



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
BEP06035

PAGE
1

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

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

SHIP TO

BUREAU OF EMPLOYMENT PROGRAMS
 5301A-FAM ADMINISTRATION
 ROOM 618
 112 CALIFORNIA AVENUE
 CHARLESTON, WV
 25305-0112 558-2634

DATE PRINTED 06/07/2006	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
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BID OPENING DATE: **06/22/2006** BID OPENING TIME **01:30PM**

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	JB		946-20		
<p style="text-align: center;">AUDITING SERVICES</p> <p style="text-align: center;">REQUEST FOR QUOTATION</p> <p>THE WEST VIRGINIA PURCHASING DIVISION ON BEHALF OF THE AGENCY, WORKFORCE WEST VIRGINIA (FORMERLY THE BUREAU OF EMPLOYMENT PROGRAMS) IS SOLICITING BIDS TO PROVIDE THE AGENCY WITH AUDITING SERVICES FOR THE AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006 PER THE ATTACHED SPECIFICATIONS.</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON UPON 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 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</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

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**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 registration fee. (Effective June 8, 2006, the fee will change from \$45.00 to \$125.00 pursuant to House Bill 4031.)
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

INSTRUCTIONS TO BIDDERS


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

ORIGINAL SIGNED BID TO:

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

~~**DUPLICATE BID TO:**~~

~~State Auditor's Office
Bid Observer
Building 1 Room W114
1900 Kanawha Boulevard, East
Charleston, WV 25305-0230~~

 NOTICE: Beginning June 8, 2006, there is no need to submit a duplicate bid to the State Auditor's Office pursuant to House Bill 4031.



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<p>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>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p>						

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<p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 04/11/2001</p> <p>EXHIBIT 6</p> <p>PRICE ADJUSTMENT PROVISION: THE STATE OF WEST VIRGINIA WILL CONSIDER BIDS THAT CONTAIN PROVISIONS FOR PRICE ADJUSTMENTS PRIOR TO THE ORIGINAL EXPIRATION OF THE CONTRACT, PROVIDED THAT SUCH PRICE ADJUSTMENT COVERS BOTH UPWARD AND DOWNWARD MOVEMENT OF THE COMMODITY PRICE, AND THAT ADJUSTMENT IS BASED ON THE "PASS THROUGH" INCREASE OR DECREASE OF RAW MATERIALS AND/OR LABOR, WHICH MAKE UP ALL OR A SUBSTANTIAL PART OF A PRODUCT. ADJUSTMENTS ARE TO BE BASED UPON AN ACTUAL DOLLAR FIGURE, NOT A PERCENTAGE. ALL PRICE ADJUSTMENT REQUESTS MUST BE SUBSTANTIATED IN A MANNER ACCEPTABLE TO THE DIRECTOR PURCHASING, E.G. GOVERNMENTAL BENCH MARKS, GENERAL MARKET INCREASE, PUBLISHED PRICE LISTS. SUCH REQUESTS FOR AND INCREASE SHOULD BE RECEIVED IN WRITING BY THE DIRECTOR OF PURCHASING AT LEAST 30 DAYS IN ADVANCE OF THE EFFECTIVE DATE OF THE INCREASE. ANY TIME THE VENDOR REQUESTS A</p>						

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<p>PRICE ADJUSTMENT, THE PURCHASING DIVISION MAY EITHER ACCEPT THE PRICE ADJUSTMENT AND AMEND THE CONTRACT ACCORDINGLY OR REJECT THE ADJUSTMENT IN ITS ENTIRETY AND CANCEL THE CONTRACT.</p> <p>PREFERRED TERMS: IT IS PREFERRED THAT THE PRICES ON THIS CONTRACT ARE FIRM FOR LIFE OF THE CONTRACT, AS INDICATED IN THE LIFE OF CONTRACT CLAUSE CONTAINED HEREIN, NOT TO EXCEED ONE (1) YEAR.</p> <p>IF THE VENDOR CANNOT GUARANTEE A FIRM PRICE FOR THE LIFE OF CONTRACT, HE MUST INDICATE ONE OF THE PARAGRAPHS LISTED BELOW. FAILURE TO QUALIFY THE PREFERRED TERMS WILL BIND THE VENDOR TO A FIRM PRICE FOR THE LIFE OF THE CONTRACT.</p> <p>ALTERNATE TERMS:</p> <p>() THE PRICES ON THIS CONTRACT WILL REMAIN FIRM FOR DAYS AFTER THE EFFECTIVE DATE OF THE CONTRACT. PRICES WILL REMAIN FIRM AFTER EACH PRIC ADJUSTMENT FOR A MINIMUM OF DAYS.</p> <p>() THE VENDOR DOES NOT AGREE TO MAINTAIN A FIRM PRICE FOR THE LENGTH OF THE CONTRACT BUT OFFERS AN ALTERNATE PROPOSAL AS FOLLOWS: </p> <p style="text-align: center;">VENDOR PREFERENCE CERTIFICATE</p>						

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CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, 5A-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS). A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED: <input type="checkbox"/> 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 <input type="checkbox"/> BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD-QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR <input type="checkbox"/> BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION. B. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:						

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<p>() BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID;</p> <p>OR</p> <p>() BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX & REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (A) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (B) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p> <p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLY REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED</p>						

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<p>THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: -----</p> <p>DATE: -----</p> <p>SIGNED: -----</p> <p>TITLE: -----</p> <p>* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION(S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM 5% PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)</p> <p>NOTICE</p> <p>AN ORIGINAL, SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION</p>						

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PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130						
BID MUST CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID						
BUYER:				21		
RFQ. NO.:				BEP06035		
BID OPENING DATE:				6/22/2006		
BID OPENING TIME:				1:30 PM		
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: ----- CONTACT PERSON (PLEASE PRINT CLEARLY): -----						

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REQUEST FOR QUOTE

(WORKFORCE West Virginia - and RFQ# BEP06035)

Part 1 GENERAL INFORMATION

1.1 Purpose:

The Acquisition and Contract Administration Section of the Purchasing Division "State" on behalf of WORKFORCE West Virginia, which consists of the Bureau of Employment Programs and the Governor's Workforce Investment Division is requesting quotes to provide the audit of the financial statements of WORKFORCE West Virginia for the year ended June 30, 2006. Also, WORKFORCE West Virginia would like to have a professional accounting firm available to provide management advisory services on accounting issues on an as needed basis and to provide the application of agreed upon procedures to federal or state subrecipient contract recipients on an as needed basis.

1.2 Project:

The mission or purpose of the project is to perform the audit in accordance with generally accepted auditing standards and other applicable laws and regulations. The auditors must issue an opinion as to whether the financial statements present fairly, in all material respects, the financial position of WORKFORCE West Virginia and the results of its operations in conformity with generally accepted auditing standards. The firm would also be available to provide advice on accounting issues to management and to provide the application of agreed upon procedures to federal or state subrecipient contract recipients on an as needed basis.

1.3 RFQ Format:

This RFQ has four parts. "Part 1" contains informational sections, "Part 2" describes the background and working environment of the project, "Part 3" is a statement of the specifications for the services requested pursuant to this RFQ, contractual requirements, and general terms/conditions.

1.4 Inquiries:

Additional information inquiries regarding specifications of this RFQ must be submitted in writing to the State Buyer with the exception of questions regarding Quote submission, which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.16. All inquiries of specification clarification must be addressed to:

Krista Ferrell, Buyer
Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130
Fax: (304) 558-4115

E-Mail: kferrell@wvadmin.gov

Absolutely NO contact shall be made by the vendor with the requesting agency. Violation of this clause may result in rejection of the bid. The State Buyer named above is the sole contact for any and all inquiries after this RFQ has been released.

1.5 Vendor Registration:

Bidders participating in this process should complete and file a *Vendor Registration and Disclosure Statement* (Form WV-1) and remit the registration fee. Bidder is not required to be a registered Vendor in order to submit a quote, but the **successful bidder must** register and pay the fee prior to the award of an actual purchase order/contract. The Vendor Registration and Disclosure Statement can be downloaded at the following State web site: www.state.wv.us/admin/purchase/vrc/pforms.htm.

1.6 Oral Statements or Commitments:

Bidders must clearly understand that any verbal representations made or assumed to be made during any oral discussions held between the bidder's representatives and any state personnel are **not** binding. Only that information issued in writing via official addendum is binding.

1.7 Economy of Preparation:

Response to this RFQ should be prepared simply and economically, providing a straightforward, concise description of bidder's abilities to satisfy the requirements of the RFQ. Emphasis should be placed on completeness and clarity of content.

1.8 Labeling of RFQ Sections:

The sections within this RFQ contain instructions governing how the bidder's response is to be arranged, submitted and to identify the material to be included therein.

1.8.1 Mandatory Requirements.

The mandatory sections included in part 3 require a response, and they describe the minimum requirements requested in this RFQ. Any specification or statement containing the word **must, shall, or will** are mandatory. The bidder is required to meet the intent of the mandatory specifications in order to be eligible for consideration. **A simple "yes" or "no" response to these sections is not adequate.** Failure to meet mandatory items shall result in disqualification of the bidder's response. Decisions regarding compliance with the intent of a mandatory item shall be at the sole discretion of the State.

1.8.2 Contract Terms and Conditions:

Section 3 details the contractual terms and conditions under which the State of West Virginia will enter into a contract.

1.8.3 Informational Sections:

All information specifications do not require a response from the vendor. They are intended to aid the vendor in structuring an effective bid capable of meeting the needs of the issuing

agency, WORKFORCE West Virginia.

1.9 Quote Format and Submission:

1.9.1 Bidders must complete a response to all mandatory specifications in order to be considered. No other arrangement or distribution of the quote information may be made by the bidder. Failure on the part of the bidder to respond to specific requirements detailed in the RFQ may be basis for disqualification of the quote. The State reserves the right to request any information not provided and any needed clarification and the vendor must respond with 48 hours. The State reserves the right to waive any informalities in the quote format and minor irregularities.

1.9.2 State law requires that the original bid be submitted to the State. All copies must be submitted **prior** to the date and time stipulated in the RFQ as the opening date. All bids will be date and time stamped in each office to verify official time and date of receipt.

1.9.3 Bidders mailing bids should allow sufficient time for mail delivery to ensure timely arrival. The Purchasing Division can waive or excuse late receipt of a bid which is delayed and late for any reason according to State Code 5A-3-11. Any bid received after the bid opening date and time will be immediately disqualified in accordance with State law and the administrative rules and regulations.

Submit:

One original bid to:

Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130

The outside of the envelope or package(s) should be clearly marked:

Buyer: 21
Req#: BEP06035
Opening Date: 06/22/2006
Opening Time: 1:30 pm

1.10 Rejection of Bids:

The State reserves the right to accept or reject any or all bids, in part or in whole at its discretion. The State reserves the right to withdraw this RFQ at any time and for any reason. Submission of, or receipt by the State of bids confers no rights upon the bidder nor obligates the State in any manner.

A contract, based on this RFQ and the bidder's response, may or may not be awarded. Any contract resulting in an award from this RFQ is not valid until properly approved and executed by the Purchasing Division and the Attorney General's Office.

1.11 **Incurring Costs:** The State and any of its employees or officers shall not be held liable for any expenses incurred by any bidder responding to this RFQ for expenses to prepare or deliver the bid.

1.12 **Addenda:**
If it becomes necessary to revise any part of this RFQ, an official written addendum will be issued by the State to all bidders of record.

1.13 **Independent Price Determination:**
A bid will not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other offer or with any competitor.

1.14 **Price Quotations:**
The price(s) quoted in the bidder's response will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

1.15 **Public Record:**
1.15.1 All documents submitted to the State Purchasing Division related to purchase orders/contracts are considered public records. All bids, or offers submitted by bidders shall become public information and are available for inspection during normal official business hours in the Purchasing Division Records and Distribution center after the documents have been microfilmed.

1.15.2 All public information may be released with or without a Freedom of Information request; however, only a written request will be acted upon with duplications fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently the fees are \$0.50/page, or a minimum of \$10.00 per request which ever is greatest.

1.15.3 The only exemptions to disclosure of information are listed in West Virginia Code 29B-1-4. Primarily, only trade secrets as submitted by a bidder are the only exemption to public disclosure. The submission of any information to the State by a Vendor puts the risk of disclosure on the Vendor. The State will make a reasonable effort not to disclose information that is within the guidelines of 29B-1-4 and is properly labeled "proprietary information not for public disclosure". The State does not guarantee non-disclosure of any information to the public.

1.16 **Schedule of Events:**
Release of the RFQ..... 06/09/2006
Vendor's Written Questions Submission Deadline.06/13/2006
Addendum Issued 06/15/2006

Bid Opening Date06/22/2006

- 1.17 **Debt Affidavit:**
West Virginia State Code 5A-3-10a(3)(d) requires that all vendors submit an affidavit of debt to Certify that no debts are outstanding and owing to the State of West Virginia. The No Debt Affidavit can be downloaded at the following State web site:
www.state.wv.us/admin/purchase/vrc/pforms.htm.
- 1.18 **Resident Vendor Preference:** West Virginia State 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 State Code. A certificate of application is used to request this preference. Generally, a West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

PART 2 OPERATING ENVIRONMENT

2.1 **Location:**
Most of the records for WORKFORCE West Virginia’s administrative expenses, including Payroll and Purchasing, and federal grant-related activities are located at 112 California Avenue, Charleston, West Virginia. All Financial records must be reviewed and audit procedures on these records performed in these locations. No records may be removed from the premises by the auditors without the expressed written permission of management.

2.2 **Background:**
The firm’s principal contact with WORKFORCE West Virginia will be Mark S. Miller, Deputy Executive Director of Administration, or a designated representative, who will coordinate the assistance that WORKFORCE West Virginia will provide for the audit. Executive Order # 5-05 was issued combining the former Bureau of Employment Programs and the Governor’s Workforce Investment Division to form the WORKFORCE West Virginia Division under the Department of Commerce.

The federally funded operations of WORKFORCE West Virginia is made up of four operating divisions: Research, Information, and Analysis, Employment Service, Unemployment Compensation, and the Workforce Development Division. WORKFORCE West Virginia also has two service divisions: Fiscal and Administrative Management and the Management Analysis Division.

The Employment Service Division is an affiliate of the U.S. Employment Service and operates

in local offices throughout the state to serve those seeking employment and those providing it. Most local offices are identified as Job Service. General services include outreach, interviewing, testing, counseling, and referral for placement; training; and other services designed to prepare individuals for employment.

The Research, Information, and Analysis Division consists primarily of a partnership with the United States Bureau of Labor Statistics to provide labor related statistical data for the State of West Virginia to be included in the national data produced by that agency. These activities are funded through a group of federal grants received from the United States Department of Labor. In addition, the Division is also responsible for all internal and external communication information dissemination activities for WORKFORCE West Virginia.

The Unemployment Compensation Division (UC) provides temporary income as partial compensation to unemployed workers. UC programs are administered jointly by the U.S. Department of Labor and the individual states. The federal government established guidelines and pays administrative costs from funds collected under provisions of the Federal Unemployment Tax Act. UC collects contributions from employers based upon gross wages paid and uses those funds for payment of temporary income to unemployed workers. A trust fund is maintained with the U.S. Treasury for funds held for future payments. The states have direct responsibility for operation of their UC programs.

Workforce Development Division (WDD) offers employment and training opportunities to people with barriers to employment and coordinates the efforts of state, educational, and service agencies.

The Fiscal and Administrative Management (FAM) Division has primary responsibility for all administrative accounting activities within WORKFORCE West Virginia including payroll, accounts payable, procurement, and equipment inventory, as well as maintaining the general ledger for all administrative expenses. The Division also is responsible for leasing and property management, personnel activities, and general organization oversight activities. This Division also includes the Legal Services unit for the agency.

The audited financial statements issued by Suttle & Stalnaker, PLLC for the year ended June 30, 2005 can be obtained at the following web site:
<http://www.wvbep.org/bep/publicinfo/default.htm> **These statements are an integral part of this RFQ and should be thoroughly reviewed by the proposer. They contain detailed information about the reporting entities, accounting procedures, and policies of WORKFORCE West Virginia.**

Component Units

Although WORKFORCE West Virginia is not a component unit of the State of West Virginia, it is required by Section 5A-22-33 of the State code to prepare financial statements audited by

independent certified public accountants. It is anticipated that the financial statements will continue to be included in the CAFR of the State of West Virginia. Because of this requirement, the completed audited financial statements of WORKFORCE West Virginia for the year ending June 30, 2006 must be delivered to the State in accordance with the time frame as specified in Attachment B.

Financial Operations and Technical Operations

Mark S. Miller, Deputy Executive Director of Administration directs WORKFORCE West Virginia's accounting operations at 112 California Avenue in Charleston, West Virginia. WORKFORCE West Virginia's computer system consists of an IBM 9672 -R66 enterprise server and an IBM 9672-R32 enterprise server. There are also several applications running on smaller servers and/or web servers. WORKFORCE West Virginia's accounting system consists of the West Virginia Financial Information Management System (WVFIMS), which is the state government's accounting system. FAM processes and records all of WORKFORCE West Virginia's contracts, administrative expenses, payroll, personnel transactions, and administrative accounts payable.

PART 3 PROCUREMENT SPECIFICATIONS**3.1 General Requirements:**

WORKFORCE West Virginia is soliciting the services of qualified firms of certified public accountants to audit the financial statements for WORKFORCE West Virginia for the fiscal year ending June 30, 2006, with the option to audit the financial statements for each of the two (2) subsequent fiscal years. **The audit for fiscal year 2006 and forward must also be audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.** These audits are to be performed in accordance with the provisions contained in this RFQ. WORKFORCE West Virginia is coordinating issuance of this RFQ as well as the selection of a firm.

3.2 Scope of Work:

3.2.1 Scope: The auditor shall issue an opinion on the fair presentation, in conformity with generally accepted accounting principles, of its general purpose financial statements that will include all WORKFORCE West Virginia Programs (**the audit for fiscal year 2006 and forward must also be audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States**). This work is to include providing technical assistance to WORKFORCE West Virginia's financial personnel for the continuation of GASB 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and the continuation of SAS 99 which revises guidance on the consideration of fraud in financial statement audits.

WORKFORCE West Virginia desires the auditor to express an opinion on the fair presentation of its financial statements and schedules in conformity with generally accepted accounting principles.

The auditor is required to audit the additional financial information schedules required by the Financial Accounting and Reporting Section (FARS) of the West Virginia Department of Administration.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

All work under the proposed contract will be under the direction of the Deputy Executive Director of Administration of WORKFORCE West Virginia or his designated offices. Written reports must be submitted initially in draft form in order that any necessary changes may be discussed and agreed upon before final acceptance. Any public statements, which may be required, must be discussed with the Deputy Executive Director of Administration prior to the statements being made or released.

3.2.2 Standards: **To meet the requirements of this RFQ, the audits shall be performed in accordance with generally accepted auditing standards. The audit for fiscal year 2006**

and forward must also be audited in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

3.2.3 Required Reports: Following the completion of each audit of the fiscal year's financial statements, the auditor shall issue reports on the fair presentation of the financial statements in conformity with generally accepted accounting principles and in accordance with Government Auditing Standards. The firm shall be required to give to the Director of the Financial Accounting and Reporting Section (FARS) of the Department of Administration, 2101 Washington Street East, Building 17, 3rd floor, Charleston, WV 25305, under the authority of Section 5A-2-23 of the State Code an immediate, written report of all irregularities and illegal acts of which the firm becomes aware. Additionally, a copy of all such reports will be given to the Executive Director of WORKFORCE West Virginia, the Deputy Executive Director of Administration of WORKFORCE West Virginia, and to the Assistant Director of FAM Accounting Services. The firm must inform the Executive Director of WORKFORCE West Virginia, the Deputy Executive Director of Administration of WORKFORCE West Virginia, and the Assistant Director of FAM Accounting Services in writing of each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments, accounting estimates and projections.
4. Significant audit adjustments and significant revisions of past and current estimates and projections.
5. Other information in documents containing audited financial statements and/or estimates and projections.
6. Disagreements with management.
7. Consultation with other accountants and actuaries.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

Any issues that arise during the course of the audit that could cause delays in the issuance of the report or have an adverse impact on the audit opinion must be immediately communicated to the Deputy Executive Director of Administration of WORKFORCE West Virginia and to the Assistant Director of FAM Accounting Services. A written summary of the issue must also be provided within 24 hours.

3.2.4 Management Communication: WORKFORCE West Virginia's financial statements are to be included in the financial statements of the State of West Virginia. The auditor may be required to provide special assistance to WORKFORCE West Virginia's auditors, the State's auditors, and the Financial Accounting and Reporting Section of the West Virginia Department of Administration.

3.2.5 Working Paper Retention and Access: All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in

writing by WORKFORCE West Virginia of the need to extend the retention period. The firm will be required to make working papers available, upon request, to the following parties or their designees:

Deputy Executive Director of Administration
WORKFORCE West Virginia

Assistant Director of FAM Accounting Services
WORKFORCE West Virginia

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

In addition, the firm must respond to the reasonable inquiries of federal grantors and successor auditors and allow them to review working papers relating to matters of continuing significance.

3.2.6 Assistance To Be Provided To The Auditor and Report Preparation: The accounting staff of WORKFORCE West Virginia as well as management will be available during the audit to assist the auditors by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the auditor. In addition, an appropriate number of hours of clerical support will be made available to the auditor for preparation of routine confirmation/informational letters and memoranda.

No internal audit support will be available.

WORKFORCE West Virginia will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also be provided with access to telephone lines, internet access, photocopying facilities, and FAX machines. The auditor will provide WORKFORCE West Virginia with an estimate of the number of personnel to be assigned to the audit in the detailed audit plan.

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

The firm must deliver 50 copies of the bound final audit report for WORKFORCE West Virginia to Room 618, 112 California Avenue, Charleston, West Virginia 25305-0112 by the delivery date specified in Attachment B. Also an electronic copy of the report must be provided in a PDF or similar format for public review on the agency's website.

The dates in the Schedule of Delivery Dates for Reports are required delivery deadlines. Failure to deliver the required reports by the dates specified will result in liquidated damages as

described in section 3.4.15 and will be considered ground for immediate termination of this contract at the discretion of WORKFORCE West Virginia as described in section 3.4.12. If renewal of this contract for services in subsequent years occurs, the contract change order will contain the delivery dates for the renewal period as specified in Attachment B.

WORKFORCE West Virginia requires that the accounting firm be available to the management of WORKFORCE West Virginia to assist in dealing with accounting issues and new reporting requirements as they arise on an as needed basis. The bid must include a firm fixed fee for the services discussed above as well as an hourly rate scale for accounting and auditing consulting services. Hourly rates must include all travel and out-of-pocket expenses. (See Cost Quote section below.)

WORKFORCE West Virginia requires that the accounting firm be available to the agency to provide the application of agreed upon procedures to the agency's records. Also such procedures may be applied to the records of selected federal or state program subrecipient contracts at their location. The bid must include a firm fixed fee for the services discussed above as an hourly rate scale for these services. Hourly rates must include travel and out-of-pocket expenses. All such work will be within the boundaries of the State of West Virginia.

3.3 **Special Terms and Conditions:**

License Requirements:

The firm must be in good standing with the Unemployment Compensation Division of WORKFORCE West Virginia as of the date of the Quote and throughout the term of this contract.

3.4 **General Terms and Conditions:**

By signing and submitting their bid, the successful Bidder herein after called Vendor agrees to be bound by all the terms contained in Section Three (3) of this RFQ.

3.4.1 *Conflict of Interest:*

Vendor affirms that its officers, members, or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that, in the performance of the contract, the Vendor shall periodically inquire of its officers, members, and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to WORKFORCE West Virginia.

3.4.2 *Prohibition Against Gratuities:*

Vendor warrants that it has not employed any company or person other than a bona fide

employee working solely for the Vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agreed to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the State shall have the right to annul this contract without liability at its discretion, and/or to pursue any other remedies available under this contract or by law.

3.4.3 *Certifications Related to Lobbying:*

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

3.4.4 *Vendor Relationship:*

The relationship of the Vendor to the State will be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this RFQ and resulting contract. Neither the Vendor nor any employees or contractors of the Vendor shall be deemed to be employees of the State for any purposes whatsoever.

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, including but not limited to Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and WORKFORCE West Virginia with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

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

3.4.5 Indemnification:

The Vendor agrees to indemnify, defend and hold harmless the State and WORKFORCE West Virginia, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State statutes or regulations; (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

3.4.6 Contract Provisions:

After the successful Vendor is selected, a formal contract document will be executed between the State and the Vendor. In addition, the RFQ and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFQ, and the Vendor's Quote in response to the RFQ.

3.4.7 Governing Laws & Compliance:

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.

3.4.8 Compliance with Laws and Regulations:

The contractor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State, or municipal, along with all regulations and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use, or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant hereto shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

3.4.9 *Subcontracts/Joint Ventures:*

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of the subcontractor.

3.4.10 *Term of Contract & Renewals:*

This contract will be effective (date set upon award) and shall extend for the period of one (1) year, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of two (2) one year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The reasonable time period shall not exceed twelve (12) months. During the "reasonable time" period the vendor may terminate the contract for any reason upon giving WORKFORCE West Virginia ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith re-negotiation of the compensation paid to the Vendor by WORKFORCE West Virginia and of such other provisions of the contract that are affected. If renewal of this contract for services in subsequent years occurs, the contract change order will contain the delivery dates for the renewal period as specified in Attachment B. If such re-negotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

3.4.11 *Non-Appropriation of Funds:*

If WORKFORCE West Virginia is not allotted funds in any succeeding fiscal year for the continued use of the service covered by this contract by the West Virginia Legislature,

WORKFORCE West Virginia may terminate the contract at the end of the affected current fiscal period without further charge or penalty. WORKFORCE West Virginia shall give the vendor written notice of such non-allocation of funds as soon as possible after WORKFORCE West Virginia receives notice. No penalty shall accrue to WORKFORCE West Virginia in the event this provision is exercised.

3.4.12 *Contract Termination:*

The State may terminate any contract resulting from this RFQ immediately at any time the Vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFQ and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in the notice, the State shall issue the Vendor an order to cease and desist any and all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may also be terminated upon mutual agreement of the parties with thirty (30) days prior notice.

3.4.13 *Changes:*

If changes in scope of the original contract become necessary, a formal contract change order will be negotiated by the State, WORKFORCE West Virginia, and the Vendor, to address changes to the terms and conditions, costs of, or scope of work included under the contract. An approved contract change order is defined as one approved by the State and the West Virginia Attorney General's Office prior to the effective date of such amendment. An approved contract change order is required whenever the change affects the payment provision and/or the scope of the work. New and amended Federal and State regulations and requirements may necessitate such changes. (No changes in scope are to be implemented except with the approval of the State.)

As soon as possible after receipt of a written change request from WORKFORCE West Virginia, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide WORKFORCE West Virginia a written statement to identify any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the scope change, the Vendor shall provide a description of the price increase or decrease involved in implementing the requested change.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER.

THE VENDOR SHALL IMPLEMENT NO CHANGES IN SCOPE UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER. TO PROCEED ON VERBAL APPROVAL ONLY IS TO DO SO AT THE VENDORS OWN RISK.

3.4.14 Invoices, Progress Payments, & Retainage:

The Vendor shall submit invoices, in arrears, to WORKFORCE West Virginia at the address on 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 WORKFORCE West Virginia 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.

Progress payments are permitted. Vendor is required to identify points in the work plan at which compensation would be appropriate. Progress reports must be submitted to WORKFORCE West Virginia with the invoice detailing progress completed or any deliverables identified. Payment will be made only upon approval of acceptable progress or deliverables as documented in the Vendor's report. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services. A 10% retainage until the final deliverable will be applied to all progress payments.

3.4.15 Liquidated Damages:

According to West Virginia State Code 5A-3-4(8), Vendor agrees that liquidated damages shall be imposed at the rate of \$ 2,500.00 per day for failure to provide the audit report by the delivery date as specified in the delivery schedule shown as Attachment B for reasons attributable to the Vendor. Vendor will not be subject to liquidated damages if the reasons for the failure are attributable to WORKFORCE West Virginia. This clause shall in no way be considered exclusive and shall not limit the State or WORKFORCE West Virginia's right to pursue to any other additional remedy to which the State or WORKFORCE West Virginia may have legal cause for action including further damages and penalties against the Vendor.

3.4.16 Record Retention (Access & 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 a minimum of five (5) years and make available all records to WORKFORCE West Virginia personnel at Vendor's location during normal business hours upon written request by WORKFORCE West Virginia within 10 days after receipt of the request. Vendor shall have access to private and confidential data maintained by WORKFORCE West Virginia to the extent required for 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 WORKFORCE West Virginia 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.

3.5 Bid Requirements:

Mandatory Requirements

a. Independence

Governmental auditing standards as required by the governmental accounting office define independence in the second general standard for governmental auditing as follows:

“In all matters related to the audit work, the audit organization and the individual auditors, whether government or public, should be free from personal and external impairments to independence, should be organizationally independent, and should maintain an independent attitude and appearance.”

The firm must provide an affirmative statement that it is independent of WORKFORCE West Virginia and related systems as defined by general accepted auditing standards and the aforementioned governmental auditing standards as promulgated by United States General Accounting Offices. The firm must also provide an affirmative statement that it is independent of the State of West Virginia and any other component units of that entity as defined by those same standards.

In addition, the firm will provide an affirmative statement that it will review the independence of all personnel within the firm assigned to this engagement to ensure that they are independent of WORKFORCE West Virginia and the State of West Virginia and its component entities.

In addition, the firm shall give WORKFORCE West Virginia written notice of any professional relationships entered into during the period of the agreement with any major contractors as defined in WV § 29.22.23. The firm will also notify WORKFORCE West Virginia in writing if any other matters come to its attention during the engagement, which may impair its independence.

b. License to Practice in West Virginia

The firm and all assigned key professional personnel and all associated and subcontracted firms must be licensed to practice in West Virginia. In addition, the firm and all associated and subcontracted firms are in good standing with the Unemployment Compensation Division of the

State of West Virginia.

c. Quality Control

The fourth general standard as set forth in governmental auditing standards is promulgated by the United States Governmental Accounting Office states that “each audit organization conducting audits in accordance with these standards should have an appropriate internal control system in place and undergo an external quality control review.”

The firm and all associated and sub-contracted firms have in place an internal quality control system to provide reasonable assurance that an adequate quality standard will be maintained during the engagement. In addition, copies of the firm or firms internal control document should be attached to the RFQ as well as a copy of the most recent external quality control review or made available within 48 hours upon request of the agency. Should the written report of the most recent external quality control review disclose significant matters that would leave doubts as to the ability of the firm to maintain quality control, a written explanation should be attached to say what steps have been taken by the firm to improve their quality control procedures. The quality control review should have included a review of specific governmental engagements.

The firm should provide with the bid or make available within 48 hours request from the agency information on the results of any federal or state desk reviews or field reviews of its audits during the past three years.

Section I Firm Qualifications and Experience

The firm must have been in business in West Virginia at least 10 years and have at least 5 years experience conducting governmental audits and audits under the Single Audit Act. The firm must currently have on staff at least 10 accounting professionals with at least half of those holding a CPA in West Virginia or similar certification. In addition, the firm should incorporate into the bid a list of those specific clients and engagements which they have performed within the last three years that are similar in nature to WORKFORCE West Virginia, including contact names and numbers where available and appropriate. The state of West Virginia reserves the right to contact these clients.

Should the firm intend to include any subcontracted firms the firm must provide the information for each subcontracted firm as for the primary firm; however, the primary firm will still be responsible for the results and deliverables of the contract.

Section II Personnel Qualifications and Experience

The firm must identify the managing partner of the office from which the engagement will be performed. The contact information for the managing partner must include the name of the managing partner, his address, his direct dial telephone number, fax number, and email address. This information is intended for use in the unlikely event that WORKFORCE West Virginia is unable to obtain satisfactory responses from the audit team and need to have direct contact with management.

The firm must identify the principal supervisory and management personnel to be included in the engagement including the engagement partner, reviewing partners, managers, other supervisors and specialists. All personnel must hold a license to practice as a Certified Public Accountant in West Virginia.

The vendor must provide for each of the aforementioned personnel a resume outlining the qualifications and experience including years of experience in the auditing field and in the governmental sectors. Resumes should be attached to the bid response or made available within 48 hours upon request of the agency. As a minimum, each resume must include the following:

- **Number of years of total experience**
- **Numbers of years of experience in specific specialties and a description of each specialty**
- **General certifications and qualifications obtained**
- **Listing of relevant continuing professional education courses within the last three years**
- **A list of those clients similar to WORKFORCE West Virginia for which the person has performed a significant amount of work within the last three years**

A chief concern of WORKFORCE West Virginia is the ability of the successful firm to maintain the quality of staff assigned to the engagement over the term of agreement. The firm must clearly state what steps will be taken in order to ensure the quality of staff over the term of the agreement.

All personnel assigned to the engagement must have at least one year of auditing experience in public accounting or a similar environment.

Subcontracted and jointly associated firms can only be added, dropped, or changed with the expressed written permission of WORKFORCE West Virginia, which retained the right to approve and reject these changes. Personnel assigned to the engagement by subcontracted or jointly associated

firms must go through the same approval process as the primary firm's personnel discussed above. Any changes regarding a subcontractor must be made via a contract change order and subject to approval of the State Purchasing Division.

COST QUOTE FOR AUDIT SERVICES

<u>Classification</u>	<u>Estimated Hours</u>		<u>Hourly Rate</u>	<u>Cost</u>
Partner	20	X		
Manager	25	X		
Supervisor	15	X		
Seniors	85	X		
Staff	78	X		
Clerical	10	X		
Other (identify)	15	X		
Total all-inclusive fee for (project)			\$	

COST QUOTE FOR ADDITIONAL ACCOUNTING AND AUDITING CONSULTING SERVICES

<u>Classification</u>	<u>Hourly Rate</u>
Partner	
Manager	
Supervisor	
Staff	
Clerical	
Other	

All hourly rates must include all travel and out-of-pocket expenses.

COST QUOTE FOR ADDITIONAL AGREED UPON PROCEDURES SERVICES (Based upon Distance from Charleston, WV)

<u>Classification</u>	<u>Hourly Rate</u>		
	Less than 100 Miles	At least 100 but not more than 200 miles	More than 200 miles
Partner			
Manager			
Supervisor			
Staff			
Clerical			
Other			

Attachment B

BUREAU OF EMPLOYMENT PROGRAMS TIMETABLE FOR COMPLETION OF AUDIT	
Required Submission or Event	Required Completion/ Submission Date
Entrance conference	Before June 23, 2006
Detailed audit plan	July 17, 2006
Field work to begin	On or after July 17, 2006
Draft of WORKFORCE West Virginia reports and financial statements for review	September 1, 2006
Revised draft with all requests changed and modification of WORKFORCE West Virginia reports and financial statements for review	September 8, 2006
Draft submitted to the Financial Accounting and Reporting Section (FARS) of the Department of Administration with copies to the Deputy Executive Director of Administration of WORKFORCE West Virginia	September 15, 2006
Unsigned final draft with all modifications to WORKFORCE West Virginia management for final review	October 9, 2006
Final signed report for WORKFORCE West Virginia submitted to WORKFORCE West Virginia and to the Financial Accounting and Reporting Section of the Department of Administration	October 16, 2006

A F F I D A V I T

031

West Virginia Code §5A-3-10a states:

No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

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

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions.

"Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION:

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

LICENSING:

The vendor must be licensed in accordance with any and all state requirements to do business with the state of West Virginia.

CONFIDENTIALITY:

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

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

Vendor's Name: _____

Authorized Signature: _____ Date: _____