



2241 Langhorne Road * Lynchburg VA 24501 * (434) 847-8050 * Fax (434) 847-6099

RFP #2020-01
Professional Audit Services

I. Objective

Independent certified public accounting firms with required applicable training and certifications are invited to submit proposals to enter into a contract for providing audit services for Horizon Behavioral Health, a political subdivision of the Commonwealth of Virginia.

II. Timeline

A. Proposal Issuance Date

January 27, 2020

B. Question Deadline & Contact Information

Questions concerning this RFP should be directed, in writing by email (Michael.Dix@HorizonBH.org) to *Michael Dix (voice 434-455-1767)* in the Purchasing Office no later than 5 business days prior to the closing date of the proposals (no later than the end of the business day Monday, February 10, 2020). Any revisions to the solicitation will be made only by written addendum issued by the Purchasing Office.

C. Proposal Deadline

Monday, February 17, 2020 no later than 3 PM. Any proposal received after that time will not be considered.

D. Period of Contract

4 - Years, contingent upon satisfactory contract performance.

III. Background

Horizon Behavioral Health has facilities in Lynchburg and the surrounding area to provide services for Mental Health, Developmental Services, Substance Abuse and Prevention.

IV. Statement of Need

All effort necessary for the certified public accounting firm (herein after called Auditor) to perform a financial audit for Horizon Behavioral Health (herein after called HBH); in accordance with all generally accepted practices and principles, as well as all applicable statutes and legal requirements (see section VI. Reference Documents), as outlined herein:

A. Audit

The Auditor shall audit all funds and account groups of HBH. The Auditor shall perform tests of compliance and internal controls. The audit shall result in the preparation of financial statements from the audited records of HBH with the Auditors' opinion thereon -OR- the rendering of the Auditors' opinion on the financial statements prepared by HBH.

The Auditors' opinion shall be expressed in the report and include his/her reasons for qualifying the opinion, disclaiming an opinion, or rendering an adverse opinion. The independent Auditor also shall express an opinion as to the fair presentation of the combining, individual fund, and individual account group financial statements in accordance with generally accepted accounting principles. The Auditor is required to provide an "in-relation-to" report on the supporting schedules and statistical tables based upon his/her audit of the financial statements.

The Auditor is not required to audit the schedule of federal assistance. However, the Auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The Auditor should submit a management letter with each audit. The letter should offer suggestions for improvement in financial management and internal controls.

As guided by AICPA Auditing Standards Board Statement on Auditing Standard No. 68, the Auditor should exercise due professional care in understanding the type of engagement and also requiring that if during the audit the auditor becomes aware that HBH is subject to audit requirements which may not be encompassed in the terms of the engagement he or she should communicate to management and the audit committee or others with equivalent authority and responsibility that the audit may not satisfy the requirements.

B. State Requirements

The Auditor should provide the following information for use by State agencies. This information may be reported in the "Notes to the Financial Statements", and/or by separate reports, or schedules, as appropriate.

NOTE: The Department of Behavioral Health and Developmental Services will not participate in sharing the cost of any audit which does not comply.

- 1) Include in the audit report 1) a schedule (by disability and total) of the reconciliation of revenues and expenditures to the fourth quarter report and 2) a schedule (by disability and total) of the reconciliation of federal revenues to the fourth quarter report.
- 2) The Auditor should audit the Substance Abuse Prevention and Treatment Grant (both revenues and expenditures) for accounting accuracy and expenditure appropriateness as if the grant were a major program (Uniform Guidance 2 CFR Part 200) regardless of dollar amount received by HBH.
- 3) Based on a sample, the Auditor shall determine the appropriateness of expenditures charged to Federal funds as guided by Uniform Guidance 2 CFR Part 200.
- 4) The Auditor shall disclose the local tax dollar funding received by HBH specified by locality.
- 5) The Auditor should disclose surety information (company, employees covered, and amount of coverage) Code of Virginia, §2.2-1840.

A copy of the audit contract and winning RFP should be filed with the Virginia Auditor of Public Accounts and the Virginia DBHDS. HBH is responsible for making these filings.

C. Type and Submission of Reports

The Auditor shall have drafts of the audit reports and recommendations to management available for review by HBH Executive Director and Management by September 30th of the same calendar year as the ending of the fiscal year being audited.

The firm shall provide HBH with 30 copies of the financial statements and Auditor's report thereon and management letter no later than November 15th of the same calendar year as the ending of the fiscal year being audited. A copy of the financial report, including Auditor's reports on internal controls and compliance, must be submitted to the Auditor of Public Accounts not later than November 30th of the same calendar year. In addition, a copy of the financial report, report on internal controls, and report on compliance must be submitted to each State agency that provided Federal funds to HBH.

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

Required Reports: Based on the audit work performed, the Auditor must issue the following reports.

1. A report on the fair presentation of the general-purpose financial statements and the combining individual fund and individual account group financial statements in conformity with generally accepted accounting principles.
2. A report on the internal control structure based on the Auditor's understanding of the control structure and assessment of control risk. The Auditor shall communicate all reportable conditions (as defined by the AICPA) found during the audit in the report on internal controls. Non-reportable conditions discovered by the Auditor

shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls and copied to the Office of Financial Review and Assistance, Behavioral Health and Development Services.

3. A report on the internal control structure used in administering federal assistance programs. The Auditor shall communicate all weaknesses which could have a material effect on a federal assistance program in the report on internal controls. Other conditions discovered by the Auditors shall be reported either in the report on internal controls or in a separate letter to management. If the non-reportable conditions are reported in a separate letter, the letter will be referred to in the report on internal controls and copied to the Office of Financial Review and Assistance, Behavioral Health and Development Services.
4. A report on compliance based on the audit of the general purpose financial statements performed in accordance with Government Auditing Standards. The Auditor shall communicate all instances of noncompliance which could have a material effect on the general-purpose financial statements in the report on compliance.
5. A report on compliance with specific requirements applicable to major federal assistance programs. The Auditor shall communicate all instances of noncompliance with the specific requirements for major federal assistance programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.
6. A report on compliance with the general requirements applicable to federal assistance programs. This report should be prepared regardless of whether the CSB has major assistance programs. The Auditor shall communicate all instances of noncompliance with the general requirements in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.
7. A report on compliance with the requirements applicable to non-major federal assistance programs if transactions from non-major assistance programs were selected for testing during the audit. The Auditor shall communicate all instances noncompliance with the requirements governing non-major programs in the report on compliance or in the Schedule of Findings and Questioned Costs. If matters of noncompliance are disclosed in the Schedule of Findings and Questioned Costs, the Schedule shall be referred to in the Auditor's report on compliance.
8. A report disclosing the status of findings and recommendations from previous audits that have remained uncorrected.
9. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the Chairman of the Community Services Board, the Executive Director of the Community Services Board, the Director of Finance of the local government serving as fiscal agent of the Board, and the Commissioner of the Department of Behavioral Health and Development Services.
10. A report on the fair presentation of the Schedule of Federal Assistance.

D. Assistance Provided to the Auditor

The staff of HBH and responsible management personnel will be available during the audit to assist the firm by providing information and explanation. In addition HBH will provide:

1. *Books of Account:* HBH represents that the books of account will be fully balanced, all subsidiary ledgers reconciled to control accounts, and all bank accounts for all months reconciled no later than 30 days immediately following statement date.
2. *Schedules:* The staff of HBH will prepare the following information on forms acceptable to the Auditor:
 1. A final trial balance of each fund;
 2. A final trial balance of each subsidiary ledger;
 3. A schedule of federal program revenues, expenditures and beginning and ending balances by program;
 4. A copy of the final budget presented to the board for the audit period, the original budget ordinance for the audit period and all amendments to the budget ordinance;

5. A copy of all capital projects and all amendments thereto for all projects beginning during the period or not fully completed prior to the period;
6. A schedule of insurance in force during the year and of insurance expense for the year;
7. A schedule of investments of all funds at statement date showing both book value and estimated market value at statement date;
8. A schedule of all capital outlays during the period;
9. A schedule of all capital asset dispositions during the period;
10. A schedule of accounts payable at statement date;
11. Reconciliation of the final quarter's fringe benefit tax returns;
12. Copies of all contracts with governmental grantor or grantee agencies;
13. Copies of all other contracts in force at statement date of a material amount; and
14. Such reasonable additional schedules as may be requested for financial audits.

V. Reference Documents

Auditor must be familiar with and act in accordance with generally accepted accounting and auditing standards, standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, Audits of State and Local Governments, and the Specifications for Audits of Authorities, Boards and Commissions issued by the Auditor of Public Accounts, Commonwealth of Virginia. Auditor is responsible for compliance with any applicable legal requirements that may have been omitted from this list, as well as changes in legal requirements that may arise during the performance of the contract.

VI. Proposal Preparation and Submission Requirements

A. General Instructions

1. Proposals should not be extensive but should convey enough information for the Agency to evaluate the ability of your firm to provide the requested services. Proposals must contain the following, in this order:
 1. Letter of transmittal
 2. Table of contents
 3. Brief description of the firm(s)
 - History
 - Principals
 - Qualifications to undertake this project
 4. List of personnel who would be assigned to the project in terms of:
 - Related experience
 - Project team role and time commitment of each member
 5. Brief description of not more than 3 similar projects.
 6. Briefly describe your firm's general approach to providing like services (use exhibit if appropriate).
 7. Fees for Services
 - Itemized service fees
 - Itemized list of total cost per year for all 4 years
1. Proposals should not be accompanied by voluminous plans or reports as examples of the proposer's previous work.
2. Proposals are to be returned to Michael Dix at, Horizon Behavioral Health, Executive Office, 2215 Langhorne Road, Lynchburg, Virginia 24501.
3. The original Request for Proposal must be returned with your proposal.

B. Specific Instructions

1. In order to be considered for selection, offerors shall submit a complete response to this RFP. One (1) original and **three (3)** copies of each proposal are to be submitted.
2. All proposals shall be returned in a sealed envelope marked **Audit Services**. Proposals shall be signed by an authorized representative of the offeror. Courier and regular mail packages shall be clearly marked as to the contents.
3. Vendors that will be performing services at a HBH site must be able to present Certificates of Insurance stating a minimum of 1 million dollar General Liability and Workers Compensation in the statutory amount. Such certificates will only be required of the successful firm.

VII. Contract Award and Development

- A.** The Competitive negotiation method of selection will be used to determine the most qualified offeror among those submitting proposals. Proposals will be evaluated in accordance with the "proposal evaluation criteria" in the RFP.
- B.** The content of the RFP and the successful offeror's proposal will become an integral part of the contract, but may be modified by provisions of the contract. Offerors must be amenable to inclusion in a contract of any information provided either in response to this RFP or subsequently during the selection/negotiation process. The information received will be considered contractual in nature and will be used in validation and evaluation of proposals and in subsequent contractual action.

VIII. Proposal Evaluation Criteria & Selection Process

Proposals will be reviewed in accordance with the following evaluation criteria:

1. Experience with providing like services to similar public agencies
2. The skill, experience and training of the specified persons who will be performing the services requested, as well as the number of persons on staff with the qualifications to perform audit services for HBH.
3. The Auditor's understanding of HBH's system of accounting obtained through prior experience or discussion with appropriate HBH officials.
4. Ability to complete the audit and submit the financial statements and Auditor's reports to the Department of Behavioral Health and Development Services by the required deadline.

The selection process will be in accordance with the Virginia Public Procurement Act, which stipulates that Request for Proposals be processed as follows:

HBH shall choose two or more offerors deemed fully qualified, responsible and suitable on the basis of initial responses and with emphasis on professional competence, to provide the required services. Informal interviews will be held to allow firms to elaborate on their qualifications and performance data or staff expertise pertinent to the audit. Estimates of man-hours or cost for services discussed during those interviews will be non-binding.

At the conclusion of the discussions, on the basis of the selection criteria listed in this Request for Proposals and all information developed in the selection process to this point, HBH shall select in order of preference two or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, with the offerors we rank based upon our weights. If a contract is satisfactory and advantageous to HBH that can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. If not, we will elect to cancel the RFP and re-solicit at a future date if we deem necessary. *Note that the award does not need to be made to the Offeror with the lowest price, as long as it is determined to have the "best" overall proposal that meets/exceeds our requirements.*

Should HBH determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.

IX. Cooperative Agreement

The Auditor agrees that this Contract shall be extended to any jurisdiction within the Commonwealth of Virginia to purchase at contract prices in accordance with contract terms. Any jurisdiction using such contract shall place its own order(s) directly with the Auditor. HBH acts only as its own Contracting Agent and is not responsible for placement of orders, payment, or discrepancies of the participating jurisdictions. It is the Auditor's responsibility to notify the jurisdictions of the availability of the contract.

X. General Terms and Conditions

- A.** Offerors who submit a bid in response to this RFP may be required to give an oral presentation of their bid to the agency. This will provide an opportunity for the offeror to clarify or elaborate on the bid. The agency will schedule the time and location of these presentations. Oral presentations are an option of the agency and may not be conducted. Therefore, proposals should be complete.
- B.** No member of the governing body, officer, or employee of HBH during his/her tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof.
- C.** The agency reserves the right to accept any bid or to reject any or all proposals.

- D.** HBH may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the work, and the offeror shall furnish to the agency all such information and data for this purpose as may be requested. The agency reserves the right to inspect offeror's physical facility prior to award to satisfy questions regarding the offeror's capabilities. The agency further reserves the right to reject any offer if the evidence submitted by, or investigations of, such offeror fails to satisfy the agency that such offeror is properly qualified to carry out the obligations of the contract and to complete the work contemplated therein.
- E.** All proposals submitted under the RFP will become the property of the HBH and will not be returned. In accordance with the Virginia Public Procurement Act: "Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the bidder, offeror or contractor must invoke the protections of this section prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary."
- F.** HBH will not be responsible for any expenses incurred by a potential offeror in preparing and submitting a bid.
- G.** Proposals received after the date and time stated will not be considered. It is the responsibility of the offeror to see that his/her bid is received in the Purchasing Office by the specified time and date. Date of postmark is not considered. Telephone, telegraph, emails, and facsimile proposals are not acceptable.
- H.** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- I.** By submitting a Bid, the Offeror covenants and agrees that he has satisfied himself, from his/her own investigation of the conditions to be met, that he fully understands his/her obligation and that he will not make any claim for, or have right to cancellation or relief from the contract because of any misunderstanding or lack of information.
- J.** Payment shall be made upon 30 days receipt of accurate and complete monthly statements.
- K.** By signature on this solicitation, bidder certifies that it does not and will not during the performance of the Contract employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986.
- L.** By written notice to the Contractor, HBH may from time to time make changes, within the general scope of the Contract, in the services provided by the Contractor. The Contractor shall promptly comply with the notice and shall perform services in conformity to the notice. If any such change causes an increase or decrease in the Contractor's cost of performance, an equitable adjustment in the payment rate shall be negotiated and the contract modified accordingly by written supplemental agreement.
- M.** The Contractor shall adhere to the rules and regulations proclaimed by the Purchasing Agency regarding the confidentiality of client related information during and after the term of the contract.
- N.** If the Contract involves patient care, the contractor will adhere to the standards set by the Purchasing Agency regarding quality assurance and participate with the Purchasing Agency in the systematic and ongoing monitoring and evaluation of patient care.
- O.** Failure to submit a Bid on the form provided for that purpose shall be a cause for rejection of the Bid. Return of the complete document is required. Modification of or additions to any portion of the solicitation may be cause for rejection of the Bid; however, HBH reserves the right to decide, on a case-by-case basis, at its sole discretion, whether or not to reject such a Bid as nonresponsive.
- P.** HBH reserves the right to conduct any inspection it may assume advisable to assure supplies and services conform to the specifications.
- Q.** Any payment terms requiring payment in less than thirty (30) days will be regarded as requiring payment thirty (30) days after invoice or delivery, whichever occurs last. However, this shall not affect offers of discounts for payment in less than thirty (30) days.
- R.** In case of failure to deliver services in accordance with the contract terms and conditions, HBH, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs.

- S.** A contract shall not be assignable by the Contractor in whole or in part without the written consent of the Chief Executive Officer of HBH.
- T.** By submitting their proposals, all Offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their Bid, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- U.** The agency reserves the right to cancel any subsequent contract at any time the agency, at its sole discretion, deems it to be in the agency's best interest to do so by giving the contractor 30 days written notice. Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver or perform on all outstanding orders issued prior to the effective date of cancellation.
- V.** By submitting their proposal, all bidders and offerors certify to HBH that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians with Disabilities Act, The Americans with Disabilities Act, Section 11-51 of the Virginia Public Procurement Act, and the Lynchburg Procurement Ordinance.

1. During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonable necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with Federal Law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The contractor will include the provisions of the foregoing paragraphs a, b and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

IN COMPLIANCE WITH THIS REQUEST FOR PROPOSAL AND TO ALL THE CONDITIONS IMPOSED HEREIN, THE UNDERSIGNED OFFERS AND AGREES TO FURNISH THE SERVICES IN ACCORDANCE WITH THE ATTACHED SIGNED PROPOSAL OR AS MUTUALLY AGREED UPON IN WRITING BY SUBSEQUENT NEGOTIATION.

Company Name and Address:

Date: _____

Name: _____

Signature in Ink

_____ **ZIP** _____

Title: _____

Telephone: _____

Print Name: _____

Fax: _____