



BID #: 2025-07

DATE: February 18, 2025

Sealed Bids, subject to the general conditions and specifications hereby attached, will be received at the Department of Finance, Second Floor, Attn: Melisa Blythe, City Hall Building, 207 W. Second Avenue, Franklin, Virginia 23851 until, but not later than **3:00 p.m. prevailing local time March 21, 2025.**

INSTRUCTIONS FOR SEALED BID SUBMISSION

1. All bids must be submitted in a sealed envelope. Each Sealed Bid submission shall include one (1) original and one (1) electronic [USB] version. **Bid Submissions received that do not contain both paper and electronic copies WILL NOT be considered. Please do not bind—Stapling is preferred.**
2. **In-person submission:** Hand delivered bids must be taken to the Finance Department located on the 2nd floor of 207 W. Second Avenue, Franklin VA 23851.

If you plan to HAND DELIVER your bid, please be sure to arrive no later than fifteen (15) minutes prior to Bid Due date/time to ensure you bid is counted.

3. Regardless of delivery method of bid, the **outside** of each envelope must clearly indicate the following: *(if bid is delivered by Federal Express, UPS, USPS Priority, etc. or any other means, the outside of **each** envelope **must also** clearly indicate):*

**Department of Finance
ATTN: Melisa Blythe
Second Floor
City Hall Building
207 W. Second Avenue
Franklin, Virginia 23851**

Closing Date of Bid: March 21, 2025

Commodity Name: FORENSIC AUDITING SERVICES

Bid # 2025 - 07

4. Unless otherwise specified, bidders are to complete and return all Bid Documents furnished by the City. All Bid Documents shall be signed in the spaces provided and returned. Bids or changes to a bid response shall not be accepted via fax or email.
5. **ANY BID RECEIVED AFTER THE ANNOUNCED TIME AND DATE OF OPENING, WHETHER BY MAIL OR OTHERWISE, WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED.**

The right is reserved to reject any or all Bids submitted and also to place the order where it appears it will be to the best interest of the city.

If you desire not to bid on this invitation, please forward your acknowledgement of NO BID.

All bid quotations are subject to general terms and conditions hereby attached and will be rejected if not properly executed.

Individual contractors must provide their social security numbers and other types of firms must provide their federal employer identification numbers in the payment clauses to be included in contracts.

Quantities indicated herein are estimates of anticipated usage. It is understood and agreed to between the parties of a resulting contract that the City may increase or decrease quantities at the quoted price. Furthermore, it is agreed to between the parties of a resulting contract that the City shall not be obligated to purchase or pay for materials by such contract unless and until they are ordered and delivered.

The City reserves the right to be sole judge and to make the award in accordance with its own judgement as to what will best meet its requirements and be in the best interest of the City. The City reserves the right to reject any or all bids, to waive all informalities, and to reject any or all items of any bid.

AVAILABILITY OF FUNDS: It is understood and agreed between the Bidder and the City that the City shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this quotation or agreement.

WITHDRAWAL OF BID: No bid may be withdrawn for a period of ninety (90) days from the date of bid opening unless the bidder has made a clerical error. The bidder shall give notice in writing of his claim of right to withdraw his bid within two (2) business days after the conclusion of the bid opening procedure and shall submit original work papers substantiating the error with such notice.

Bidding and contracting procedures shall conform to all applicable regulations and provisions of the *City of Franklin Purchasing Policies and Procedures*; a copy of which is available on the City's website (www.franklinva.com) under the tab GOVERNMENT, section DEPARMENTS, section FINANCE, under FORMS AND DOCUMENTS.



In compliance with Invitation for **Bid #2025-07** and subject to all conditions thereof and attached thereto, the undersigned offers and agrees if the Bid price and conditions will be accepted within ninety (90) calendar days from the date of opening to evaluate, to furnish any and all of the items upon which the prices are quoted, at the price set opposite each item, delivered at the points as specified and as scheduled.

| | |
|-------------------------------------|------------------|
| NAME OF ORGANIZATION | TELEPHONE NUMBER |
| STREET ADDRESS | EMAIL ADDRESS |
| CITY, STATE, ZIP CODE | FAX NUMBER |
| NAME (TYPE OR PRINT) | OFFICIAL TITLE |
| SIGNATURE | DATE |
| STATE CORPORATION COMMISSION ID# | IRS I.D. # |

GENERAL

The City of Franklin is seeking to conduct a forensic audit of its financial records for the past five years and current fiscal year. This audit aims to ensure transparency, accountability, and accuracy in our financial operations. The City of Franklin (hereinafter referred to as the "City") requests firms of qualified Independent Certified Public Accountants (herein after referred to as "offerors," with the successful offeror or offerors referred to as the "Contractor") to submit proposals to enter into a term contract to perform a forensic audit for each of the following areas identified below:

- General Fund
- Special Revenue Funds
- Enterprise Funds
- Open Lines of Credit for all Past and Current City Employees
- City Issued Credit Cards [P-Cards]
- City Issued Gas Cards

It is the intent of this Request for Proposals to have all auditing services performed by one Contractor; however, the right is reserved to award multiple, separate contractors. The most responsive and most qualified auditing firm shall perform a forensic audit involving a factual investigation deemed necessary to identify and quantify any abnormal activity, if any during the fiscal periods identified below.

- FY 2020
- FY 2021
- FY 2022
- FY 2023
- FY 2024
- FY 2025-Present

This Forensic Audit shall not be conducted in conjunction with the preparation of the Annual Comprehensive Financial Report ("ACFR") and shall be independent. Any previous contracted auditors who were hired and worked for the City of Franklin during the last 5 fiscal years shall not be eligible to submit a proposal on this solicitation.

BACKGROUND

1. The City of Franklin is located in the Western Tidewater Section of the Hampton Roads and encompasses 8.75 square miles. The City borders the Counties of Southampton and Isle of Wight. The estimated populations is 8,339.

The City Manager serves as the Chief Executive Officer and is responsible for the proper administration of city government. The seven-member City Council establishes local laws, provides government policy and oversight, and approves the city budget.

The primary government provides a full range of services including general government administration, public safety, public works, human services, and community development.

The City's financial statements are prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applicable to governmental units.

The major funds reported by the City are included in the current audit of the City financial statements are Governmental Funds (General Fund, Capital Projects, Special Revenue and Permanent Funds), Proprietary Funds (Water & Sewer, Solid Waste, Electrical, and Airport Operations), and Fiduciary Funds (Trust & Agency Funds).

Information describing the City of Franklin, Virginia, the funds and activities to be audited, and the financial highlights of the City can be obtained by reviewing the City of Franklin's Annual Comprehensive Financial Report's (ACFR). The ACFR is available at the City's website: www.franklinva.com or available for review at the Department of Finance.

SCOPE OF WORK

1. Eligibility Requirements - To be eligible to qualify as a Contractor, the following minimum requirements must be met and maintained during the term of any resultant contract:

- A. The Contractor must be licensed to practice in Virginia as a Certified Public Accountant firm.
- B. The Contractor must be a member of the American Institute of Certified Public Accountants and must adhere to the AICPA professional standards of audit practices and conduct.
- C. The Contractor's staff supervisor proposed to be assigned to this forensic audit must have at least five years' experience auditing similar governmental units.
- D. The Contractor must have established the capacity to perform forensic audit procedures or forensic accounting procedures for government organizations and be able to conduct a forensic examination that will include findings and recommendations to correct nonstandard, irregular financial and accounting procedures, practices, or policies.
- E. During the course of the initial investigation, the scope of work may be further expanded or altered at the recommendation and approval by the City Manager, with written changes approved in writing by the City Manager. It is possible that the initial forensic audit may uncover new facts, unknown data or relevant queries that could change the scope of the audit.

2. Audit

A. The forensic audit shall include a comprehensive review of all types of all types of payments including, but not limited to:

- Automatic Payments [Monthly and Yearly Subscription]
- All types of deposits
- All types of procedures
- Signature authorizations
- Miscellaneous documentation and other pertinent authorizations

B. The forensic audit shall include a thorough review of internal controls including:

- Cash Collection and handling procedures
- Personal Checks (including Payroll)
- Credit cards including city issued purchasing and travel cards
- Online payments
- Other payment transactions and internal controls
- City issued Credit Cards [P-Cards]

C. This audit shall include recommendation on revenue enhancement opportunities.

D. This audit shall review any contracts the City has with firms for the collection of delinquent taxes and/or third party collectors and ensure that the City has received appropriate funds in accordance with the agreements(s). The audit shall review these contracts to ensure they were appropriately procured in accordance with City and State procurement guidelines.

E. The forensic audit shall provide an explanation and detailed documentation for the depletion of the Fund balances. This examination includes evaluating compliance with applicable city, state, and federal laws.

F. The audit firm shall perform investigations and research to assure citywide compliance with the Generally Accepted Accounting Principles (GAAP), as well as provide findings and recommendations, if any, to correct any identified accounting procedures or practices that are nonstandard or irregular. These findings and recommendations shall include cause and consequence of any instance, if any, of criminal activity, illegal acts, and potential fraudulent activity or civil liabilities.

This investigation may include requesting access to all current and previous employee email accounts the City agrees to provide access for investigative purposes. The auditing firm shall cooperate with any and all law enforcement agencies for pending and new investigations.

3. Following Completion of the forensic audit, contracted firm shall issue:

A. A written report communicating all discovered abnormal financial activity, past or present, its quantification, cause and consequence including instances of criminal activities, illegal acts, and potentially fraudulent activity or civil liabilities that could support future legal action by the City.

B. A letter to the City Manager indicating any deficiencies that were found during the forensic audit. A “deficiency” in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

4. Periods to Be Audited

A. The forensic financial audit shall be a comprehensive review and reconciliation of current and past fund practices in order to identify any abnormal financial activity, if any, during the following fiscal years.

- FY 2020
- FY 2021
- FY 2022
- FY 2023
- FY 2024
- FY 2025-Present

5. Meetings

A. The Contractor shall schedule conferences with the City Manager and Director of Finance before preliminary work, during the engagement, and upon issuance of an audit opinion. The initial meeting will be held to develop a schedule of year-end tasks with appropriate due dates and assignment of responsibilities. Additional meetings shall be scheduled as necessary in order to complete the audit on a timely basis. The purpose of these meetings is to keep the governing body fully informed on the scope and

progress of the audit. The Auditor shall disclose promptly to the City Manager and Director of Finance any material weakness in internal controls, along with suggestions for improvements.

6. Invoices and Payment

A. The Contractor shall provide the City invoices that detail the fees for each deliverable.

B. The Contractor's unit prices shall remain firm for the term of this Contract. The unit prices for renewal terms, if any, shall be negotiated by the City and the Contractor as part of the renewal process initiated by the City's Procurement staff.

7. Access to Work Papers and Other Records

A. The Contractor shall make available to the City, upon demand and with notice reasonable under the circumstances, all work papers and other records in its possession concerning work performed under this contract for the City. No charge shall be made for allowing the City to examine such work papers and other records. If the City desires copies of any such work papers and records, the City shall pay only the actual cost of the Contractor in making such copies or having such copies made. Any legal or managerial reviews associated with this production are specifically excluded from these actual costs. In the event work papers or other records are required to be made available to a party other than the City pursuant to a subpoena or other lawful order issued by a governmental body and such requirement is not made upon the demand of the auditee, then the auditee shall not be liable for any costs associated with the Contractor's provision of such work papers or other records pursuant to such subpoena or other order.

PROPOSAL CONTENTS

The proposal must include all of the information set forth in this section and be organized as set forth in this section.

1. **Tab 1 – Signed Forms.** This tab should include the following completed and signed forms:
 - a. Proposal Signature Sheet
 - b. Offeror Data Sheet
 - c. Virginia State Corporate Commission Registration Information Sheet (SCC)
 - d. Proprietary/Confidential Information Identification
 - e. Minority Business Report
 - f. Small Purchase Card
2. **Tab 2 – Statement of the Scope.** In concise terms, state the Offeror's understanding of the scope of work presented by the RFP. The Offeror should address each section of the scope of services with an indication of the response. The Offeror shall identify any exceptions, referenced to the paragraph number, in a subsection titled "Exceptions."
 - a. Outline the firm's approach to the City's project including scope of services to be performed.
 - b. Ability of the firm and staff to meet the requirements and schedule.
 - c. Evidence of appropriate license or certification necessary to perform the services in the Commonwealth of Virginia.
3. **Tab 3 – Executive Summary.** This tab should provide a brief summary of the proposal's contents, emphasizing any unique aspects or strengths of the proposal. The Executive Summary should not exceed three pages.
4. **Tab 4 – Key Personnel.** This tab should include the résumés or curriculum vitae of the offeror's key staff

members. It should identify the specific employees assigned to provide the services solicited by this Request for Proposals. For each key person identified by the offeror, this tab should include the following information, provided in résumé format:

- a. Name and title.
- b. Office location and City of residence.
- c. Project responsibilities and roles.
- d. Educational background.
- e. Professional registrations and memberships (if applicable).
- f. Years of relevant experience.

5. **Tab 5 – Offeror History.** This tab should include a comprehensive narrative history of the firm, including the development of its experience in providing auditing services to governmental entities and the depth of resources to provide the forensic auditing services solicited by this Request for Proposals. Explain the size of your firm, including years in business, office locations and legal structure.
6. **Tab 6 – References.** This tab should include the names, addresses and telephone numbers of at least five (5) other local governments with whom offeror has worked during the last five (5) years. The tab should briefly identify the project, location and services performed. The tab should also include an affirmative statement that the offeror grants its consent for the City to contact the offeror’s references for purposes of evaluating the offeror for this Contract and acknowledge that any information obtained from the offeror’s references will not be disclosed to the offeror. Offerors may not use the City of Franklin as one of their references.
7. **Tab 7 – Forensic Audit Approach.** This tab should describe in detail the offeror’s proposal for providing the auditing services solicited by this Request for Proposals.
8. **Tab 8 – Work Plan and Timeline.** This tab should:
 - a. Outline each of the proposed major task required to complete the engagement and estimate the approximate amount of time required of each.
 - b. Indicate the estimate number(s) of professional hours, by person or class, allocated to each major task.
 - c. Indicate the approximate dates that field work will begin and end, for both preliminary and final field work. Also indicate estimated dates for delivery of audit reports.
9. **Tab 9. Mandatory Criteria.**
 - a. Affirm that your firm, the partner and manager assigned to the audit engagement are properly licensed to perform the scope of services requested. Copies of licenses must be submitted in this section.
 - b. Affirm that your firm meets the independence standards defined in the Ethical Rules of the AICPA and the Government Auditing Standards.
 - c. Affirm that your firm meets the peer review standard of the AICPA and Government Auditing Standards.
 - d. Affirm that the staff assigned to the forensic financial audit has complied with the general standards of qualifications, including continuing education requirements of the Government Auditing Standards.
10. **Tab 10 – Subcontracting.** This tab should identify any of the required services that you intend to

subcontract, if any, providing the following information:

- a. Reasons for subcontracting.
- b. Proposed subcontractor responsibilities.
- c. Identity of proposed subcontractors including location, relevant personnel and experience, previous use as a subcontractor, and any other relevant supporting information.

11. **Tab 11 – Transmittal Letter.** Each proposal must include a letter of transmittal containing the signature of the representative authorized to enter into contracts for the prime contractor. The transmittal letter should not exceed two (2) pages in length. It should also include a brief background of the firm in general including the size and organizational structure.

12. **Tab 12 – Sample Contract.** Please furnish any sample contract the proposer expect the City to execute.

GENERAL REQUIREMENTS

Ownership of all data, materials and documentation originated and prepared for the RFP shall belong exclusively to the City of Franklin and shall be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror must invoke the protections of § 2A-12 (2) of the *Code of Franklin, Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material should be submitted in a separate sealed envelope and marked proprietary. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection of the proposal.

Debriefing: The entire RFP procurement file, including evaluations and justifications of award, will become public information and be available for review only after an award is made. No interviews will be conducted with unsuccessful Offerors to explain the contents of the procurement file.

EVALUATION PROCESS

Proposals will be evaluated and interviews may be scheduled with selected firms in accordance with the “other than professional services” method of selection outlined in *City of Franklin Purchasing Policies and Procedures*. The City of Franklin shall appoint a Selection Committee to review and evaluate all proposals submitted by Offerors responding to this RFP. The proposals will be evaluated and ranked based on the Evaluation

Criteria listed. The City of Franklin may ask top ranked Offerors to attend a presentation discussion as part of the evaluation process. Firms invited to the discussion should be prepared to have general discussions on non-binding estimates of cost to provide requested services. At the conclusion of the evaluation process, the City will select one or more firms with whom final negotiations will be conducted in an effort to obtain a contract.

| Evaluation Criteria | Point Value |
|---|--------------------|
| Qualification of the firm to perform audits for Local Governments similar to the City. This criterion considers (i) the Offeror’s documented past performance on any governmental contract with an emphasis on auditing services for local governments. (ii) the results of reference checks and (iii) the Offeror’s experience in providing the services solicited in this RFP as set forth in the proposal. | 35 |
| Qualification of the staff to be assigned to the project. This criterion considers (i) the qualifications of the Offeror’s personnel whom the Offeror proposes to assign to provide the services solicited by this RFP as set forth in the Offeror’s proposal | 30 |
| Ability to meet the time schedule for completion of the work set forth in this RFP. Offerors should demonstrate a capacity to perform the tasks proposed within the allotted time, i.e., the methodology, time frame, and plan for providing requested services within stated deadlines | 20 |
| Compliance with Requirements. This criterion considers the extent the Offeror’s compliance and willingness to comply with all of the terms, conditions and other requirements of the RFP and resulting contract. | 15 |
| Total | 100 |

AWARD

Award shall be made to the responsible offer whose proposal is determined in writing to be the most advantageous to the City taking into consideration price and the evaluation factors set forth in the request for proposals *City of Franklin Purchasing Policies and Procedures*. The contract file shall contain the basis on which the award is made. The award of a contract shall be the sole discretion of the City. The award shall be based on the evaluation of all information as the City may request. The City reserves the right to accept or reject any or all proposals in whole or in part and to waive any informality in the RFP. Further, the City reserves the right to enter into a contract deemed to be in its best interest.

CONTRACT TERM

It is the City’s desire to enter into a lump sum, not-to-exceed agreement with the Consultant. A final report is expected no later than **July 30, 2025**.

TRADE SECRETS / PROPRIETARY INFORMATION

Trade Secrets or Proprietary information submitted by an 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 Offeror must invoke the protections of this section prior to or upon submission of data or other materials to be protected and state the reasons why protection is necessary. Information leading to the decision to award, including prices and other factors, shall be made public after an award decision is made.

Please mark one:

- No**, the submittal I have turned in does not contain any trade secrets and/or proprietary information.
- Yes**, the submittal I have turned in does contain trade secrets and/or proprietary information.

If **YES**, please list the page numbers and the reasons for why the information is considered a trade secret and/or proprietary information. **Do Not Mark the Whole Proposal Proprietary.**

DIRECT CONTACT

Direct contact with any City employee, without the expressed permission of the Director of Finance/Procurement Officer, on the subject of this proposal, is strictly forbidden. Violation of this paragraph may result in disqualification of the Offeror's proposal.

GENERAL TERMS AND CONDITIONS

- A. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and the City of Franklin, Virginia; any litigation with respect thereto shall be brought in the courts of the City. The contractor shall comply with all applicable federal, state and local laws, rules and regulations. This compliance includes obtaining a Franklin business license, if required, before work is performed.
- B. **EMPLOYMENT DISCRIMINATION/DRUG-FREE WORKPLACE BY CONTRACTOR:** By submitting the bids/Qualifications, the bidders/Offerors certify to the City 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 and §2.2-4311 of the *Virginia Public Procurement Act*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with the City to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the City. (Code of Virginia, § 2.2-4343.1E).

Every contract over Ten Thousand Dollars (\$10,000) shall include the provisions below. During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability or other basis prohibited by state law relating to discrimination employment, except where there is a bona fide occupational qualification reasonably 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 non-discrimination clause.
2. 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.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements of this section.
4. To provide a drug-free workplace for the contractor's employees.
5. To post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition.

6. To state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace.

For the purposes of this section, “drug-free workplace” means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

The contractor will include the provisions of the foregoing paragraphs 1, 2, 3, 4, 5 and 6 in every subcontract or purchase order over Ten Thousand Dollars (\$10,000) so that the provisions will be binding upon each subcontractor or vendor.

- C. **DIRECT TAXES:** All bids/Qualifications shall be submitted exclusive of direct Federal, State, and local taxes. However, if the bidder/Offeror believes that certain taxes are properly payable by the City, he may list such taxes separately in each case directly below the respective item bid/Qualification price. Tax exemption certification will be furnished on request.
- D. **INDEMNITY:** The contractor agrees to defend, indemnify and hold harmless, the City of Franklin and its members, officers, directors, employees, agents, and representatives from and against any and all claims, damages, demands, losses, costs and expenses, including attorney’s fees, and any other losses of any kind or nature whatsoever including claims for bodily injuries, illness, disease, or death and physical property loss or damage in favor of contractor, its sub-contractors, their employees, agents, and third parties arising during the performance of services and resulting from tort, strict liability, or negligent acts or omissions of contractor, its sub-contractors and their employees or agents under the agreement, or resulting from breaches of contract, whatever by statute or otherwise.
Each contractor shall assume the responsibility for damage to or loss of its material, equipment or facilities located at the site and, in order to effect this limitation of liability, the contractor agrees to insure or self-insure such property against any such risk.
- E. **SALES TAXES:** The City is exempt from payment of State sales and use tax on all tangible personal property purchased or leased for its use or consumption. Certificate of Exemption will be furnished upon request.
- F. **QUOTATION FORM:** The bidder/Offeror must sign and properly fill out all forms in this Bid/Qualification or be subject to being declared unresponsive. If unable to submit a Bid/Qualification, please sign and return this solicitation form, advising reason for no Bid/Qualification.
- G. **CONTRACTOR’S DEFAULT:** In case of default of the contractor, the City may procure the articles of service from other sources and hold the contractor responsible for any excess cost incurred thereafter.
- H. **COMPUTATION OF TIME FOR DISCOUNTS:** Time in connection with discount offered, will be

computed from date of delivery of the supplies or materials to carrier when final inspection and acceptance are at those points or from date correct invoice is received if latter is later than the date of delivery.

- I. **ETHICS IN PUBLIC CONTRACTING:** By submitting the bids/Qualifications, the bidders/Offerors certify that the bids/Qualifications are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder/Offeror, supplier, manufacturer or subcontractor in connection with the bid/Qualification, 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.

- J. **GOVERNMENTAL RESTRICTIONS:** In the event any governmental restrictions may be imposed which would necessitate alteration of the materials, quality, workmanship, or performance of the items offered in this Bid/Qualification prior to their delivery, it shall be the responsibility of the successful bidder/Offeror to notify this office at once, indicating in his letter the specific regulation which requires such alterations. The City reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the contract.

- K. **IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By entering into a written contract with the City of Franklin, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the City, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

- L. **DEBARMENT STATUS:** By submitting the bids/Qualifications, the bidders/Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or Qualifications on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

- M. **ANTITRUST:** By entering into a contract, the contractor conveys, sells, assigns, and transfers to the City of Franklin, Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the City of Franklin, Virginia under said contract.

- N. **PAYMENT:** Payment by the City is due thirty days (30) after delivery is made to the City of Franklin and inspection unless otherwise specifically provided: subject to any discounts allowed.

To Prime Contractor:

Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the contract number and/or purchase order number, social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.

The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized.

Unreasonable Charges: Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges, which appear to be unreasonable, will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the City shall promptly notify the contractor, in writing, as to those charges, which it considers unreasonable, and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification.

To Subcontractors:

A contractor awarded a contract under this solicitation is hereby obligated:

1. To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the City for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 2. To notify the City and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
 3. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the City, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the City.
- O. PRECEDENCE OF TERMS:** Paragraphs A-N of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- P. TESTING AND INSPECTION:** The City reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

- Q. ASSIGNMENT OF CONTRACT:** A contract shall not be assignable by the contractor in whole or in part without the written consent of the City.
- R. CHANGES TO THE CONTRACT:** Changes can be made to the contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
 2. The Finance Department may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Finance Department a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Finance Department's right to audit the contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Finance Department with all vouchers and records of expenses incurred and savings realized. The Finance Department shall have the right to audit the records of the contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Finance Department within thirty (30) days from the date of receipt of the written order from the Finance Department. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Virginia Public Procurement Act. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Finance Department or with the performance of the contract generally.
- S. DEFAULT:** In case of failure to deliver goods or services in accordance with the contract terms and conditions, the City, 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. This remedy shall be in addition to any other remedies, which the City may have.
- T. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A contractor organized

as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with the City pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. The City may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

- U. **INSURANCE**: The contractor shall secure and maintain in force, at his/her own expense all required forms of insurance and payment bonds to insure the completion for the work under contract to the satisfaction of the City and without damage to, or claims against the City. The contractor shall provide satisfactory evidence of bonds and insurance on behalf of the sub-contractors, before entering into an agreement to sublet any part of the work to be done under this contract.

The following performance and payment bonds and forms of insurance shall be secured by the contractor to cover all work under contract and to protect the contractor, the City, and general public against any damage of claims in connections with the performance of the contract. The bonds and insurance shall be by companies duly authorized to do business in the State of Virginia. Certificates of Insurance, naming the City as an additional insured for each type of coverage shall be required.

At the discretion of the purchasing agent, bidders/Offerors may be required to submit with their bid/Qualification a bid/Qualification bond, or a certified check, in an amount to be determined by the purchasing agent, which shall be forfeited to the City as liquidated damage upon the bidder's/Offeror's failure to execute a contract awarded to him/her or upon the bidder's/Offeror's failure to furnish any required performance or payment bonds in connection with a contract awarded to him/her.

At the discretion of the purchasing agent, the winning contractor(s) may be required to submit a performance and payment bond to the City which shall be evoked upon contractor's failure to execute a contract awarded or the failure to satisfactorily complete work for which a contract or purchase order was awarded. Performance bond and payment bond in the amount of one hundred (100) percent of contract price is required as security of contract, or security for payment of all persons performing labor and furnishing materials in connection with the contract, and protecting the City from all damages or claims resulting from, or in connection with the performance of the contract or purchase order.

The performance bond and payment bond shall and does bind the surety company to protect the City from damages, claims or costs by failure of the contractor to make corrective action due to his financial solvency or for any other cause whatever.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits; require that the City of Franklin, Virginia be added as an additional named insured on contractor's policy.
2. Employers Liability - \$1,000,000.

3. Comprehensive general liability for bodily injury liability and property damage liability shall be provided as to limits specified.
4. Contractor's protective liability shall be provided for bodily injury liability and property damage liability.
5. Fire and extended coverage shall be provided on the completed builder risk form if specified in bid specifications.
6. The contractor shall require each of his subcontractors to carry Workmen's Compensation Insurance and public liability and property damages liability.
7. Commercial General Liability - \$1,000,000 combined single limit. The City of Franklin, Virginia is to be named as an additional named insured with respect to the services being procured. This coverage is to include Products and Completed Operations Coverage.
8. Automobile Liability – bodily injury and property damage shall be provided as to limits set forth in the specifications.

Full listing of the City's insurance requirements is located in the Appendix.

The contractor shall have executed and delivered to the City copies of all insurance certificates.

Executed copies of the performance bond shall become a part of all copies of the contract.

SPECIAL TERMS AND CONDITIONS

- A. **ADVERTISING:** In the event a contract is awarded for supplies, equipment, or services resulting from this bid/Qualification, no indication of such sales or services to the City of Franklin, Virginia will be used in product literature or advertising. The contractor shall not state in any of its advertising or product literature that the City of Franklin, Virginia or any department or institution of the City has purchased or uses its products or services.
- B. **AUDIT:** The contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the City of Franklin, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.
- C. **AWARD OF CONTRACT:** An award will be made to the lowest responsive and responsible bidder/Offeror. Evaluation will be based on net prices. Unit prices, extensions and grand total must be shown. In case of arithmetic errors, the unit price will govern. If cash discount for prompt payment is offered, it must be clearly shown in the space provided. Discounts for prompt payment will not be considered in making awards. The City reserves the right to reject any and all bids/Qualifications in whole or in part, to waive any informality, and to delete items prior to making an award.

- D. BID/QUALIFICATION ACCEPTANCE PERIOD:** Any bid/Qualification in response to this solicitation shall be valid for 120 days. At the end of the 120 days the bid/Qualification may be withdrawn at the written request of the bidder/Offeror. If the bid/Qualification is not withdrawn at that time it remains in effect until an award is made or the solicitation is canceled.
- E. CANCELLATION OF CONTRACT:** The City reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 30 days written notice to the contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 30 days written notice to the other party. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.
- F. EXTRA CHARGES NOT ALLOWED:** The bid/Qualification price shall be for complete installation ready for the City's use, and shall include all applicable freight and installation charges; extra charges will not be allowed.
- G. MINORITY/WOMEN-OWNED BUSINESSES SUBCONTRACTING AND REPORTING:** Where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such business to minority and/or women-owned businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the Department of Finance the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.
- H. PRE-PROPOSAL CONFERENCE - NONE**
- I. PREPARATION AND SUBMISSION OF BIDS/QUALIFICATIONS:** Bids/Qualifications must give the full business address of the bidder/Offeror and be signed by him/her with his/her usual signature. Bids/Qualifications by partnerships must furnish the full name of all partners and must be signed in the partnership name by one of the members of the partnership or any authorized representative, followed by the designation of the person signing. Bids/Qualifications by corporations must be signed with the legal name of the corporation followed by the name of the State in which it is incorporated and by the signature and designation of the president, secretary, or other person authorized to bind it in the matter. The name of each person signing shall also be typed or printed below the signature. A bid/Qualification by a person, who affixes to the signature the word "President," "Secretary," "Agent" or other designation without disclosing the principal, may be held to be the bid/Qualification of the individual signing. When requested by the City, satisfactory evidence of the authority of the officer signing in behalf of the corporation shall be furnished.
- J. WITHDRAWAL OR MODIFICATION OF BIDS/QUALIFICATIONS:** Bids/Qualifications may be withdrawn or modified by written notice received from bidders/Offerors prior to the deadline fixed for bid/Qualification receipt. The withdrawal or modification may be made by the person signing the bid/Qualification or by an individual(s) who is authorized by him on the face of the bid. Written modifications may be made on the bid/Qualification form itself, on the envelope in which the bid/Qualification is enclosed, or on a separate document. Written modifications,

whether the original is delivered, or transmitted by facsimile, must be signed by the person making the modification or withdrawal.

- K. RECEIPT AND OPENING OF BIDS/QUALIFICATIONS:** It is the responsibility of the bidder/Offeror to assure that his bid/Qualification is delivered to the place designated for receipt of bids/Qualifications and prior to the time set for receipt of bids/Qualifications. Bids/Qualifications received after the time designated for receipt of bids/Qualifications will not be considered. Bids/Qualifications will be opened at the time and place stated in the advertisement, and their contents made public for the information of bidders/Offerors and others interested who may be present either in person or by representative. The officer or agent of the City, whose duty it is to open them, will decide when the specified time has arrived. No responsibility will be attached to any officer or agent for the premature opening of a bid/Qualification not properly addressed and identified.
- L. NEGOTIATION WITH THE LOWEST BIDDER:** Unless all bids are cancelled or rejected, the City of Franklin reserves the right granted by §2.2-4318 of the *Code of Virginia* to negotiate with the lowest responsive, responsible bidder to obtain a contract price within the funds available to the agency whenever such low bid exceeds the city's available funds. For the purpose of determining when such negotiations may take place, the term "available funds" shall mean those funds which were budgeted by the agency for this contract prior to the issuance of the written Invitation for Bids. Negotiations with the low bidder may include both modifications of the bid price and the Scope of Work/Specifications to be performed. The city shall initiate such negotiations by written notice to the lowest responsive, responsible bidder that its bid exceeds the available funds and that the agency wishes to negotiate a lower contract price. The times, places, and manner of negotiating shall be agreed to by the city and the lowest responsive, responsible bidder.

Appendix A: Insurance Checklist

Items marked “X” are required to be provided if award is made to your firm.

| Required | Coverage Required | Limits of Liability (Denotes minimums) |
|-----------------|---|---|
| X | Worker’s Compensation and Employers’ Liability; Admitted in Virginia Employers’ Liability All States Endorsement Voluntary Compensation Endorsement Best’s Guide Rating-A-VIII or better, or its equivalent | Statutory Limits of the Commonwealth of VA Yes \$100,000/\$500,000/\$100,000 Statutory |
| X | Commercial General Liability General Aggregate Products/Completed Operations Personal and Advertising Injury Fire Legal Liability Best’s Guide Rating-A-VIII or better, or its equivalent | \$1,000,000 Each Occurrence \$2,000,000 \$2,000,000 \$1,000,000 \$50,000 Per Occurrence |
| X | Automobile Liability Owned, Hired, Borrowed & Non-owned Motor Carrier Act End Best’s Guide Rating-A-VIII or better, or its equivalent | \$1,000,000 Combined Single Limit Bodily Injury and Property Damage Each Occurrence |
| | Prof. Errors and Omissions Best’s Guide Rating-A-VIII or better, or its equivalent | \$1,000,000 Limit Ea. Occurrence |
| | Garage Liability | \$1,000,000 CSL Ea. Occurrence |
| | Garage Keeper’s Legal Liability Best’s Guide Rating-A-VIII or better, or its equivalent | Maximum Value of One Vehicle Maximum Value of All Vehicles Contractor |
| X | Umbrella Liability Best’s Guide Rating-A-VIII or better, or its equivalent. | \$1,000,000 |
| | Other Insurance: | |
| X | “ City Council 207 W. 2nd Avenue Franklin VA 23851 ” named as an additional insured on Auto and General Liability Policies. (This coverage is primary to all other coverage the City may possess and must be shown on the certificate.) | |
| X | 30-day written cancellation notice required, 15-day cancellation notice required for non-payment to , owner– Ref. Code of Virginia Section 38.2-231. Also, the words “endeavor to” and “failure to mail such notice” clause shall be removed from the cancellation notice. | |
| X | The Certificate must state Bid/IFB No. and Bid/IFB Title. | |
| X | Contractor shall submit Certificate of Insurance within five business days from notification of award. | |

We understand the Insurance Requirements of these specifications and will comply in full if awarded this contract.

Name & Title

Signature

Date

RETURN THIS PAGE

Appendix B: Non-Collusion Statement

The party making the foregoing quote hereby certifies that such quote is genuine and not collusive or sham; that said Offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any Bidder/Offeror or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person to fix the bid price or affiant or of any Offeror, or to fix any overhead, profit or cost element of said bid price, or of that of any other Offeror, or to secure any advantage against the Owner or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

By signing this quote, the undersigned certifies that this person/firm/corporation is not currently barred from bidding on contracts by any agent of City of the Commonwealth of Virginia. Offeror also certifies by signing this quote that no conflict of interest exists between Contractor and the Owner that interferes with fair competition and no conflict of interest exists between Contractor and another person or organization that constitutes a conflict of interest with respect to the contract with the Owner. Undersigned Offeror hereby certifies that he/she has carefully examined all conditions and specifications of this Invitation for Bid and hereby submits this proposal pursuant to such instructions and specifications, without exception.

Name & Title

Signature

Date

RETURN THIS PAGE

Appendix C: Offeror Question Form

Questions shall be submitted by **4:30 PM March 10, 2025**. Questions received beyond this date may not be answered.

Attn: Melisa Blythe
Via E-mail: mblythe@franklinva.com
Bid: #2025-07

Offerors are required to utilize this form for questions. You may submit multiple forms. Note on bottom of page the number of pages pertaining to your question/s.

| Bid #2025-07 Reference Paragraph or Page # | Question |
|--|----------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Number of pages submitted with this request: _____

Name & Title

Signature

Date

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Appendix D: Proprietary Information

Ownership of all data, materials, and documentation originated and prepared for the Owner pursuant to the Invitation for Bid shall belong exclusively to the Owner and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act, however, the Offeror must invoke the protections of Section 2.2-4342F of the Code of Virginia, in writing, either before or at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, paragraphs that constitute trade secret or proprietary information.

NOTICE OF PROPRIETARY INFORMATION

Confidential References Protection in Accordance with the Code of Virginia, Section 2.2-4342F

| Section Title | Page No. | Reason(s) for Withholding from Disclosure |
|---------------|----------|---|
| | | |
| | | |
| | | |
| | | |

INSTRUCTIONS: Identify the data or other materials to be protected and state the reasons by using the codes listed below. Indicate specific words, figures, or paragraphs that constitute trade secrets or proprietary materials.

A. This page contains information relating to “trade secrets” and “proprietary information” including processes. Operations, style or work, or apparatus, identify confidential statistical data, amount or source of any income of any person (or) partnership. “See Virginia Public Procurement Act. Section 2.2-4342F. Unauthorized disclosure of such information would violate the Trade Secrets Act 18 U.S.C. 1905.

B. This page contains proprietary information including confidential, commercial or financial information which was provided to the Government on a voluntary basis and is of the type that would not customarily be released to the public. See Virginia Public Procurement Act, Section 2.2-4342F; U.S.C. 552 (b) (4); 12 C.F.R. 309.5 (c) (4).

C. This page contains proprietary information including confidential, commercial or financial information. This disclosure of such information would cause substantial harm to competitive position and impair the Government’s ability to obtain necessary information from contractors in the future. 5 U.S.C. See Virginia Public Procurement Act. Section 2.2-4342F: 522 (b) (4); 12 C.F.R 309.5 (c) (4).

Name & Title

Signature

Date

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