ONLY THE INFORMATION ISSUED IN WRITING AND ADDED TO THE SPECIFICATIONS BY AN OFFICIAL ADDENDUM IS BINDING.</p> <p style="text-align: center;">             .....            SIGNATURE            Suttle &amp; Stalaker, PLLC            .....            COMPANY            07/15/2009            .....            DATE         </p> <p>REV. 11/96</p> <p style="text-align: center;">NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p style="text-align: center;">           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</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

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  
 Post Office Box 50130  
 Charleston, WV 25305-0130

### Request for Quotation

RFQ NUMBER
5890006

PAGE
3

ADDRESS CORRESPONDENCE TO ATTENTION OF:
MICHAEL AUSTIN 304-558-2402

VENDOR	*709043333	304-343-4126
	SUTTLE & STALNAKER PLLC	
	THE VIRGINIA CENTER SUITE 100	
	1411 VIRGINIA STREET EAST	
	CHARLESTON WV 25301	

SHIP TO	DIVISION OF HIGHWAYS
	PROCUREMENT DIVISION
	BUILDING 5, ROOM 263
	1900 KANAWHA BOULEVARD, EAST
	CHARLESTON, WV 25305-0430 558-0408

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
06/30/2009				
BID OPENING DATE: 07/15/2009		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID  BUYER: ----- RFQ. NO.: ----- BID OPENING DATE: ----- BID OPENING TIME: -----  PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: ----- 304.343.8008 ----- CONTACT PERSON (PLEASE PRINT CLEARLY): ----- Horace Emery -----						
***** THIS IS THE END OF RFQ 5890006 ***** TOTAL: _____						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS			
SIGNATURE	TELEPHONE	DATE	
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	

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

West Virginia Department of Transportation  
 Financial Statement preparation for year ending June 30, 2009

1. Complete preparation of government-wide and fund financial statements for the West Virginia Division of Highways for the fiscal year ended June 30, 2009. These consulting services shall include preparation of the following documents

- a. Review and assist with Managements Discussion and Analysis
- b. Statement of Net Assets
- c. Statement of Activities
- d. Balance Sheet - Governmental Fund
- e. Reconciliation of the Balance Sheet - Governmental Fund to the Statement of Net Assets
- f. Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund
- g. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund to the Statement of Activities
- h. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Budgetary Basis) - State Road Fund
- i. Notes to the Financial Statements
- j. Assistance with implementation of GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations.
- k. Completion of a disclosure checklist to be provided by the Division of Highways

2.

Complete preparation of government-wide and fund financial statements for the West Virginia Department of Transportation for the fiscal year ended June 30, 2009. The Department of Transportation includes, the West Virginia Division of Highways, the West Virginia State Rail Authority, the West Virginia Parkways, Economic Development and Tourism Authority, the West Virginia Division of Motor Vehicles, the West Virginia Division of Public Transit, the West Virginia Aeronautics Commission, and the West Virginia Public Port Authority. These Consulting Services shall include preparation of the following documents

- a. Review and assist with Managements Discussion and Analysis
- b. Statement of Net Assets
- c. Statement of Activities
- d. Balance Sheet - Governmental Funds
- e. Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets
- f. Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
- g. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to the Statement of Activities
- h. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Budgetary Basis) - State Road Fund

- i. Combining Balance Sheet - Nonmajor Governmental Funds
  - j. Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
  - k. Schedule of Expenditures of Federal Awards
  - l. Notes to the Financial Statements
  - m. Completion of a disclosure checklist to be provided by the Department of Transportation
3. Complete preparation of financial statements for the West Virginia State Rail Authority for the fiscal year ended June 30, 2009. These consulting services shall include preparation of the following documents.
- a. Review and assist with Managements Discussion and Analysis
  - b. Statement of Net Assets
  - c. Statement of Revenues, Expenses, and Changes in Fund Net Assets
  - d. Statement of Cash Flows
  - e. Notes to the Financial Statements
  - f. Assistance with implementation of GASB 49, Accounting and Financial Reporting for Pollution Remediation Obligations.
  - g. Completion of a disclosure checklist to be provided by the State Rail Authority
4. Complete preparation of the Comprehensive Annual Financial Report (CAFR) for the West Virginia Division of Highways for the fiscal year ended June 30, 2009. These consulting services shall include preparation of the following documents.
- a. Review of comments from the Government Finance Officers Association (GFOA) for previous fiscal year CAFR.
  - b. Review and assist with Introductory Letter
  - c. Statistical Section
  - d. Preparation and layout of the CAFR
  - e. Completion of the GFOA CAFR checklist

**ADDITIONAL INFORMATION:**

Gibbons & Kawash will be performing the audit.

Trial balances will be provided.

Financial statements will be prepared in accordance with Governmental Accounting Standards Board (GASB). The engagement should be conducted in accordance with the appropriate SSARS guidance. The final product should include both the GAAP basis financial statements along with a working paper copy of all support which ties to the financial and note disclosures. All of these financial statements for the year ended June 30, 2008 can be found at [www.wvdot.com](http://www.wvdot.com).

Draft financial statements for Division of Highways and the State Rail Authority should be submitted by September 1, 2009. Division of Highways and State Rail financial statements must be completed to be included in the Department of Transportation financial statements. Draft financial statements for Department of Transportation should be submitted by September 7, 2009. Draft financial statements are due to the West Virginia Department of Administration Financial Reporting Section on September 15, 2009 and final financial statements are due on October 15, 2009.

The Division of Highways CAFR must be submitted to the Government Finance Officers Association (GFOA) on or before December 31, 2009.

Documentation must be provided supporting five years of governmental financial statement experience.

A partial payment equal to 50 percent of the lump sum amounts is acceptable, providing both the vendor and the agency mutually agree that 50 percent or more of the work is completed. The vendor must request partial payment and submit an official invoice.

The award shall be made to the vendor quoting the least total lump sum cost for Item 1 through Item 4.

The agency reserves the right to award in whole or in part Item 1 through Item 4.

Submit questions to Fred W. Thomas@wv.gov

WEST VIRGINIA DEPARTMENT OF TRANSPORTATION  
 Request for Quotation 58-9-0006  
 Bid/Quote Sheet

	Hourly Rate	Lump Sum Quote
Item 1 WV Division of Highways Financial Statement Preparation for Year ending June 30, 2009	_____	_____
Item 2 WV Department of Transportation Financial Statement Preparation for Year ending June 30, 2009	_____	_____
Item 3 WV State Rail Authority Financial Statement Preparation for Year ending June 30, 2009	_____	_____
Item 4 WV Division of Highways Comprehensive Annual Financial Report (CAFR) Preparation for Year ending June 30, 2009	_____	_____
	TOTAL	\$ _____

*Please see page 34 of our  
 proposal.*

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) West Virginia Code, §5A-3-37 provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1 Application is made for 2.5% resident vendor 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 headquarters 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 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 business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2 Application is made for 2.5% resident vendor preference for the reason checked: 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; or,
3 Application is made for 2.5% resident vendor preference for the reason checked: 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 Bidder's 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; or,
4 X Application is made for 5% resident vendor preference for the reason checked: Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5 Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6 Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of 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) reject the bid; 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

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of 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.

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.

Bidder: Suttle + Stalnaker, PUC Signed: [Signature]
Date: 07/15/2009 Title: Member

\*Check any combination of preference consideration(s) indicated above which you are entitled to receive.

STATE OF WEST VIRGINIA  
Purchasing Division

## PURCHASING AFFIDAVIT

### VENDOR OWING A DEBT TO THE STATE:

*West Virginia Code* §5A-3-10a provides that: 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 owed is an amount greater than one thousand dollars in the aggregate

### PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor must make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

### ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

### 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. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>

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

Vendor's Name: Suttle + Stalnaker, PLLC

Authorized Signature: Aneca Emery, Member Date: 07/15/2009