

**PENINSULA AIRPORT COMMISSION  
REQUEST FOR PROPOSAL (RFP)  
#3182019  
PROFESSIONAL AUDIT SERVICES**

**MARCH 18, 2019**

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PROFESSIONAL AUDIT SERVICES

**I. Advertisement**

The Peninsula Airport Commission (Commission), acting by and through its Director of Finance and Administration, invites certified public accounting firms to submit qualifications for the selection of an auditor to provide professional audit and associated financial services to the Commission. Contract term shall be for one year beginning with the audit for the fiscal year ending June 30, 2019 and with the Commission's option to renew for up to four (4) additional one-year terms for total contract length not to exceed five (5) years if agreed upon in writing by both parties.

Proposals will be received until 2:00 p.m., local prevailing time, Monday, April 15, 2019 by the Director of Finance and Administration, Peninsula Airport Commission, 900 Bland Boulevard, Suite G, Newport News, Virginia 23602. One (1) original and three (3) copies of the proposal must be submitted to the Commission as a complete sealed proposal in a sealed envelope, conspicuously endorsed with the Company's name submitting the proposal (Offeror) and the phrase "Professional Audit Services" and may be mailed or hand delivered. Proposals received after 2:00 p.m. will be returned unopened.

All inquiries for information should be submitted in writing and be directed to Ms. Jessica Wharton, [jwharton@flyphf.com](mailto:jwharton@flyphf.com), or by fax: 757-877-6369 attn. Director of Finance and Administration.

**II. Background**

The scope of services includes completion of the annual audit for the Fiscal Year ending June 30, 2019. The Commission staff completes the Comprehensive Annual Financial Report (CAFR) for submission to the Virginia Auditor of Public Accounts (APA) and the Federal Audit Clearinghouse for Single Audit Reporting. The audit is contained within the CAFR. In addition to the audit, the successful firm will also certify the Commission's compliance with its revenue covenant for bond issues.

The audit is to be performed in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the *Specifications for Audit of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia; as well as additional requirements required by the U.S. Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") and the Federal

Aviation Administration, *Passenger Facility Charge Audit Guide for Public Agencies*.

The Commission desires the auditor to prepare the financial statements and accompanying notes, as well as express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The Commission also desires the auditor to express an opinion on the fair presentation of its schedules in conformity with generally accepted accounting principles. The auditor is not required to audit the supplementary schedules contained in the comprehensive annual financial report. However, the auditor is to provide an "in-relation-to" opinion on the supporting supplementary schedules based on the auditing procedures applied during the audit of the basic financial statements and the combining and individual fund financial statements and schedules. The auditor is not required to audit the introductory section of the report or the statistical section of the report.

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; the U.S. Office of Management and Budget as mandated by Uniform Guidance; and the Federal Aviation Administration as mandated by the *Passenger Facility Charge Audit Guide for Public Agencies*. The auditor shall also be responsible for performing certain limited procedures as required by the Commission's financing agreements with Virginia Resources Authority for its Airport Revenue Bond (Series 2002). Finally, the auditor may be asked to perform certain limited procedures as required from time-to-time to assist the Commission in future financial transactions, including but not limited to revenue bond issues, contract reviews, etc.

In addition to the above services the audit firm must be available to provide year-round services to assist management with accounting and other issues as needed.

#### *Reports to be Issued*

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. A report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB's Uniform Guidance and Passenger Facility Charge (PFC) Program including associated schedules.

In the required report[s] on compliance and internal controls, the auditor shall communicate any

significant deficiency (or deficiencies) in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report[s] on compliance and internal controls. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

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 Director of Finance, Executive Director, and Chair of the Finance & Audit Committee.

#### *Reporting to the Staff*

Auditors shall assure themselves that the Commission's finance staff is informed of each of the following:

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

#### *Special Considerations*

The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are to be issued as part of the comprehensive annual financial report.

#### *Working Paper Retention and Access to Working Papers*

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 the Commission of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the Commission.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting

significance.

### **III. Timeline for Completion**

The following is a timeline for the Request for Proposals for Professional Audit Services:

- April 1, 2019: Questions by email to [jwharton@flyphf.com](mailto:jwharton@flyphf.com) or in writing mailed to Peninsula Airport Commission, Attn: Director of Finance and Administration, 900 Bland Boulevard, Suite G, Newport News, VA 23602.
- April 9, 2019: Any addenda issued
- April 15, 2019: Proposals due by 2:00pm EST.
- April 22, 2019: Recommendation made by selection committee
- April 2019: Board communication/decision
- April 30, 2019: Firm notified of Award.

### **IV. Operational Information**

The Newport News/Williamsburg International Airport is owned and operated by the Commission, a political subdivision of the Commonwealth of Virginia. The Commission is self-supporting through a combination of airline, concession and parking fees as well as miscellaneous airport operating and use agreements. The Commission operates by setting rates by ordinance and airline use agreements.

The Commission receives Federal Aviation Administration (FAA) and Virginia Department of Aviation (VDOA) entitlement and discretionary funds to support its capital improvement program. In addition, the Commission is authorized to impose a \$4.50 Passenger Facility Charge (PFC) with a current charge expiration date of October 1, 2036.

In addition to federal and state regulations, the Commission's financial operations are specifically governed by the Acts of the Virginia General Assembly of 1946 which established the Airport Commission .

The Commission is required to undergo an annual audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Specifications for Audits of Authorities, Boards, and Commissions issued by the Auditor of Public Accounts of the Commonwealth of Virginia and *The Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (Guide) for its Passenger Facility Charge Program.

### **V: Proposal Preparation and Submission Instructions:**

#### **A. GENERAL INSTRUCTIONS:**

1. **RFP Response:** In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original and three (3) copies of each proposal must be submitted to the Commission as a complete sealed proposal. No other distribution of the proposal shall be made by the Offeror.
2. Proposals shall be signed by an authorized representative of the Offeror. All information requested should be submitted. Failure to submit all information requested may result in the Commission requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the Commission. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.

B. **PROPOSAL PREPARATION:** Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

C. **SPECIFIC PROPOSAL INSTRUCTIONS:** Proposals should be as thorough and detailed as possible so that the Commission may properly evaluate your capabilities to provide the required professional services. Offerors are required to submit the following items as a complete proposal. Responses to Sections 1 and 2 shall be limited to 15 pages and shall include tabs delineating each section.

1. **Section 1 – Methodology/Specific Plan:** Provide a description of methodology of the Offerors design and management processes incorporating an understanding of the goals and criteria of this Request for Proposal and how the Offeror intends to meet those goals and criteria. Provide a specific plan for providing the services.
2. **Section 2 – Experience:** A written narrative statement to include:
  - Experience in providing the services described herein
  - Staffing: Provide the names, qualifications, degrees, certifications, experience and licenses of key employees, consultants, and sub-consultants to be assigned to the project. Provide the length (time and number of projects) of relationship the Offeror has with the proposed employees, consultants, and sub-consultants.
  - Resumes of staff to be assigned to the project, including education, related experience, and license(s), if any.
  - Office location and accessibility of key personnel to the Newport News/Williamsburg International Airport.
  - References: Provide at least four references for which work of a similar nature to that described herein was performed within the past three years. The reference should include the name, title, address, phone number, and email for the person most intimate with the details of project being

referenced. See Attachment B - Offeror Data Sheet.

- Pursuant to Code of Virginia, §2.2-4311.2 subsection B, a bidder or Offeror organized or authorized to transact business in the Commonwealth pursuant to Title 13.1 or Title 50 is required to include in its bid or proposal the identification number issued to it by the State Corporation Commission (SCC). Any bidder or Offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity under Title 13.1 or Title 50 or as otherwise required by law is required to include in its bid or proposal a statement describing why the bidder or Offeror is not required to be so authorized.

**VI: Evaluation and Award Criteria:**

This section is in two parts. The first part, “Evaluation Criteria,” explains how the proposals will be evaluated. The second part is the “Award of Contract” clause that states how the award will be made.

**Evaluation Criteria:** Proposals shall be evaluated by the Commission using the following criteria:

1. Specific plans or methodology to be used to perform the services. The ability, capacity, and skill of the firm to perform the work described herein in a manner consistent with Commission’s goals and standards. This should be addressed in *Section 1 - Methodology* portion of the proposal. Weight = 40%
2. Qualifications and experience of Offerors staff to be assigned to perform the services. The professional competence, experience, and continuity of the proposed staff to perform the services needed within the timeframe designated. The firm must provide assurance that the continuity of the auditing team will be maintained and not changed without prior approval of the Commission. Offerors are required to provide current resumes for the individuals that they propose for this project. The resumes must specifically describe their training, certification levels, and experience. This should be addressed in *Section 2 – Experience* portion of the proposal. Weight = 30%
3. References from other clients. Quality of References. Satisfaction of former clients such as the Offerors: creativity in problem solving; management (including the ability to complete the work within prescribed budget and schedule constraints); quality and accuracy of work product; this should be addressed in *Section 2 – Experience* of the proposal. Weight = 20%
4. Strength of overall proposal. Overall quality of proposal submitted that specifically addresses the Commission’s Request for Proposals including the basic approach and understanding of the Commission’s objectives. This will be a component of the overall proposal. Weight = 10%

### **Award of Contract:**

The Commission may engage in individual discussions with 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. Repetitive informal interviews shall be permissible. The Offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage, the Commission may discuss nonbinding estimates of total project costs, including, but not limited to, life-cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing Offerors shall not be disclosed to the public or to competitors. At the conclusion of discussion, outlined in this subdivision, on the basis of evaluation factors published in the Request for Proposal and all information developed in the selection process to this point, the Commission shall select in the order of preference two or more Offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the Offeror ranked first. If a contract satisfactory and advantageous to the Commission can be negotiated at a price considered fair and reasonable, the award shall be made to that Offeror. Otherwise, negotiations with the Offeror ranked first shall be formally terminated and negotiations conducted with the Offeror ranked second, and so on until such a contract can be negotiated at a fair and reasonable price. Should the Commission determine in writing and at 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.

The Commission will notify Offerors by April 30, 2019 whether they have been awarded the Audit contract.

The Commission reserves the right to reject any or all proposals, to waive informalities in any proposals received, and to initiate alternative procurement procedures at any time if it is in the best interest of the Commission to do so.

## **VII. Form of Contract**

Any contract issued as the result of this Request for Proposals shall include, as a minimum, the following provisions:

### **A. Non-Discrimination and Drug Free Workplace**

During the performance of this contract, Auditor agrees as follows:

1. Auditor 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 reasonably necessary to Auditor's normal operation. Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. Auditor will, in all solicitations or advertisements for employees, state that it is an equal opportunity employer; provided, however, that 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 contract.
3. Auditor will include the provisions of the foregoing paragraphs (A) and (B) in every subcontract or purchase order of over ten thousand (\$10,000), so that such provisions will be binding upon each subcontracted auditor or vendor.

During performance of this contract the auditor agrees as follows: (i) to provide a drug free work place for the auditor's employees; (ii) 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 auditor's workplace, specifying the actions that will be taken against employees for violation of such prohibition; and (iii) state in all solicitations or advertisements for employees placed by or on behalf of the auditor that the auditor maintains a drug-free workplace. For the purposes of this paragraph, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to the auditor, where employees at such site 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.

#### B. Indemnity and Insurance

1. The Offeror shall indemnify and hold harmless the Commission, its agents, employees and officials from any and all liability, expenses (including attorneys' fees), or claims which may be recovered from, or may be sought to be recovered from, the Commission by reason of or on account of any form of damage, which damage is caused by the negligence or other wrongful acts or omissions of the Offeror or any agents or employees of the Offeror in the performance of the contract.
2. Auditor shall provide proof of liability coverage on an annual basis.

#### C. Modification

This Agreement may be modified by the parties during performance, but no modification shall be valid or enforceable unless in writing and signed by each of the parties hereto in the same manner and with the same formality as this Agreement.

#### D. Termination

The Commission may terminate this Agreement at any time, for any reason or for its convenience, upon thirty days' advance written notice to the Auditor. In the event of such termination the Auditor shall be compensated for services and work performed prior to termination.

**ATTACHMENTS:**

|               |   |
|---------------|---|
| ATTACHMENT A: | Signature Sheet                                 |
| ATTACHMENT B: | Offeror Data Sheet                              |
| ATTACHMENT C: | Certification of No Collusion                   |
| ATTACHMENT D: | Proprietary/Confidential Information Identified |

**ATTACHMENT A**

**SIGNATURE SHEET**

RFP#3182019 Peninsula Airport Commission

Title: Professional Audit Services

In Compliance With This Request For Proposal And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish The Goods/Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

Name and Address Of Firm:

|                                |                       |
|--------------------------------|-----------------------|
| _____                          | Date: _____           |
| _____                          | By: _____             |
| _____                          | (Signature In Ink)    |
| _____ Zip Code: _____          | Name: _____           |
| Telephone Number: (____) _____ | (Please Print)        |
| Fax Number: (____) _____       | Title: _____          |
| FEI/FIN NO. _____              | E-mail Address: _____ |

State Corporation Commission ID Number (**required** \*):

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**ATTACHMENT B**

**OFFEROR DATA SHEET**

Note: The following information is required as part of your response to this solicitation.

1. Qualification: The vendor must have the capability and capacity in all respects to satisfy fully all of the contractual requirements.

2. Vendor's Primary Contact:

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

3. Years in Business: Indicate the length of time you have been in business providing this type of good or service:

\_\_\_\_\_ Years \_\_\_\_\_ Months

4. Vendor Information:

FIN or FEI Number: \_\_\_\_\_ If Company, Corporation, or Partnership

Social Security Number: \_\_\_\_\_ If Individual

5. Indicate below a listing of at least four (4) current or recent accounts, either commercial or governmental, that your company is servicing, has serviced, or has provided similar goods. Include the length of service and the name, address, and telephone number of the point of contact.

A. Company: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone:(\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Project: \_\_\_\_\_

Dates of Service: \_\_\_\_\_ \$ Value: \_\_\_\_\_

B. Company \_\_\_\_\_ Contact: \_\_\_\_\_

Phone:(\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Project: \_\_\_\_\_

Dates of Service: \_\_\_\_\_ \$ Value: \_\_\_\_\_

C. Company: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone:(\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Project: \_\_\_\_\_

Dates of Service: \_\_\_\_\_ \$ Value: \_\_\_\_\_

D. Company: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone:(\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

Project: \_\_\_\_\_

Dates of Service: \_\_\_\_\_ \$ Value: \_\_\_\_\_

I certify the accuracy of this information.

Signed: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**ATTACHMENT C**

**CERTIFICATION OF NO COLLUSION**

The undersigned, acting on behalf of \_\_\_\_\_, does hereby certify in connection with the procurement and proposal to which this Certification of No Collusion is attached that:

This proposal is not the result of, or affected by, any act of collusion with another person engaged in the same line of business or commerce: nor is this proposal the result of, or affected by, any act of fraud punishable under Article 1.1 of Chapter 12 of Title 18.2 Code of Virginia, 1950 as amended (&&18.2-498.1 atseq.)

\_\_\_\_\_  
Signature of Company Representative

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Date

**ACKNOWLEDGEMENT**

STATE OF VIRGINIA  
CITY OF NEWPORT NEWS, to wit:

The foregoing Certification of No Collusion bearing the signature of \_\_\_\_\_ and dated \_\_\_\_\_ was subscribed and sworn to before the undersigned notary public by \_\_\_\_\_ on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**CODE OF VIRGINIA**

&18.2-498.4. Duty to provide certified statement. A. The Commonwealth, or any department or agency thereof, and any local government or any department or agency thereof, may require that any person seeking, offering or agreeing to transact business or commerce with it, or seeking, offering or agreeing to receive any portion of the public funds or moneys, submit a certification that the offer or agreement or any claim resulting thereon is not the result of, or affected by, any act of collusion with another person engaged in the same line of business or commerce, or any act of fraud punishable under this article.

B. Any person required to submit a certified statement as provided in paragraph A above who knowingly makes a false statement shall be guilty of a Class 6 felony. (1980, c.472)

