

A Proposal to Serve



West Virginia  
Public Defender Services  
One Players Club Dr. Suite 301  
Charleston, WV 25311

BY

**HAYFLICH** HAYFLICH.NET

HAYFLICH & STEINBERG, CPA's, PLLC  
#8 STONECREST DRIVE • HUNTINGTON, WV 25701  
TEL: (304) 697-5700 • FAX: (304) 697-5704

An Independent Member of BDO Seidman Alliance

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2011 APR 28 P 12: 21

ACCOUNTING DIVISION  
STATE OF WV

ROBERT C. (ROB) FULLER, CPA, ENGAGEMENT PARTNER  
[fuller@hayfllich.net](mailto:fuller@hayfllich.net)

RICHARD A. (RICK) ESKINS, CPA, CVA, FHFMA, CGFM, ENGAGEMENT MANAGER  
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AN INDEPENDENT MEMBER OF  
**BDO**  
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ALLIANCE

**HAYFLICH**

**A Proposal to Serve the  
Division of West Virginia Public Defender Services**

***OUR PROPOSAL TO PROVIDE AUDIT SERVICES***

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# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## ***Our Preliminary Understanding of Your Needs:***

West Virginia Public Defender Services (WVPDS) immediate goal as the over-sight agency of the seventeen Public Defender Corporations is to comply with statutory reporting obligations during the forthcoming year. With your approval, our immediate focus will be on the following:

### **Audit Services**

For the year ending June 30, 2011, we will provide audit services in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States for each of the seventeen Public Defender corporations (PDC).

The completed audit package for PDC will include the following:

- Independent auditors' report
- Complete set of financial statements, including notes
- Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*
- Schedule of findings and responses
- Auditors' communication with those charged with governance

# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## **Timing of Work:**

It is our goal to complete engagements in a timely and efficient manner with as little disruption as possible to the client's routine. Thus our schedule for performing the audit will be dependent upon your schedule and availability. To achieve maximum efficiency, we will strive to avoid starting our work before you and your staff are fully prepared, but yet allow for sufficient time to complete the audit before the established due dates. Assuming standard lead time, we would anticipate a schedule as follows:

- June - Interim fieldwork wherein we would review PDC's, systems and perform transaction testing.
- Mid to Late July – Annual fieldwork. Prior to the start of fieldwork, we will provide you with a “Prepared By Client Schedule” wherein we will list the various schedules and analyses that we will need from you to complete our audit.
- Early September – Submission of a draft of the financial statements to management.
- Early October – Delivery of the final financial statements and required audit communications.

We will work with you in adjusting this schedule to meet your time requirements.

## ***Our Experience Serving the Governmental & Nonprofit Industries:***

### **Audits in accordance with *Government Auditing Standards:***

- West Virginia Division of Highways
- Glenville State College
- Marshall University (*under contract to Deloitte & Touche*)
- Marshall University Research Corporation (*under contract to Deloitte & Touche*)
- West Virginia State University (*under contract to Deloitte & Touche*)
- West Virginia State University Research & Development (*under contract to Deloitte & Touche*)
- Sistersville General Hospital (*city-owned critical access hospital*)

# **A Proposal to Serve the Division of West Virginia Public Defender Services**

**Audits in accordance with *Government Auditing Standards* and OMB Circular A-133 (Single Audits):**

- West Virginia Department of Transportation
- West Virginia State Rail Authority
- City of Point Pleasant Housing Authority
- City of Parkersburg Housing Authority
- Valley Health Systems, Inc.
  - Community Health Centers
  - Health Care for the Homeless
  - Special Supplemental Nutrition Program for Women, Infants and Children
- Grant Medical Center, Inc.
- Wayne Health Services, Inc.
- Harts Health Clinic, Inc.
- Fort Gay Primary Health Care, Inc.
- Upper Kanawha Health Association, Inc.
- Ouch, Inc
- Monroe County Health Services, Inc.
- Pretera Center for Mental Health Services, Inc.
  - Substance Abuse Prevention and Treatment Block Grant
  - Region II Mental Health Initiative
  - Treatment Access for Rural Populations
  - Aftercare Transitional Services for Juveniles
- West Virginia Department of Education
  - Vocational Education
  - Title I
  - Child Nutrition Cluster
  - Office of Special Education
- West Virginia Division of Rehabilitation Services
  - Rehabilitation Services – Vocational Rehabilitation
- West Virginia Division of Emergency Management
  - Hazard Mitigation
- West Virginia Development Office
  - Community Development Block Grant
- Appalachian Supplements to Federal Grant-in-Aid

# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## **Other governmental attestation engagements:**

- Mildred Mitchell Bateman, compilation of year-end Medicare and Medicaid cost reports.
- William R. Sharpe, Jr., compilation of year-end Medicare and Medicaid cost reports.
- Welch Community Hospital, compilation of year-end Medicare and Medicaid cost reports.
- Ohio Department of Job and Family Services (in conjunction with the Ohio Auditor of State) – 120 agreed-upon procedures engagements performing reviews of Medicaid cost reports for long-term care nursing facilities.
- Maryland Medicare Part A Intermediary – Limited-scope desk and field audits of the Medicare cost reports of 25 end-stage renal disease (ESRD) dialysis facilities.

# A Proposal to Serve the Division of West Virginia Public Defender Services

## Additional Resources:



Hayflich & Steinberg, CPA's, PLLC is an independent member of the BDO Seidman Alliance of Accounting Firms. The BDO Seidman Alliance is a nationwide association of independently owned local and regional accounting, consulting, and service firms with similar service goals. The Alliance presents an opportunity for member firms, by accessing the resources of BDO Seidman, LLP and other Alliance members, to expand services to their clients without jeopardizing their existing relationship or autonomy.

With over 2,000 clients in the non-profit sector within BDO Seidman, LLP and its Alliance firms, our team of professionals offers the hands-on experience and technical skill you can rely upon to serve the distinctive needs of your Organization. Whether from the 224 other independent CPA firm Alliance members or directly from BDO Seidman, LLP, we have capabilities equal to any CPA firm in our tri-state area.



Hayflich & Steinberg, CPA's, PLLC is a member firm in good standing of the AICPA Governmental Audit Quality Center. The Governmental Audit Quality Center promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. The Center is a voluntary membership center for CPA firms that perform governmental audits.



Hayflich & Steinberg, CPA's, PLLC is a member firm in good standing of the AICPA Employee Benefit Plan Audit Quality Center. The Center is a firm-based voluntary membership center for firms that audit employee benefit plans.

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# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## ***References:***

Sallie A. Lazaro, Director of Finance  
Prestera Center for Mental Health Services Inc.  
3375 US Route 60, East  
Huntington, WV 25701-0195  
(304) 399-1114

Richard Weinberger, CPA, CFO  
Valley Health Systems, Inc.  
2585 Third Avenue  
Huntington, WV 25703  
304-525-3334

Brian K. Lowther, CEO  
Sistersville General Hospital  
314 South Wells Street  
Sistersville, WV 26175  
(304) 447-2501

Johnny Brant, CFO  
Welch Community Hospital  
454 McDowell Street  
Welch, WV 24801  
(304) 436-8683

Tom Denbow, CMPE  
Holzer Clinic, Inc.  
90 Jackson Pike  
Gallipolis, OH 45631-1562  
(740) 446-5712

James E. Spencer, CFO  
Mildred Mitchell-Bateman Hospital  
1530 Norway Avenue  
Huntington, WV 25706  
(304) 525-7801

Rick Bozeman, CFO  
American Foundation for the Blind  
1000 5th Avenue, Suite 275  
Huntington, WV 25701  
(304) 710-3021

David M. Ward, CPA, Senior VP  
Cabell Huntington Hospital, Inc.  
1340 Hal Greer Boulevard  
Huntington, WV 25701  
(304) 526-2052

## ***Why the Division of West Virginia Public Defender Services Should Choose Hayflich & Steinberg, CPA's, PLLC:***

### **Who We Are:**

Hayflich & Steinberg, CPA's, PLLC has been in business for 50+ years providing quality services to entities located primarily in the tri-state area. With offices conveniently located in Huntington, West Virginia, Hayflich & Steinberg is prepared to deliver professional services to both new and long time clients across the region.

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## **A Proposal to Serve the Division of West Virginia Public Defender Services**

The size of Hayflich & Steinberg is important to our clients for two reasons, the firm is small enough so that our partners can maintain an intimate knowledge of our clients' businesses and needs; second the firm is large enough to have specialists available in the various disciplines of the profession; accounting, auditing, income tax, management consulting, retirement planning and administration, business valuation, and estate planning services.

As the needs arise, we can draw on the expertise available from BDO Seidman LLP and our Alliance members to assist with new or unusual issues. This strategic alliance increases the depth and breadth of services and expertise Hayflich & Steinberg is able to offer the Corporations.

At the present time, Hayflich & Steinberg is staffed as follows:

Partners	5
Managers	5
Professional staff	13
Para-professional	2
Office support	<u>3</u>
Total	<u><u>28</u></u>

Fifteen of the twenty eight employees listed above are CPA's.

### **Quality Control:**

Our firm is a member of the Private Companies Practice Section of the Division of CPA firms. We are proud of the membership requirements, including the review requirement. Each three years we undergo a peer review under guidelines issued by the American Institute of Certified Public Accountants Review Team, which studies and evaluates our firm's policies and procedures for maintaining quality in accounting and auditing work. We are proud to be one of the firms in this area to have undergone this review for several years and to have received an unqualified opinion for each review.

A copy of our latest peer review report accompanies this proposal.

### **Maintaining Our Expertise:**

All professional personnel are periodically evaluated for technical competence and are tested as to their potential leadership qualities and aptitude. Training is accomplished through outside professional development programs and internal training programs. On the job training is enhanced by the active participation of our partners in the planning, review and problem solving phases of our work. Recruiting and retention of topflight staff personnel is made easy by knowledge that our staff will be working on a direct inter-relationship basis with our partners.

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# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## ***Your Client Service Team:***

***Choosing the right professionals to serve you is a critical element of success. In selecting your service team, we reviewed carefully our understanding of your needs, as well as your plans, and identified the people whose credentials are ideal for you.***

We strive to maintain continuity on all engagements so that we maximize our experience with your Organization. Our goal is to dedicate the same partners and engagement team to serve you each year. The individuals we selected have a demonstrated track record with nonprofit clients, strong technical backgrounds and outstanding leadership and communication skills.

## **Significant Partner and Manager Involvement:**

Our partners want to be a responsive sounding board to your organization. These professionals will consider themselves as advisors to your management team and a considerable amount of effort will be performed by them to know your organization and its business.

## **Your Service and Support Team Will Include:**

- Robert C. ( Rob) Fuller, CPA
- Richard A. Eskins, CPA, CVA, FHFMA, CGFM
- Dennis F. Ashworth, Jr., CPA
- J. Michael Hager, CPA, CFE
- Sanghee Ku, CPA
- John R. LaFear, CPA/PFS
- Ralph J. Wilson, CPA

## **A Proposal to Serve the Division of West Virginia Public Defender Services**

The following resumes introduce your service team. Visit our web site at [www.hayflich.net](http://www.hayflich.net) for an expanded introduction to the capabilities of the other professionals at Hayflich & Steinberg.

### **Robert C. Fuller, CPA**

**Partner – Assurance, Accounting & Business Taxation**

- *Member - American Institute of Certified Public Accountants*
- *Member - West Virginia Society of Certified Public Accountants*
- *Member - Healthcare Financial Management Association*

Mr. Fuller will serve as the engagement partner. He will work closely with the engagement staff on a day to day basis to ensure a timely and accurate completion of the engagement. He will also perform a detailed review of all work performed by staff members and senior staff.

Mr. Fuller has been with HAYFLICH & STEINBERG since 1996. He is a 1990 graduate of Marshall University, and also performed postgraduate accounting work at the University of Kentucky.

Mr. Fuller has extensive experience in the performance, management, and review of audited financial statements for wholesale, manufacturing, retail, governmental, not-for-profit, private foundations and hospital and university clients. He also has experience in audits of employee benefit plans and audits requiring compliance with OMB Circular No. A-133. His experience also includes the performance of traditional accounting engagements, such as reviews and compilations, as well as the preparation and review of federal, state, and local income tax returns for business entities and individuals.

Mr. Fuller has primary responsibility for the firm's engagements with healthcare, nonprofit and governmental clients. Following are significant healthcare, nonprofit and governmental audits where Mr. Fuller has served as audit/consulting partner.

- West Virginia Division of Highways
- West Virginia Department of Transportation
- Holzer Clinic, Inc.
- Valley Health Systems, Inc.
- Pretera Center for Mental Health Services, Inc.
- Sistersville General Hospital
- Tristate Cyberknife & Radiosurgery
- Glenville State College
- Marshall University Research Corporation
- West Virginia State University Research & Development Corporation
- Welch Community Hospital (state-owned acute care hospital and nursing facility)
- Mildred Mitchell-Bateman Hospital (state-owned behavioral health hospital)
- William R. Sharpe, Jr. Hospital (state-owned behavioral health hospital)

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# **A Proposal to Serve the Division of West Virginia Public Defender Services**

**Richard A. (Rick) Eskins, CPA, CVA, FHFMA, CGFM**  
**Manager – Healthcare & Government**

- *Member - American Institute of Certified Public Accountants*
- *Member - West Virginia Society of Certified Public Accountants*
- *Member - National Association of Certified Valuation Analysts*
- *Member - Healthcare Financial Management Association*
- *Member - Association of Government Accountants*
- *Member - Central Ohio Chapter of the Association of Government Accountants*

Mr. Eskins will serve as your engagement manager. He will manage all aspects of the audit and be the primary contact for you and your staff. He will present throughout the audit fieldwork.

Mr. Eskins has been with Hayflich & Steinberg since 1978, shortly after graduating from Marshall University. During his 32-year tenure with Hayflich & Steinberg he has worked almost exclusively in the healthcare industry, primarily with hospitals.

Mr. Eskins is a certified public accountant, a certified valuation analyst, a fellow in the Healthcare Financial Management Association, and a certified government financial manager. He is involved in the organizations supporting these certification credentials and maintains the continuing professional education required by the respective organizations, as well as the continuing education requirements set out in *Government Auditing Standards*.

Mr. Eskins has participated in and supervised numerous audits of hospitals and other healthcare organizations. Many of the audit clients are government organizations or non-profit organizations receiving significant government grants. As a result he has significant experience and knowledge of *Government Auditing Standards* and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. He also frequently assists clients in preparing indirect cost rate proposals for government grants.

In addition to his audit manager duties, Mr. Eskins is also responsible for the firm's reimbursement-related engagements having prepared and audited Medicare and Medicaid cost reports since 1978. He has also performed many other reimbursement consulting engagements including:

- Financial forecasts and projections
- Chargemaster reviews
- Medicare and Medicaid litigation support
- Provider Reimbursement Review Board position papers
- Medicare cost exceptions
- Medicare geographic reclassification applications
- Medicare and Medicare disproportionate share analysis and enhancement
- Hospital graduate medical education issues

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Mr. Eskins has also performed valuations of various business entities including hospitals and physician practices.

Following is a partial list of the healthcare organizations Mr. Eskins has performed services for:

### Governmental Audit and Accounting Clients

- Sistersville General Hospital (*city-owned Critical Access Hospital*)
- Welch Community Hospital (*state-owned acute care hospital and nursing facility*)
- Mildred Mitchell-Bateman Hospital (*state-owned behavioral health hospital*)
- William R. Sharpe, Jr. Hospital (*state-owned behavioral health hospital*)
- Monroe County Health Center (*county-owned community health center*)
- Ohio Department of Job and Family Services and Auditor of State (*Desk audits of the Medicaid cost reports of 125 nursing homes*)
- River Valley Health System (*county-owned acute care hospital*)
- Maryland Medicare Part A Intermediary (*desk and field audits of the Medicare cost reports of 25 end-stage renal disease (ESRD) dialysis facilities*)
- Adams County Hospital (*county-owned acute care hospital*)

### Non-Profit Audit and Consulting Clients

- Bluefield Regional Medical Center (*acute care teaching hospital and rural referral center*)
- Valley Health Systems (*system of Federally Qualified Health Centers with 28 locations*)
- Pretera Center for Mental Health Services (*system of behavioral health outpatient clinics*)
- Princeton Community Hospital (*acute care rural referral center*)
- Washington Hospital Center (*tertiary care teaching hospital*)
- Thomas Memorial Hospital (*acute care hospital*)
- Cabell Huntington Hospital (*tertiary care teaching hospital*)
- St. Mary's Medical Center (*tertiary care teaching hospital*)
- Community Health Foundation of Man, WV (*Federally Qualified Health Centers*)
- Fairmont General Hospital (*acute care hospital*)
- Pleasant Valley Hospital (*acute care hospital*)

### For-Profit Audit and Consulting Clients

- A & L Home Care & Training Center (*home health agency*)
- Health Management Nursing Service (*home health agency*)
- Quality Care Nursing Services (*home health agency*)
- Tri-State Cyberknife, LLC (*robotic radiosurgery*)
- Kingsport Hospital (*acute care hospital*)
- Stevens Clinic Hospital (*acute care hospital*)

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## **A Proposal to Serve the Division of West Virginia Public Defender Services**

**Dennis F. Ashworth, Jr., CPA, CITP**

**Partner - Assurance, Accounting, Business Taxation & Quality Control**

- *Member - American Institute of Certified Public Accountants (AICPA)*
- *Member - AICPA Information Technology Section*
- *Member - West Virginia Society of Certified Public Accountants*
- *Member and Past President - Marshall University Division of Accountancy and Legal Environment Advisory Board*
- *Member (Honorary) - Beta Alpha Psi, Marshall University Chapter*

Mr. Ashworth will serve as your quality control partner. He will perform a limited second review of the audit and be available for technical questions.

Mr. Ashworth joined HAYFLICH AND STEINBERG in 1977 upon his graduation from Marshall University. His public accounting experience covers all facets of auditing, accounting, business consulting, business taxation, and information technology consulting. He has licenses to practice in West Virginia and Virginia.

Mr. Ashworth is a Certified Public Accountant and a Certified Information Technology Professional (CITP). As a CITP, he has a keen awareness of advances in information technology and its application to the business environment of the firm's clients.

Mr. Ashworth has extensive experience in the performance, management, and review of audit, review, and compiled financial statements. He has prepared, supervised or reviewed federal, state, and local corporate, partnership, pension and other income tax, property tax, and information returns.

Mr. Ashworth serves clients in wholesale, manufacturing, retail, healthcare, education, governmental, and other industries. He has a wide range of experience in the selection and installation of computer systems and has developed software for a variety of business and healthcare applications. As a member of the AICPA Information Technology Section, he has a keen awareness of advances in information technology and the impact information technology has on the business environment of firm clients.

# **A Proposal to Serve the Division of West Virginia Public Defender Services**

**J. Michael (Mike) Hager, CPA, CFE**  
**Supervisor – Assurance and Accounting**

- *Licensed to practice as a Certified Public Accountant in West Virginia*
- *Member, American Institute of Certified Public Accountants (AICPA)*
- *Member, West Virginia Society of Certified Public Accountants*
- *Member, Association of Certified Fraud Examiners*

Mr. Hager earned his Bachelor of Sciences in Business Administration in 2003 from Marshall University. Michael joined HAYFLICH & STEINBERG in August of 2004 and has prior experience in bookkeeping and personal income tax preparation. Michael serves clients in wholesale, manufacturing, retail, healthcare, governmental and other business organizations.

**Sanghee Ku, CPA**  
**Senior – Assurance and Accounting**

- *Licensed to practice as a Certified Public Accountant in West Virginia and Ohio*
- *Member, American Institute of Certified Public Accountants (AICPA)*
- *Member, West Virginia Society of Certified Public Accountants*
- *Member, Ohio Society of Certified Public Accountants*
- *Member & Treasurer, Charleston Community Music Association Board of Directors*

Ms. Ku, a senior in the Assurance and Accounting division in the firm, graduated from Kyung-Pook National University with a Bachelor's in Korean and Japanese Language and Literature and then a Master's in Business Administration with Accounting Emphasis from Marshall University, in 2008. She passed the CPA exam in 2009.

Most recently she was an assurance associate with a major regional accounting firm, where she gained experience in performing audit and review services for large for-profit and nonprofit entities. She also has experience in employee benefit plan audits and healthcare consulting services.

# **A Proposal to Serve the Division of West Virginia Public Defender Services**

## **Taxation and Consulting Resources:**

### **John R. LaFear, CPA/PFS Managing Partner**

Mr. LaFear is the managing partner of Hayflich & Steinberg. He consults with senior firm members and clients on complex tax, financial planning, and employee benefit issues. He holds a Bachelor of Science degree with emphasis in Industrial Management, Mathematics and Accounting from Lawrence University, Southfield, Michigan. His 40+ years of professional experience has encompassed all aspects of public accounting - corporate, estate, trust, individual taxation, assurance, accounting, financial planning, and employee benefits. For the past 10+ years, he has been actively providing investment consulting and wealth management advisory services. He has served in numerous positions incidental to the profession: Boards and committees of professional associations, instructor, and speaker at professional seminars, and as a special consultant to the profession on investment consulting matters. He has extensive experience in income, estate, and trust taxation; corporate and personal financial planning, including investments, insurance, gifts, income splitting, succession planning, corporate reorganizations, cash and risk management. He has provided expert witness testimony relating to investments and valuation issues as well. He is experienced in qualified and non-qualified employee benefit plans, business valuations, employee stock plans and various compensation strategies. Mr. LaFear has broad industry experience, having advised individuals as well as profit and not-for-profit enterprises.

### **Ralph J. Wilson, CPA Partner**

Mr. Wilson received his MBA from West Virginia University in 1974, and joined HAYFLICH & STEINBERG immediately thereafter. He has devoted his entire career to the area of taxation, especially as it relates to small and mid-sized businesses, and their high net-worth owners. Having served in a variety of capacities early on, Ralph is well grounded in all phases of public accounting. Today he supervises a varied tax practice, but devotes most of his personal attention to particularly complex or controversial assignments. His broad base of experience includes every type of entity; individuals, corporations of all varieties (regular C, subchapter S, public, private, for-profit, non-profit, single-state, multi-state, domestic, international, operating, holding, etc.), partnerships, trusts, associations, employee benefit plans, and governmental agencies.

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# A Proposal to Serve the Division of West Virginia Public Defender Services

## ***Our Fee Proposal:***

*We understand the nature of your Organization and the importance of trying to control costs. This would include minimizing the fees paid to outside professionals.*

## **Fee Philosophy:**

HAYFLICH & STEINBERG's philosophy on professional fees is to provide our clients with quality services that provide value equal to or in excess of the costs incurred. We develop our fees using detailed budgets containing realistic estimates of the time required to complete each area of the engagement. The fees quoted to you below are a product of the total budgeted hours and our standard billing rates, less discounts.

## **Professional Fees:**

Our proposed fees are as follows:

<u>Judicial Circuit</u>	<u>County(ies)</u>	<u>Cost Proposal</u>
1st	Brook, Hancock & Ohio	\$ 5,000
2nd	Marshall, Tyler & Wetzel	3,000
5th	Calhoun, Jackson, Mason & Roane	3,000
6th	Cabell & Wayne	10,000
7th	Logan	3,000
8th	McDowell	3,000
9th	Mercer	5,000
10th	Raleigh	5,000
11th	Greenbrier & pocahontas	3,000
12th	Fayette	3,000
13th	Kanawha	12,500
15th	Harrison	5,000
18th	Preston	3,000
23rd	Berkeley, Jefferson & Morgan	14,000
25th	Boone & Lincoln	3,000
28th	Nicholas	3,000
30th	Mingo	3,000
		<u>\$ 86,500</u>

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## **A Proposal to Serve the Division of West Virginia Public Defender Services**

### **Fee Inclusions and Assumptions:**

The total cost of your engagement is subject to the timely and accurate completion of the information we request be prepared by your personnel. If the information is not presented timely or accurately, we will advise you and not proceed on your engagement until the information has been submitted or corrected


Our charges for any other agreed upon services will be agreed to by you in writing before we incur charges and will be billed to you separately.

***Thank you for the opportunity to provide professional services for the Division of WV Public Defender Services***

We will dedicate a staff of professionals to your engagement that will allow us to both meet and exceed your expectations related to the quality and timely delivery of your audit reports. Our proposal illustrates our qualifications, highlights our desire to work with the corporations, and allows for the professional time required to assist the organization in achieving its goals.

Should you have any questions or wish to discuss this proposal further, please contact Robert C. (Rob) Fuller or Richard A. Eskins at 304-697-5700.

Very truly yours,

  
HAYFLICH & STEINBERG, CPA'S, PLLC  
April 25, 2011

# A Proposal to Serve the Division of West Virginia Public Defender Services

 **OLSEN THIELEN & CO., LTD.**  
*Certified Public Accountants & Consultants*

## SYSTEM REVIEW REPORT

September 15, 2010

To the Members  
Hayflich & Steinberg, CPAs, PLLC  
and the Peer Review Committee of the American Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPAs, PLLC (the firm) in effect for the year ended May 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable 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 therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included an engagement performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Hayflich & Steinberg, CPAs, PLLC in effect for the year ended May 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Hayflich & Steinberg, CPAs, PLLC has received a peer review rating of *pass*.

*Olsen Thielen & Co., Ltd.*

Olsen Thielen & Co., Ltd.

300 Prairie Center Drive, Ste. 300, Minneapolis, Minnesota 55344-7908 952 941 9242 FAX 952 941 0577  
2675 Long Lake Road, St. Paul, Minnesota 55113-1117 651 483 4521 FAX 651 483 2467

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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

RFQ NUMBER  
**PDS201110**

PAGE  
**1**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**KRISTA FERRELL  
 304-558-2596**

PROPERTY

RFQ COPY  
 TYPE NAME/ADDRESS HERE  
**Hayflich & Steinberg, CPA's, PLLC  
 8 Stonecrest Drive  
 Huntington, WV 25701**

SHIP TO

**PUBLIC DEFENDER SERVICES  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905**

DATE PRINTED <b>03/23/2011</b>	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **04/28/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		946-20		\$ 86,500
<p><b>AUDITING SERVICES FOR 17 PUBLIC DEFENDER CORPS</b></p> <p><b>REQUEST FOR QUOTATION (RFQ)</b></p> <p>THE WEST VIRGINIA STATE PURCHASING DIVISION FOR THE AGENCY, WEST VIRGINIA PUBLIC DEFENDER SERVICES, IS SOLICITING BIDS TO PROVIDE THE AGENCY WITH AUDITING SERVICES FOR THE FINANCIAL AND COMPLIANCE AUDIT OF SEVENTEEN (17) PUBLIC DEFENDER CORPORATIONS LOCATED THROUGHOUT THE STATE OF WEST VIRGINIA PER THE ATTACHED SPECIFICATIONS.</p> <p>TECHNICAL QUESTIONS CONCERNING THIS RFQ MUST BE SUBMITTED IN WRITING TO KRISTA FERRELL IN THE WEST VIRGINIA STATE PURCHASING DIVISION VIA MAIL AT THE ADDRESS SHOWN IN THE BODY OF THIS RFQ, VIA FAX AT 304-558-4115, OR VIA EMAIL AT KRISTA.S.FERRELL@WV.GOV. VENDORS SHOULD LIST THE RFQ NUMBER ON ALL INQUIRIES. IF SUBMITTING INQUIRIES VIA EMAIL, PLEASE LIST THE RFQ NUMBER IN THE SUBJECT LINE OF THE EMAIL.</p> <p>DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/08/2011 AT THE CLOSE OF BUSINESS. ANY TECHNICAL QUESTIONS RECEIVED WILL BE ANSWERED BY FORMAL ADDENDUM TO BE ISSUED BY THE PURCHSING DIVISION AFTER THE DEADLINE HAS LAPSED.</p> <p>VERBAL COMMUNICATION: ANY VERBAL COMMUNICATION BETWEEN THE VENDOR AND ANY STATE PERSONNEL IS NOT BINDING.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE <b>304-697-5700</b>	DATE <b>4/27/2011</b>
TITLE <b>PARTNER</b>	FEIN <b>37-1496963</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. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
  4. 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.
  5. Payment may only be made after the delivery and acceptance of goods or services.
  6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
  7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
  8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
  9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
  10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
  11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
  12. **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.
  13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at [www.state.wv.us/admin/purchase/vrc/hipaa.htm](http://www.state.wv.us/admin/purchase/vrc/hipaa.htm) and 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.
  14. **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>.
  15. **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, and the West Virginia Insurance Commission. 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.
  16. **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 material, 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.

### INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. 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. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. 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
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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  
**PDS201110**

PAGE  
**2**

ADDRESS: CORRESPONDENCE TO ATTENTION OF  
**KRISTA FERRELL  
 304-558-2596**

VENDOR

RFQ COPY  
 TYPE NAME/ADDRESS HERE

SHIP TO

**PUBLIC DEFENDER SERVICES  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
03/23/2011				

BID OPENING DATE: **04/28/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>ONLY INFORMATION ISSUED IN WRITING AND ADDED TO THE RFQ SPECIFICATIONS BY AN FORMAL WRITTEN ADDENDUM IS BINDING.</p> <p>NO CONTACT BETWEEN THE VENDOR AND THE AGENCY IS PERMITTED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE STATE BUYER. VIOLATION MAY RESULT IN REJECTION OF THE BID. THE STATE BUYER NAMED ABOVE IS THE SOLE CONTACT FOR ANY ALL INQUIRIES AFTER THIS RFQ HAS BEEN RELEASED.</p> <p>EXHIBIT 10</p> <p style="text-align: center;">REQUISITION NO.: .....</p> <p>ADDENDUM ACKNOWLEDGEMENT</p> <p>I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING CHECKED ADDENDUM(S) AND HAVE MADE THE NECESSARY REVISIONS TO MY PROPOSAL, PLANS AND/OR SPECIFICATION, ETC.</p> <p>ADDENDUM NO.'S:            H&amp;S            NO. 1 4/12/11            NO. 2 .....            NO. 3 .....            NO. 4 .....            NO. 5 .....</p> <p>I UNDERSTAND THAT FAILURE TO CONFIRM THE RECEIPT OF THE ADDENDUM(S) MAY BE CAUSE FOR REJECTION OF BIDS.</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i>	TELEPHONE 304-697-5700	DATE 4/27/2011
TITLE PARTNER	FEIN 37-1496963	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  
**PDS201110**

PAGE  
**3**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**KRISTA FERRELL  
 304-558-2596**

RFQ COPY

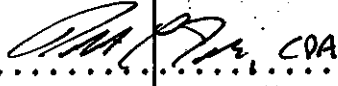
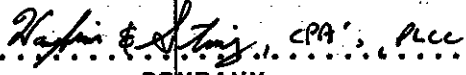
TYPE NAME/ADDRESS HERE

SHIP TO

**PUBLIC DEFENDER SERVICES**  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
03/23/2011				

BID OPENING DATE: **04/28/2011** 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              .....            COMPANY            4/27/2011            .....            DATE         </p> <p>NOTE: THIS ADDENDUM ACKNOWLEDGEMENT SHOULD BE SUBMITTED WITH THE BID.</p> <p>REV. 09/21/2009</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AWARD 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.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE 	TELEPHONE 304-697-5700	DATE 4/27/2011
TITLE PARTNER	FEIN 37-1496963	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
PDS201110

PAGE
4

ADDRESS CORRESPONDENCE TO ATTENTION OF
KRISTA FERRELL 304-558-2596

RFQ COPY  
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RFQ COPY

SHIP TO

**PUBLIC DEFENDER SERVICES**  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
03/23/2011				

BID OPENING DATE: **04/28/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>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) 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>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT 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</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i> COA	TELEPHONE 304-697-5700	DATE 4/27/2011
TITLE PARTNER	FEIN 37-1496963	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  
**PDS201110**

PAGE  
**5**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**KRISTA FERRELL  
 304-558-2596**

RFQ COPY  
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

**PUBLIC DEFENDER SERVICES  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905**

DATE PRINTED	TERMS OF SALE	SHIP VIA	FOB	FREIGHT TERMS
03/23/2011				

BID OPENING DATE: **04/28/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
<p>DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 05/26/2009</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 THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: KRISTA FERRELL-FILE 21</p> <p>RFQ. NO.: PDS201110</p> <p>BID OPENING DATE: 04/28/2011</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>[Signature]</i> COA	TELEPHONE 304-697-5700	DATE 4/27/2011
TITLE PARTNER	FEIN 37-1496963	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  
**PDS201110**

PAGE  
**6**

ADDRESS CORRESPONDENCE TO ATTENTION OF  
**KRISTA FERRELL  
 304-558-2596**

RFQ COPY

TYPE NAME/ADDRESS HERE

RFQ COPY

**PUBLIC DEFENDER SERVICES  
 BUILDING 3, ROOM 330  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0730 558-3905**

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
03/23/2011				

BID OPENING DATE: **04/28/2011** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
TO CONTACT YOU REGARDING YOUR BID: ----- <i>Robert C. Fullis</i> <i>304-697-5700</i> ----- CONTACT PERSON (PLEASE PRINT CLEARLY): -----  ***** THIS IS THE END OF RFQ PDS201110 ***** TOTAL:						<u>\$86,500</u>

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE *[Signature]* TELEPHONE **304-697-5700** DATE **4/27/2011**

TITLE **PARTNER** FEIN **37-1496963** ADDRESS CHANGES TO BE NOTED ABOVE

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

## REQUEST FOR QUOTATION

### Division of WV Public Defender Services

The Acquisition and Contract Administration Section of the Purchasing Division, on behalf of the Division of WV Public Defender Services, is soliciting quotations for a firm of certified public accountants to conduct a financial and compliance audit of each of the seventeen Public Defender corporations for the fiscal year ending June 30, 2011.

The Public Defender Corporations are component units which will be blended as a special revenue fund for the State of West Virginia in its Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011. The West Virginia Public Defender Services serves as the over-sight agency responsible for the Public Defender Corporations. Draft financial statements must be submitted to the Financial Accounting and Reporting Section of the Department of Administration no later than September 8, 2011 and final audited financial statements must be issued no later than October 7, 2011.

The audits must be performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and with the Procedures Manual for Procuring Division of the State Auditor's Office. The successful bidder must be an independent accounting firm who can demonstrate that 50 percent of their auditing staff are duly licensed to practice as certified public accountants in the state of West Virginia and can demonstrate that the firm has experience in auditing other component units of the State of West Virginia's Comprehensive Annual Financial Reports as well as experience with the reporting requirements of 501 (c) (3) non-profit corporations.

According to State Code Section §29021-11, Public Defender Corporation may apply to the executive director of the WV Public Defender Services for state financial assistance. The amount of state funding for the fiscal year ending June 30, 2011, for each Public Defender Corporation is currently contracted as follows:

1 <sup>st</sup> Judicial Circuit	Brook, Hancock, & Ohio	\$ 1,244,020
2 <sup>nd</sup> Judicial Circuit	Marshall, Tyler, & Wetzel	\$ 577,174
5 <sup>th</sup> Judicial Circuit	Calhoun, Jackson, Mason, & Roane	\$ 790,902
6 <sup>th</sup> & 24 <sup>th</sup> Judicial Circuit	Cabell & Wayne	\$ 1,919,055
7 <sup>th</sup> Judicial Circuit	Logan	\$ 690,333
8 <sup>th</sup> Judicial Circuit	McDowell	\$ 469,434
9 <sup>th</sup> Judicial Circuit	Mercer	\$ 1,036,292
10 <sup>th</sup> Judicial Circuit	Raleigh	\$ 1,135,974
11 <sup>th</sup> Judicial Circuit	Greenbrier & Pocahontas	\$ 665,145
12 <sup>th</sup> Judicial Circuit	Fayette	\$ 593,462
13 <sup>th</sup> Judicial Circuit	Kanawha	\$ 4,171,843
15 <sup>th</sup> Judicial Circuit	Harrison	\$ 1,210,253
18 <sup>th</sup> Judicial Circuit	Preston	\$ 479,094
23 <sup>rd</sup> Judicial Circuit	Berkeley, Jefferson, & Morgan	\$ 2,836,546
25 <sup>th</sup> Judicial Circuit	Boone & Lincoln	\$ 793,014
28 <sup>th</sup> Judicial Circuit	Nicholas	\$ 378,973
30 <sup>th</sup> Judicial Circuit	Mingo	\$ 606,944

**Vendor Relationship:**

The relationship of the Vendor to the State shall strictly be that of an independent contractor. The Vendor shall be exclusively responsible for the payment to his/her employees and contractors of all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, and licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

**Hold Harmless:**

Vendor shall not bring, shall hold harmless, and shall provide the State and Agency with a defense against any and all claims that the State is held responsible for, including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

**Assignment/Subcontracting:**

The Vendor shall not assign, convey, transfer, subcontract, or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

**Governing Law:**

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable Federal, State, and local Government regulations.

**Record Retention & Confidentiality:**

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records minimum of five (5) years and make available all records to Agency personnel at Vendor's location during normal business hours upon written request by Agency.

Vendor shall have access to private and confidential data maintained by the Public Defender Corporations and the Agency to the extent required for the successful Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors, or individuals permitted access by Vendor.

**COST PROPOSAL:**

**Breakdown by Circuit:**

- Brooke, Hancock & Ohio
- Marshall, Tyler & Wetzel
- Calhoun, Jackson, Mason, & Roane
- Cabell & Wayne
- Logan
- McDowell
- Mercer
- Raleigh
- Greenbrier & Pocahontas
- Fayette
- Kanawha
- Harrison
- Preston
- Berkley, Jefferson, & Morgan
- Boone & Lincoln
- Nicholas
- Mingo

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*Refer to Pg 15  
of S.D. 2002 Proposal*

**Total all-inclusive fee for all circuits.....** \$ 86,500

The price(s) quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract.

**Invoicing, Progress Payments, & Retainage:**

The Vendor shall submit invoices, in arrears, to the Agency at the address of the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Progress payments may be made at the option of the Agency on the basis of percentage of work completed if so defined in the final contract. Any provision for progress payments must also include language for a minimum 10% retainage until the final deliverable is accepted.

# 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.  **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: HAYFLICH & STEINBERG, CPAs, PA Signed: [Signature] CPA

Date: 4/27/2011 Title: PARTNER

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

RFQ No. PDS20110

STATE OF WEST VIRGINIA  
Purchasing Division

**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 owed 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 exceed 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.

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.

**WITNESS THE FOLLOWING SIGNATURE**

Vendor's Name: HAYFLICH & STEINBERG, CPA's, PLLC

Authorized Signature: [Signature] Date: 4/27/2011

State of WEST VIRGINIA

County of CABELL, to-wit:

Taken, subscribed, and sworn to before me this 23 day of APRIL, 2011.

My Commission expires AUGUST 31, 2014.

**AFFIX SEAL HERE**

**NOTARY PUBLIC** Sara L. Bledsoe

