

# AGENDA



**CITY OF HOPEWELL**  
Hopewell, Virginia 23860

**AGENDA**

(804) 541-2408

www.hopewellva.gov  
info@hopewellva.gov  
cityclerk@hopewellva.gov

**CITY COUNCIL**

**Patience A. Bennett, Mayor, Ward #7**  
**John B. Partin, Jr., Vice Mayor, Ward #3**  
**Deborah B. Randolph, Councilor, Ward #1**  
**Arlene Holloway, Councilor, Ward #2**  
**Jasmine E. Gore, Councilor, Ward #4**  
**Janice B. Denton, Councilor, Ward #5**  
**Brenda S. Pelham, Councilor, Ward #6**

**John M. Altman, Jr., City Manager**  
**Peter Eliades, Acting City Attorney**  
**Mollie P. Bess, City Clerk**

**December 16, 2021**

**SPECIAL MEETING**

Closed Meeting: 6:30 p.m.  
Special Meeting – 7:30 p.m.

**OPEN SPECIAL MEETING**

**6:30 p.m.** Call to order, roll call, and welcome to visitors

SUGGESTED MOTION: Move to go into closed session according to Va. Code 2.2-3711(a)(6) for the (1) purpose of discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected and Va. Code 2.2-3711(a) (1) discussion of performance of specific public officers appointees, or employees of any public body.

**CLOSED MEETING**

**RECONVENE SPECIAL MEETING**

Roll Call

**CERTIFICATION**

CERTIFICATION PURSUANT TO VIRGINIA CODE §2.2-3712 (D): Were only public business matters (1) lawfully exempted from open-meeting requirements and (2) identified in the closed-meeting motion discussed in closed meeting?

Roll Call

**SPECIAL MEETING**

**SB-1 – Sheriff’s Office Salary Increase Request**

**SB-2 – Public Works Salary Proposal**

**SB-3 – Financial Report**

**Adjournment**

**CLOSED  
MEETING**

**SB-1**



CITY OF HOPEWELL
CITY COUNCIL ACTION FORM

Strategic Operating Plan Vision Theme:

- Civic Engagement
Culture & Recreation
Economic Development
Education
Housing
Safe & Healthy Environment
None (Does not apply)

Order of Business:

- Consent Agenda
Public Hearing
Presentation-Boards/Commissions
Unfinished Business
Citizen/Councilor Request
Regular Business
Reports of Council Committees

Action:

- Approve and File
Take Appropriate Action
Receive & File (no motion required)
Approve Ordinance 1st Reading
Approve Ordinance 2nd Reading
Set a Public Hearing
Approve on Emergency Measure

COUNCIL AGENDA ITEM TITLE: Sheriff's Office - Pay Proposal

ISSUE: Merit Pay Proposal for Sheriff's Office

RECOMMENDATION: n/a

TIMING: n/a

BACKGROUND: See Memo from Sheriff Kephart

ENCLOSED DOCUMENTS:

- Memo from Sheriff Kephart

STAFF:

John M. Altman, Jr., City Manager
Stephen M. Kephart, Jr., Sheriff

FOR IN MEETING USE ONLY

MOTION:

SUMMARY:

Table with 4 columns: Y, N, Councilor Name, Ward #. Rows include Councilor Debbie Randolph, Councilor Arlene Holloway, Vice-Mayor John B. Partin, Councilor Jasmine Gore, Councilor Janice Denton, Councilor Brenda Pelham, and Mayor Patience Bennett.



**Stephen M. Kephart, Jr.**  
SHERIFF  
CITY OF HOPEWELL



FROM: Sheriff Steve Kephart  
TO: March Altman  
SUBJECT: Yearly Merit Pay Proposal

As you may be aware the Sheriff's Office shares most of the same retention issues as the Police and Fire, although maybe not quite as apparent because of the smaller size of our Office. We currently loose tenured good employees to jurisdictions around us due primarily to issues regarding pay. The recent move by Council to raise police pay has even moved some of my Deputies to apply with the Police Department. While this may be seen as not a totally bad thing, it still causes issues in the Sheriff's Office.

Currently the Sheriff's Office has three full time positions open and six part-time positions open. These positions remain open primarily due to the low pay offered. The Sheriff's Office currently has three positions with over 15 years' experience (one of those is mine) this makes for a very young Office. In a profession where split second decisions are made with long lasting consequences, you can see where recidivism can be an issue. As you know, the Sheriff's Office has been very active in the community. It takes so much time to get an Officer acclimated to our community, then loose them over pay issues.

As stated earlier, a Deputy's job is inherently dangerous by nature. The argument has been put forward over the 34 years of my career that police jobs are more dangerous than Sheriff's jobs. We will just leave that argument for another day, but I will concede the main difference between the two Offices is the Sheriff's Office typically does not work evenings, weekends or Holidays. That fact alone possibly entitles Police Officers a higher rate of pay than Deputies, but not to the extent it currently is.

For the above stated reasons and a few others, I am suggesting a slightly different pay plan. Initially the Command staff and any person serving more than 10 years with the City of Hopewell would receive a 15% increase to their base salary. Part-time Deputies would be based on their FTE and paid by the hour. Dispatchers would be compensated at the same FTE as Police Dispatchers. The Sheriff's Administrative Assistant would be moved to an Executive Admin position with credit for years of service.

**INCREASES**

- This plan would place the grade between 24-25 the starting Deputy pay would rise to \$45,310.00, which is more in line with the surrounding jurisdictions and approximately \$4,000.00 below the starting pay for Police and Fire.

- The Sheriff and Chief Deputy would not see initial increases under this plan, but would be entitled to the yearly merit increases.
- The initial cost to adjust all Full-time positions would be \$162,007.00
- The first year merit increases would amount to \$14,187.00 at 2.5%
- If all Part-time staff worked the full FTE it would generate a cost of approximately \$ 30,000.00 over the course of a year.

**Full-Time Deputy**

2.5355% increase per step

1	45,310.00	
2	46,458.84	1,148.84
3	47,736.80	1,177.96
4	48,947.17	1,210.37
5	50,188.23	1,241.06
6	51,460.75	1,272.52
7	52,765.54	1,304.79
8	54,103.41	1,337.87
9	55,475.20	1,371.79
10	56,881.77	1,406.57
11	58,324.00	1,442.24
12	59,802.81	1,478.88
13	61,319.11	1,516.30
14	62,873.86	1,554.75
15	64,468.03	1,594.16
16	66,102.62	1,634.59
17	67,778.65	1,676.03
18	69,497.17	1,718.53
19	71,259.27	1,762.10
20	73,066.05	1,806.78
21	74,872.83	1,898.40

**Part-Time Deputy**

2.5355% increase per step

1	21.78	.55
2	22.33	.57
3	22.89	.58
4	23.47	.60
5	24.07	.61
6	24.68	.63
7	25.31	.64
8	25.95	.66
9	26.61	.67
10	27.28	.69
11	27.97	.71
12	28.68	.73
13	29.41	.75
14	30.16	.76
15	30.92	.78
16	31.70	.80
17	32.50	.82
18	33.32	.84
19	34.16	.87
20	35.03	.89
21	35.92	.91

**Part-Time Dispatch**

2.5355% increase per step

1	17.60	.45
2	18.04	.46
3	18.50	.47
4	18.97	.48
5	19.45	.49
6	19.94	.51
7	20.45	.52
8	20.97	.53
9	21.50	.55
10	22.05	.56
11	22.61	.57
12	23.18	.59
13	23.77	.60
14	24.37	.62
15	24.99	.63
16	25.62	.65
17	26.27	.67
18	26.94	.68
19	27.62	.70
20	28.32	.72
21	29.04	.74



SB-2



# CITY OF HOPEWELL CITY COUNCIL ACTION FORM

**Strategic Operating Plan Vision Theme:**

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

**Order of Business:**

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

**Action:**

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1<sup>st</sup> Reading
- Approve Ordinance 2<sup>nd</sup> Reading
- Set a Public Hearing
- Approve on Emergency Measure

**COUNCIL AGENDA ITEM TITLE:**     **Public Works Salary Proposal**

**ISSUE:** City Council requested a review of the salaries of the Public Works Department

**RECOMMENDATION:** Staff recommends City Council review the proposal and take appropriate action.

**TIMING:** Action is requested at the December 14, 2021 meeting.

**BACKGROUND:** Lower than average pay, combined with internal salary compression, high vacancy rates, inflation and a lack of salary growth opportunities, makes it is very difficult for the Department of Public Works to attract and retain qualified team members. The “boots on the ground” team earn 10 to 20 percent less than their peers in surrounding jurisdictions (depending on job duties). This added to the reality that the knowledge and skills required to be on this team are in great demand within the private sector as well.

The additional cost to implement this proposal on December 29, 2021 is \$122,656.00 and the total additional cost to implement this plan in FY 22/23 is \$245,314.00. No additional money is needed in the personnel budget this FY. Existing vacancies have generated enough savings to cover the cost of this program.

**ENCLOSED DOCUMENTS:**

Memorandum from Edward Watson, Public Works Director

**SUMMARY:**

- | Y                        | N                        |                                    | Y                        | N                        |                                  |
|--------------------------|--------------------------|------------------------------------|--------------------------|--------------------------|----------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Debbie Randolph, Ward #1 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor John B. Partin, Ward #3 | <input type="checkbox"/> | <input type="checkbox"/> | Mayor Patience Bennett, Ward #7  |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Jasmine Gore, Ward #4    |                          |                          |                                  |

**STAFF:**

Edward O Watson, PE, Public Works Director

**FOR IN MEETING USE ONLY**

**MOTION:** \_\_\_\_\_

**Roll Call**

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**SUMMARY:**

- | Y                        | N                        |                                    |
|--------------------------|--------------------------|------------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Debbie Randolph, Ward #1 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Arlene Holloway, Ward #2 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor John B. Partin, Ward #3 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Jasmine Gore, Ward #4    |

- | Y                        | N                        |                                  |
|--------------------------|--------------------------|----------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Janice Denton, Ward #5 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Brenda Pelham, Ward #6 |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor Patience Bennett, Ward #7  |




## Department of Public Works

300 North Main Street  
Hopewell, VA 23860

p: (804) 541.2294  
p: (804) 541.2295  
f: (804) 541.2456

### Memorandum

Date: December 8, 2021  
To: March Altman, City Manager  
From: Edward Watson, Director of Public Works   
Subject: Yearly Merit Pay Increases Proposal for Public Works  
Essential Personnel

Lower than average wages, internal salary compression, high vacancy rates, inflation and a lack of salary growth opportunities, makes it is very difficult for the Department of Public Works to attract and retain qualified team members. There are 35 essential positions within Public Works. These positions can be identified as the “boots on the ground” team. This team performs essential life safety functions during emergencies and works to ensure a safe and reliable citywide infrastructure during their normal work activities. The ever growing challenges of attracting qualified applicants, combined with retaining experienced team members, causes the vacancy rate in the Public Works Department to stay at about 20%. These issues can be alleviated by establishing the proposed pay plan that recognizes prior and future years of service with the City of Hopewell.

*Lower Than Average Wages:* Upon completing a comparison study of similar positions at Petersburg, Colonial Heights, Prince George, Ashland, Chesterfield and Henrico, it was determined that our boots on the ground team is working for salaries that average up to 22 percent less than their peers in these other localities. (Table 1)

*Internal Salary Compression:* With most of the boots on the ground team working at entry level pay (including 7 supervisory personnel), it is very difficult and ill advised to hire new employees at a higher than entry level salary. This salary compression impacts our ability to hire staff with meaningful skills and work experiences. The most

egregious example is that of the night sweeper. This position has been vacant for 2.5 years. (Table 2).

*High Vacancy Rates:* Twenty percent of the positions on the “boots on the ground” team are vacant (7 out of 35). This shortage has a severe impact on the Department’s ability to keep up with infrastructure needs and forces us to hire contractors to perform some tasks that should have been performed by city workers. High vacancy rates cause a constant need to training new personnel, a loss of historical knowledge of the City’s infrastructure, work efficiencies and safety.

*Inflation:* Since the Citywide salary study was performed in 2017, the City’s COLA increases have fallen behind the national cost of living rates by 9%. The total COLA increase issued by the City over the past 4 years was 5.6%. While for the same time period, the Consumer Price Index increased 14.8% and the COLA increases issued by the Social Security Administration was 14.3%. (Table 3)

*Lack of Salary Growth Opportunities:* There are no opportunities for the boots on the ground team to improve their income other than through COLA increases. Public Works employees are usually hired at entry level and stay there. Even on the rare occasion that someone gets an internal promotion within the Department, their pay is only elevated to the entry level pay for that next position. 7 of the 9 supervisors in the Department are paid at entry level.

*Summary:*

With a very low hiring ceiling and virtually no hope of improving employee’s pay, it is very hard to attract, hire, keep and motivate good employees. This makes it difficult to ensure that an experienced and qualified team is ready to respond to natural emergencies and ensure a safe and reliable infrastructure for the citizens of Hopewell. Therefore, it is recommended that the salaries for the Hopewell Public Works team members be increased to be comparable to the average salaries of the other localities through the implementation of the proposed longevity pay plan (Table 4). With this pay plan, there will be fewer vacancies, better qualified workers and a higher morale for every employee. This combination results in a much more effective and efficient workforce. Your consideration of this request is truly appreciated.

**Proposed Pay Plan:**

- Plan only applies to Public Works Staff that are considered essential during emergencies and perform manual labor on a regular basis to accomplish their duties. This designation is determined at the discretion of the Public Works Director and the Human Resources Director.
- Create steps for each grade where essential personnel start at the entry level and progress to the maximum level after 20 years of service.
- The steps increase by in equal percentage increments of approximately 2.5%.
- Current Public Works employees will have their salaries adjusted to the respective step indicated for their pay grade and completed years of experience at the time this program is adopted.
- Essential staff, with prior public works experience, for an employer that is part of the Virginia Retirement System, may receive credit for up to 6 years of experience. Prior credit is based on the judgement of the Department Director and the Human Resource Director.

Attached are pay plans for each grade existing on this essential personnel team (Table 4).

## Salary Comparisons to Surrounding Localities

Table 1

Position Title	Grade	Yearly Salary Avg	Years of Service Avg	Min Salary	Max Salary	Avg for Others	Difference Between Us and Them	Percent Below
<b>Essential Personnel</b>								
PW MAINTENANCE SPEC	18	\$31,451.55	6	30780.52	50787.87	\$33,522.26	\$2,070.71	7%
SENIOR PW MAINTENANCE SPEC	20	\$36,258.60	8	34585.01	57065.26	39226.75	\$2,968.15	8%
AUTO MECHANIC	22	\$52,294.14	22	38859.71	64118.52	\$53,447.29	\$1,153.15	2%
PW MAINT CREW LEADER	22	\$38,859.71	9	38859.71	64118.52	\$47,464.38	\$8,604.67	22%
BUILDING MAINTENANCE MECH	22	\$50,783.17	8	38859.71	64118.52	\$50,192.28	(\$590.89)	
PW SUPERVISOR	24	\$48,948.90	12	43662.77	72043.56	\$56,744.85	\$7,795.95	16%
PW SUPERINTENDENT	31	\$65,652.65	16	65652.65	108326.88	\$77,427.69	\$11,775.04	18%
<b>Professional/Administrative</b>								
ACCOUNTING TECH	20	\$34,585.01	3	34585.01	57065.26	\$32,034.67	-\$2,550.34	-7%
EXECUTIVE ASSISTANT	22	\$38,859.71	5	38859.71	64118.52	\$42,779.50	\$3,919.79	10%
SW QUALITY ANALY	27	Vacant		52003.06	85805.04			
SW PROGRAM MGR	30	\$75,000.00	0	61936.47	102195.17	\$86,138.00	\$11,138.00	15%
ADMIN SUPPRT MGR	31	\$66,243.01	23	65652.65	108326.88	\$67,436.50	\$1,193.49	2%
FLEET MANAGER	32	\$87,125.00	0	69591.81	114826.5	\$86,278.72	-\$846.28	-1%

# Department of Public Works

"Boots on the Ground"

Table 2

Indicates Entry Level Pay

		Position Title	Years of Service As of 10/7/21
<b>Department Director</b>	Street Maint., Mowing, Litter, Landfill Traffic Control and Street Sweeper	PW SUPERINTENDENT	13
		PW SUPERVISOR - ASPHALT	10
		MAINTENANCE CREW LEADER	14
		SR MAINTENANCE SPECIALIST	12
		MAINTENANCE SPECIALIST	0
		MAINTENANCE SPECIALIST	VACANT
		PW SUPERVISOR - STREETS	2
		SR MAINTENANCE SPECIALIST	11
		SR MAINTENANCE SPECIALIST	6
		MAINTENANCE SPECIALIST	18
		MAINTENANCE SPECIALIST	VACANT
		PW SUPERVISOR - TRAFFIC	4
	MAINTENANCE SPECIALIST	VACANT	
	SR MAINTENANCE SPEC. - SWEEPER	6	
	SR MAINT. SPEC. - NIGHT SWEEPER	VACANT	
	Concrete, Grounds, Buildings and Convenience Center	PW SUPERINTENDENT	18
PW SUPERVISOR - CONCRETE		24	
SR MAINTENANCE SPECIALIST		3	
SR MAINTENANCE SPECIALIST		4	
MAINTENANCE SPECIALIST		VACANT	
PW SUPVISOR - GROUNDS		22	
SR MAINTENANCE SPECIALIST		13	
MAINTENANCE SPECIALIST		0	
BUILDING MAINTENANCE TECH		13	
BUILDING MAINTENANCE TECH		9	
CONV CNTR MAINTENANCE SPEC	0		
Fleet Maintenance	AUTO MECHANIC	22	
	AUTO MECHANIC	17	
	AUTO/BUS MECHANIC	4	
	FLEET MECHANIC	0	
	FLEET MECHANIC	VACANT	
	AUTO MECHANIC	VACANT	
Storm Water	STORM WATER MGMT ENGINEER	5	
	SR MAINTENANCE SPECIALIST	19	
	PW MAINTENANCE CREW LEADER	5	



### **Inflationary Increase Comparisons (%)**

**Table 3**

		Social Security	HOPEWELL
	CPI	COLA	COLA
2017	2.1	2	1
2018	1.9	2.8	2
2019	2.3	1.6	0
2020	1.4	1.3	0
2021	6.4*	5.9	2.5
Total **	14.8	14.3	5.6

\* As of December 1, 2021

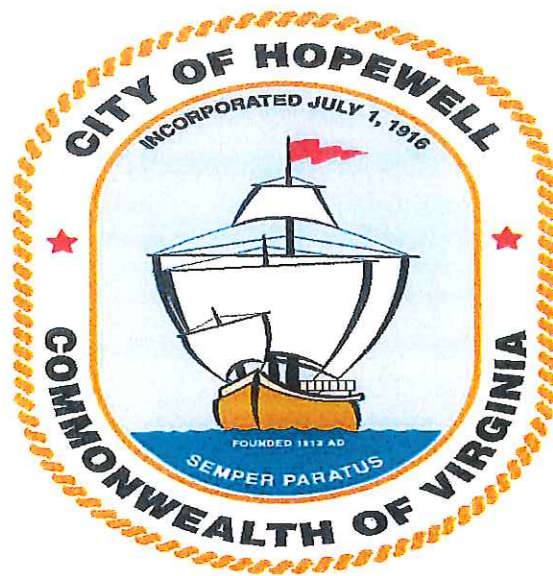
\*\* Compounded Annually Total

**Hopewell Department of Public Works  
2.5355% Step Increases  
Table 4**

Grade 18		Grade 20		Grade 22		Grade 24	
Step 0 (Entry)		Step 0 (Entry)		Step 0 (Entry)		Step 0 (Entry)	
1	\$31,560.96	1	\$34,585.01	1	\$38,859.71	1	\$43,662.77
2	\$32,361.19	2	\$35,461.91	2	\$39,845.00	2	\$44,769.84
3	\$33,181.71	3	\$36,361.05	3	\$40,855.27	3	\$45,904.98
4	\$34,023.03	4	\$37,282.99	4	\$41,891.15	4	\$47,068.90
5	\$34,885.68	5	\$38,228.30	5	\$42,953.31	5	\$48,262.33
6	\$35,770.21	6	\$39,197.57	6	\$44,042.39	6	\$49,486.03
7	\$36,677.16	7	\$40,191.43	7	\$45,159.08	7	\$50,740.74
8	\$37,607.11	8	\$41,210.48	8	\$46,304.09	8	\$52,027.28
9	\$38,560.64	9	\$42,255.38	9	\$47,478.13	9	\$53,346.43
10	\$39,538.35	10	\$43,326.76	10	\$48,681.94	10	\$54,699.03
11	\$40,540.84	11	\$44,425.31	11	\$49,916.27	11	\$56,085.92
12	\$41,568.76	12	\$45,551.72	12	\$51,181.90	12	\$57,507.98
13	\$42,622.73	13	\$46,706.68	13	\$52,479.62	13	\$58,966.10
14	\$43,703.43	14	\$47,890.93	14	\$53,810.24	14	\$60,461.18
15	\$44,811.53	15	\$49,105.20	15	\$55,174.60	15	\$61,994.18
16	\$45,947.73	16	\$50,350.27	16	\$56,573.55	16	\$63,566.04
17	\$47,112.74	17	\$51,626.90	17	\$58,007.97	17	\$65,177.76
18	\$48,307.28	18	\$52,935.90	18	\$59,478.76	18	\$66,830.34
19	\$49,532.11	19	\$54,278.09	19	\$60,986.85	19	\$68,524.82
20	\$50,787.87	20	\$55,654.31	20	\$62,533.17	20	\$70,262.27
			\$57,065.26		\$64,118.52		\$72,043.56
Grade 29		Grade 30		Grade 31			
Step 0 (Entry)		Step 0 (Entry)		Step 0 (Entry)			
1	\$58,430.63	1	\$61,936.47	1	\$65,652.65		
2	\$59,912.14	2	\$63,506.87	2	\$67,317.27		
3	\$61,431.21	3	\$65,117.09	3	\$69,024.10		
4	\$62,988.80	4	\$66,768.13	4	\$70,774.21		
5	\$64,585.88	5	\$68,461.04	5	\$72,568.69		
6	\$66,223.46	6	\$70,196.87	6	\$74,408.67		
7	\$67,902.55	7	\$71,976.71	7	\$76,295.30		
8	\$69,624.22	8	\$73,801.68	8	\$78,229.77		
9	\$71,389.55	9	\$75,672.92	9	\$80,213.29		
10	\$73,199.63	10	\$77,591.61	10	\$82,247.10		
11	\$75,055.61	11	\$79,558.95	11	\$84,332.47		
12	\$76,958.64	12	\$81,576.17	12	\$86,470.72		
13	\$78,909.93	13	\$83,644.53	13	\$88,663.19		
14	\$80,910.69	14	\$85,765.34	14	\$90,911.25		
15	\$82,962.18	15	\$87,939.92	15	\$93,216.30		
16	\$85,065.69	16	\$90,169.64	16	\$95,579.80		
17	\$87,222.53	17	\$92,455.89	17	\$98,003.23		
18	\$89,434.06	18	\$94,800.11	18	\$100,488.10		
19	\$91,701.66	19	\$97,203.77	19	\$103,035.98		
20	\$94,026.76	20	\$99,668.37	20	\$105,648.46		
			\$102,195.17		\$108,326.88		

SB-3

# HOPEWELL VIRGINIA



**REGULAR CITY COUNCIL  
MEETING 11.9.2021**

**City of Hopewell, VA**  
**City Council Regular Meeting**  
**City Council Topic of Interest Requiring the Finance Department**  
**Response, Status and / or Clarification Related to FY2018**  
**Audit Finding and Recommendation**

<u>Topic</u>	<u>Section</u>
Finding and Recommendation 2018-001	1
Systemic and Procedural Improvements Subsequent to FY2018 and/or FY2018 Audit	2
City RFP for Auditor Services	3
City RFP for Risk Assessment	4
2018 Completion and Issuance Status	5
• Annual Comprehensive Financial Report	
• Auditor of Public Accounts Report	
• Single Audit Report	

# SECTION 1

## Finding 2018-001

City and Schools Board's Finance Organization and Financial Statement Closing Process

## Recommendation

It is recommended that the City and School Board perform an entity wide internal control risk assessment to develop and implement a corrective action plan to address the internal control deficiencies noted above. The risk assessment should be considered in the systemic environment internal control structure, financial processes, personnel and organizational structure.

.....

City Council's Topics of Interest (10.07.2021 Special Call Meeting):

## City

- **Accounts receivable – HRWTF Refunds**
  - (Refund calculated and recorded in the Munis general ledger)
  - (Adequate training on new responsibilities and the MUNIS system – HRWTF, Treasurer & Finance)
  
- **Due from other governments – City/CSA**
  - ( Thomas Brothers & Munis Reconciliation)
  
- **Community Development Block Grant (CDBG) Fund**
  - (Duplicate payment \$21K to sub grantee & \$100K drawdown in excess of expenditures)
  
- **Capital Project Funds**
  - (Demonstration /confirmation of prior reported bond proceeds transferred from the bond investment account to reimburse Capital project costs paid from City operating fund)

# SECTION 1

(continued)

- Payroll liabilities
  - (Manual allocation (\$1.7M) of general fund payments to apply the payments to appropriate fund payroll liabilities)
  
- Journal Entries (GNI)
  - (Source: General ledger transactions and corrections --- Meaning: 297 GNI's posting or 6944 correcting account code)
  
- Adjusting Journal Entries
  - (Source: Adjusting entries to close and correct the general ledger to generate financial statements --- Meaning: 100 adjusting entries)

## School Board

- Cash
  - (\$400K capital acquisition expenditures were duplicated in the Building and Bus replacement Fund)
  
- Budgetary Process
  - (Fiscal Year 2018 appropriation over budgeted by \$2.1M)

**Finance Department Response, Status and / or Clarification  
Related to FY2018**

**Audit Finding and Recommendation**



City

- Accounts receivable – HRWTF Refunds
  - (Refund calculated and recorded in the Munis general ledger)

\*\*\*\*\*

**HRWTF Management & Staff Status Update as of 10.27.2021**

**Completion status of credit refunds:**

- FY2016 Completed
- FY2017 Completed
- FY2018 Work in Progress (Approximately 90% complete; Estm. date of completion 12.17.2021)
- FY2019 Outstanding (Estm. date of completion 01.28.2022)
- FY2020 Outstanding (Estm. date of completion 03.11.2022)
- FY2021 Outstanding (Estm. date of completion 04.22.2022)

**Note:**

Per the “Commission Agreement” (3<sup>rd</sup> supplement) the City shall within one hundred eighty (180) days or 6 months after receiving its audited financial statements, perform an annual (year-end) adjustment of Operations and Maintenance payments.

The above estm. dates of completion represent the City’s preliminary calculation using Munis actuals numbers until the respective audits are completed.

.....

- Accounts receivable – HRWTF Refunds (continued)
  - (Adequate training on new responsibilities and the MUNIS system – HRWTF, Treasurer & Finance)

**Finance Director’s Observations and Comments:** Training of responsibilities and roles has been conducted on a functional unit level. For training to be deem adequate an internal control assessment of roles and responsibilities of the 3 primary departments aforementioned that impact refunds (refunds = inclusive of customer accounts receivable and other related refunds, as well as, the commission members) being performed on a timely basis.

- Due from other governments – City/CSA
  - ( Thomas Brothers & Munis Reconciliation)

\*\*\*\*\*

### CSA Reconciliation Process

Currently expenditures are recorded into three financial systems as follows:

- Thomas Brothers, a third party vendor application to assist the CSA Manager; to effectively manage the CSA program.
- Munis (City’s Official Financial System)
- State CSA Database

Reconciliation Process:

- Council approves annual fiscal year budget for the CSA program
- Finance Department uploads approved budget into Munis before expenditure can take place, expenditure is limited to what is approved by Council
- CPMT approves benefits for recipients which is encumbered through the City’s Purchase Order System
- Approved benefits are paid and recorded in Munis and also recorded into the Thomas Brothers
- CSA Manger upload financial transactions into the State CSA system through the Thomas Brothers application
- CSA Manager requests state reimbursement based on a predetermined agreed upon percentage
- Assistant Finance Director (AFD) compares total expenditure reported to the State CSA system to Munis to ensure accuracy. Any discrepancies are resolved before approval can take place.
- AFD signs off on the request for payments.
- The above outlined process is performed monthly

Note:

As fiscal agent AFD implementation and participation of the aforementioned process commenced FY2021 (12.2020 to present).

- o Community Development Block Grant (CDBG) Fund
  - o (Duplicate payment \$21K to sub grantee & \$100K drawdown in excess of expenditures)

\*\*\*\*\*

- o CDBG paid vendor twice \$21K
- o CDBG \$100K drawdowns were performed before paid expenditures
  - o (CDBG is a reimburse grant; draw downs should be done base on the City's actual expenditures)
- o Anticipated Remedy: Future reduction in funding as related to the aforementioned

- **Capital Project Funds**
  - **(Demonstration /confirmation of prior reported bond proceeds transferred from the bond investment account to reimburse Capital project costs paid from City operating fund)**

.....

**See Attachments:**

**10.05.2018 Cash Transfer Letter Request (\$3,424,173.45)**

**10.09.2018 SunTrust wire advice (\$3,424,173.45)**

**10.13.2018 City of Hopewell Journal Voucher (\$3,424,173.45)**

- Payroll liabilities
  - (Manual allocation (\$1.7M) of general fund payments to apply the payments to appropriate fund payroll liabilities)

.....  
The City of Hopewell implemented the Munis Payroll System on July 1, 2017. Prior to the implementation, CBIZ processed the City's payroll.

**(Prior to the implementation of the Munis Payroll System, CBIZ provided a General Ledger (GL) Journal Report. This report was used to enter manual journals for the allocation of payroll costs across funds.)**

The benefit costs for employer/employee had not been allocated correctly through Munis payroll for Fiscal Year 2018. Working with the ACFR consultant team a change to correct allocation (systemic) was made to the **primary** deductions within the Munis Payroll System on July 29, 2019 (FY2019-2020).

**(As of June 30, 2022, there will no longer be any manual journal entries for payroll benefit costs. Certifying and testing of the MUNIS Payroll System has been completed as of 11.30.2021, to ensure that the system is allocating the remaining benefit costs correctly across funds.)**

- Adjusting Journal Entries
  - (Source: Adjusting entries to close and correct the general ledger to generate financial statements --- Meaning: 100 adjusting entries)

.....

ACFR consultant made year end correcting entries to close and correct the general ledger to generate financial statements

The 100 adjusting entries primarily related to correct departments receiving grants funds and the posting expenditures in new accounts codes that were set up in the CDBG fund, as well, as in an Agency Fund (Trust Fund)

School Board

- Cash
  - (\$400K capital acquisition expenditures were duplicated in the Building and Bus replacement Fund)

.....

Treasurer recorded a wire behalf of School Board acquisition of a building

School Board recorded the building acquisition expenditure as an invoice

Result double posting error but only one payment (\$400K)

School Board

- Budgetary Process
  - (Fiscal Year 2018 appropriation over budgeted by \$2.1M)

.....

Education Local Government Budget	\$ 14,264,679
Education Actual Expenditures	(\$ 12,182,187)
Education Excess Budget over Expenditures	<hr/> \$ 2,082,492





**Joan E. Gosier, MBA**  
City Treasurer

igosier@hopewellva.gov  
p: (804) 541-2260  
f: (804) 541-2444

300 North Main Street  
Suite 109  
Hopewell, VA 23860

www.hopewellva.gov

Cash Transfer Letter

October 5, 2018

Charles Henderson  
Assistant Vice President, Escrow Services  
Mail Code VA-HDQ-5307  
919 E Main St, 5th Floor  
Richmond, VA 23219

Dear Charles Henderson:

**Cash Transfer Request**  
**Suntrust Account: [REDACTED]**

Pursuant to Section 1.3 of the Escrow Agreement please accept this letter as written notification to complete the following request on our account listed above:

Please transfer \$3,424,173.45 from our Suntrust Account: [REDACTED] to our Suntrust Account [REDACTED]

Transfer Date: 10/5/2018

Transfer from Suntrust Account: [REDACTED]

Transfer to Suntrust Master Account: [REDACTED] *3/26/18*  
ACH to the account

ABA 06 [REDACTED] (wire) *yes preferred*

ABA 05 [REDACTED] (check)

**Purpose: Reimburse Cash for Public Safety Building Construction Cost (2014-2018):**

Please forward all completed paperwork to: Joan E. Gosier, City Treasurer

Yours sincerely

*Joan E. Gosier*  
Joan E. Gosier, City Treasurer  
On Behalf of the City of Hopewell, VA

*Edward O. Watson*  
\_\_\_\_\_

*Michael Terry*  
\_\_\_\_\_

*J. March Altman*  
\_\_\_\_\_

Ed Watson - Project Director

Michael Terry - Finance Director

J. March Altman - City Manager

SUNTRUST BANK  
P.O. BOX 5833  
CENTRAL WIRE FACILITY  
ORLANDO, FL 32897



CITY OF HOPEWELL  
MASTER ACCOUNT TREASURERS OFFICE  
P O BOX 199  
HOPEWELL VA 23860

RECEIVED

OCT 16 2018

CITY OF HOPEWELL  
TREASURER OFFICE

PAGE 1

ACCOUNT NUMBER [REDACTED]

DATE 10/09/2018

**ADVICE OF WIRE TRANSFER CREDIT(S)**

TRANSACTION NUMBER [REDACTED]  
RECEIVED VIA INTERNAL  
DEBIT PARTY:

AMOUNT \$3,424,173.45

G/ [REDACTED]  
STB ESCROW SERVICES  
ATTN NICKIDA DOOLEY  
919 EAST MAIN STREET  
TOSS RICHMOND VA 23219  
SENDING BANK:

ORIGINATOR TO BENE INFO:  
REF: REIMBURSE CASH FOR PUBLIC  
SAFETY BUILDING CONSTRUCTION COST  
(2014-2018)

B/ [REDACTED]  
ESCROW SERVICES  
ORIGINATOR:  
CITY OF HOPEWELL, VA  
300 NORTH MAIN STREET  
HOPEWELL, VA 23860

THE HOURS FOR INITIATING TELEPHONE WIRE TRANSFER REQUESTS ARE 8:30 AM TO 4:30 PM ET. THIS ADVICE IS YOUR PERMANENT RECORD OF THE TRANSACTIONS. FOR INQUIRY, CALL 800-786-8787 AND PROVIDE THE TRANSACTION NUMBER ON THE ADVICE.

City of Hopewell  
Journal Voucher

Effective Date:

10/13/2018

2019/3 # 9496

Batch # \_\_\_\_\_

MUNIS Acct #			Debit	Credit	Description
Org	Object	Project			
011	110110		3,424,173.45		Reimburse Cash for Public Safety B'dg Const
071	120111	00109		3,424,173.45	Reimburse Cash for Public Safety B'dg Const
Continuation Sheet Total					
Total			3,424,173.45	3,424,173.45	

Comment: Transfer from Investments to Cash

Prepared by: J. Bizzell Authorized by: J. Gosier

Posting Date: \_\_\_\_\_ Finance Recd By: \_\_\_\_\_ Input Completed: \_\_\_\_\_

Hash Total 6,848,346.90

## SECTION 2

### Systemic and Procedural Improvements Subsequent to FY2018 and/or FY2018 Audit

#### Finance Department – Accounting and Accounts Payable

1. All Bond payments are processed through Munis as a wire transfer to ensure the payments made by phone by the Treasurer's Office are recorded for each payee. The bond payment procedure is as follows: the forms are given to Assistant Finance Director for verification and signature, they are then processed and scanned through Munis at least 10 days prior to due date of payment. Once completed in Munis the bond payment documents are taken to the Treasurer's Office and signed upon acceptance. Copies of all bond payment documents are kept in the Finance Department. Start Date: FY2019-2020 (3/2020)
2. ACH/EFT payments are now being utilized by a small portion of vendors, as this is a new procedure for the City. The Finance Department have undertaken this new process to decrease the cost of check stock, toner, and postage. As the amount of ACH/EFT vendors increase the savings will also increase. The goal is to eventually have the majority of our vendors/employees designated as ACH/EFT payments. Start Date: FY2021-2022 (09/2021)
3. The Check Request process has been reiterated as follows: The check request form is filled out by the department and sent to the Assistant Finance Director for review and signature, prior to any request entered into Munis for payment. This check request process includes Recreation and Parks deposit refunds, Permit refunds of any kind, Asset Forfeiture payments, Jury member payments, Small Business Grant payments, and any Treasurer request for payment. Start Date: FY2020-2021 (7/1/2020)

Finance Department – Accounting and Accounts Payable (continued)

**Munis Bank Reconciliation Project**

**PURPOSE:** The purpose of this project is to match the balances in the City of Hopewell accounting system (Munis) for a cash account to the corresponding information on the Truist bank statements. This will enable us to ascertain the differences between the two systems and book the necessary changes to our Munis accounting system as appropriate.

**EXPECTED OUTCOME:** To bring City's monthly reconciliation current with the exception of School reconciliation which is currently independent of Munis financial system module.

**START DATE:** This project started in April 2019 when the Assistant Finance Director attended a Munis User Conference. The project was delayed due to personnel change and Munis system upgrade. The group reconvene on June 30, 2021 after completion of the Munis upgrade.

**PARTICIPANTS:** The project participants are as follows:

City Treasurer, Joan Gosier; Chief Deputy Treasurer, Joseph Bizzell; Account Payable Specialists, Felicia Ashburn and Dorothy Gerald; Assistant Finance Director, Dipo Muritala; IT Director, Concetta Manker; Tyler Account Specialist, Noel Wallace and Truist Treasury Solution, Donna Smith Barksdale.

Finance Department – Accounting and Accounts Payable (continued)

Munis Bank Reconciliation Project (Continued)

**PURPOSE:** The purpose of this project is to match the balances in the City of Hopewell accounting system (Munis) for a cash account to the corresponding information on the Truist bank statements. This will enable us to ascertain the differences between the two systems and book the necessary changes to our Munis accounting system as appropriate.

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Finance Department – Accounting and Accounts Payable (continued)

Munis Bank Reconciliation Project (continued)

STATUS AS OF 10/26/21:

The team typically meet every other Wednesday, currently November meeting schedule is pending.

100% of Munis system setup has been completed.

18 months of bank BAI\* file is available on the bank network, the Chief Deputy Treasure indicated these files has been downloaded in City network folder.

The Chief Deputy Treasurer downloads BAI file every month in a separate folder.

Chief Deputy Treasurer is currently completing the first two periods that are available from the bank.

The Treasurer and the Assistant Finance Director will review the completed reconciliation before we proceed to additional months.

Note:

\*Bank Administration Institute (BAI) is a file format used by the bank to transfer financial data.

### Finance Department – Budget and Financial Reporting (continued)

1. Starting in FY2019-2020, operating costs that were previously budgeted as capital were moved to departments' operating budgets. Examples: Expense for Chapter 18 violations (tall grass, trash and debris) for Development and annual taser contract for Sheriff.
2. Starting in FY2019-2020, the practice of posting cost recovery funds to expense accounts was eliminated. The prior practice resulted in expense line items showing the net of the expenses and cost recovery combined instead of the true costs. It also caused the need for year-end reconciliation/reclassification. By eliminating this practice, true costs are shown throughout the year and the year-end reconciliation/reclassification for cost recovery is no longer needed.
3. Starting in FY2020-2021, departments were no longer allowed to request funding using miscellaneous expense codes. Funding requests previously coded as miscellaneous were reclassified for the departments that were able to show proof that the funds were needed. Funding was removed from departments that were not able to show that the funding was necessary.

Please note:

Miscellaneous revenue codes are still being used as for one-time revenue sources and other situations where funds are received that do not fit into a particular category.



## SECTION 3

### City RFP for Audit Services

- Anticipated post date 11.03.2021



**REQUEST FOR PROPOSALS  
FINANCIAL AUDIT SERVICES  
CITY OF HOPEWELL**

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**INVITATION: # 10-22**

**DATE: November 04, 2021**

Sealed Proposals, subject to the general conditions and specifications hereby attached, will be received at the Office of the City Clerk, Second Floor, Municipal Building 300 North Main Street, Hopewell, Virginia 23860 until, but not **later than 11:00 a.m. Thursday, December 2, 2021.**

1. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original, three (3) copies, and a portable document format (pdf) version of the proposal shall be submitted to the City of Hopewell, Virginia.
2. Regardless of delivery method of proposal, the **outside** of each envelope must clearly indicate the following: *(If Proposal is delivered by Federal Express, UPS, USPS Priority, etc. or any other means, the outside of **each** envelope **must also** clearly indicate):*

**Office of the City Clerk  
Second Floor  
Municipal Building  
300 North Main Street  
Hopewell, Virginia 23860  
Closing Date of Proposal: December 2, 2021  
Financial Audit Services  
RFP # 10-22**

3. Proposals by telephone, telegraph, or facsimile **will not** be accepted.
4. **ANY PROPOSAL RECEIVED AFTER 11:00 A.M. ON THE AFOREMENTIONED DATE OF OPENING, WHETHER BY MAIL OR OTHERWISE, WILL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED.**

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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Nothing herein is intended to exclude any responsible firm or in any way restrict competition. The selection process will be competitive negotiation as outlined in Chapter 2A of the Code of the City of Hopewell, Virginia, and Section 2.2-4302.2 (Virginia Public Procurement Act) of the Code of Virginia.

All Proposals submitted must be signed by an individual authorized to bind the Offeror. Proposals submitted without such signature will be deemed non-responsive, and will not be considered. The City of Hopewell reserves the right to cancel the RFQ/RFP, to award in part or in whole, to waive all informalities, to reject any or all items of any proposal, or reject any and all proposals deemed to be in the City's best interest. The City may modify any requirements in the RFQ/RFP prior to the deadline by written notice to any Offeror requesting a copy of the RFQ/RFP. The City may modify the project's scope of services and required tasks during negotiation process with the successful Offeror. The City shall neither be obligated nor prohibited from awarding or amending any contract with the successful Offeror for services less than or greater than the scope of services contemplated in this proposal.

The right is reserved to extend any resulting contract, for terms to be mutually negotiated and agreed upon.

If you desire not to quote on this invitation, please forward your acknowledgement of NO PROPOSAL. FAILURE TO COMPLY WITH THIS REQUIREMENT WILL BE CAUSE FOR REMOVAL OF YOUR COMPANY'S NAME FROM THE QUALIFIED OFFEROR LIST.

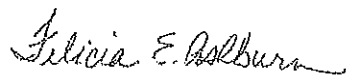
All proposals are subject to general terms and conditions hereby attached and will be rejected if not properly executed.

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.

The City reserves the right to be sole judge and to make the award in accordance with its own judgment as to what will best meet its requirements and be in the best interest of the City.

AVAILABILITY OF FUNDS: It is understood and agreed between the Offeror 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.

Proposal and contracting procedures shall conform to all applicable regulations and provisions of the *City of Hopewell Procurement Ordinance* effective July 17, 2017, as amended; a copy of which is available on the City's website ([www.hopewellva.gov](http://www.hopewellva.gov)) under the tab GOVERNMENT, section LAWS/ORDINANCES. Click the link at the bottom of the page and click Chapter 2A-Procurement to view the Procurement Ordinance.



Felicia Ashburn  
Acting Procurement Officer

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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Please return the Proposals to the Office of the City Clerk, Second Floor, Municipal Building, 300 N. Main Street, Hopewell, Virginia 23860. Regardless of delivery method of Proposal, the outside of each envelope must clearly indicate the following: *(if Proposal is delivered by Federal Express, UPS, USPS Priority, etc. or any other means, the outside of each envelope must also clearly indicate):*

Office of the City Clerk  
Second Floor  
Municipal Building  
300 North Main Street  
Hopewell, Virginia 23860  
Closing Date of Proposal: December 2, 2021  
Financial Audit Services  
RFP # 10-22

**Note of Clarification:**

All References to **BID** contained within this Invitation should be referred to as **PROPOSAL**.

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

**INCLUDE THIS PAGE WITH YOUR PROPOSAL-IF THIS FORM IS NOT INCLUDED IN THE PROPOSAL, THE PROPOSAL WILL BE REJECTED.**

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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State Corporation Commission Form

Virginia State Corporation Commission ("SCC") registration information:

The undersigned Offeror:

is a corporation or other business entity with the following SCC identification number:

\_\_\_\_\_ -OR-

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust -OR-

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the Offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from bidder's out-of-state location) -OR-

is an out-of-state business entity that is including with this bid an opinion of legal counsel which accurately and completely discloses the undersigned Offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

**\*\*NOTE\*\*** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the City reserves the right to determine in its sole discretion whether to allow such waiver):

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_  
Print

Title: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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**I. PURPOSE:**

The City of Hopewell is soliciting proposals from qualified firms to obtain the services of qualified certified public accountants/auditors to perform a financial and compliance audit for the City of Hopewell, for Fiscal Years 2019, 2020, 2021, and 2022. The previous Fiscal Years 2019, 2020, and 2021 to be completed within eighteen (18) months from date of contract. This includes the governmental activities, business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information.

This solicitation is issued by the Hopewell City Finance Department on behalf of the City of Hopewell, Hopewell City School Board and the Hopewell Department of Social Services, political subdivisions of the Commonwealth of Virginia, herein after referred to for convenience as “Owner”.

For ease of reference, each organization submitting a response to the Request for Proposal will hereinafter be referred to as an “Offeror”. An Offeror whose proposal would result in a formal agreement will hereinafter be referred to as “auditor” or “firm”. “CPA” shall mean Auditor’s CPA.

The City of Hopewell reserves the right to award to more than one Offeror.

The City of Hopewell will select the firm(s) who they determine most closely satisfies the needs of the City. There is no requirement for acceptance of the lowest cost of service offered, and specific requirements may be waived or amended at the discretion of the City.

**II. STATEMENT OF NEEDS/ SCOPE OF SERVICES:**

**A. Contractor’s Qualifications**

1. During the term of this contract the Auditor shall be licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia. The Auditor shall also be independent as that term is defined in the Ethical Rules of the AICPA.
2. The Auditor shall comply with the requirements of qualifications as contained in the Government Auditing Standards issued by the Comptroller General of the United States.
3. The Auditor will be required to have significant experience with Local City Governments.

**B. Specific Requirements: The awarded firm shall:**

**1. Audit the Financial Statements**

Audit the financial statements of the City of Hopewell as a whole and it’s discretely presented component unit, Hopewell City Public Schools, in accordance with generally accepted auditing standards. The audit shall result in the preparation of financial statements from the audited records of the Owner by the Auditors with the Auditors’ opinion and notes thereon. The Auditors’ opinion shall be unmodified unless the Auditor furnishes to the Owner on a timely

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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basis, reasons for qualifying the opinion, disclaiming an opinion or rendering an adverse opinion.

The Code of Virginia requires the Owner to have all of its accounts and records audited annually by an independent CPA in accordance with the specifications furnished by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, *Specifications for Audits of Counties, Cities and Towns*, as of June 30 of each year. It should also be in accordance with the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A- 133, *Audits of States, Local Governments and Non Profit Organizations*. It will include tests of accounting records, a determination of major programs in accordance with Circular A-133 and other procedures necessary in order to express an opinion and render the required reports. The Owner is required to submit its Annual Comprehensive Financial Report (ACFR) to the APA by the following December 15. The CPA shall present a detailed written report to the local governing body at public session by the following January 31.

**2. Prepare the APA Comparative Report Transmittal Forms and provide Agreed-upon Procedures.**

Prepare the City's Comparative Report Transmittal Forms on behalf of the Owner in compliance with the requirements of the *Uniform Financial Reporting Manual (UFRM)* and provide certain "agreed upon procedures" as set forth in the APA's *Specifications for Audits of Counties, Cities and Towns*. The Owner is required to submit its Comparative Report Transmittal Forms to the APA by December 15.

**3. Prepare the Schedule of Expenditures of Federal Awards and Data Collection Form (Federal Grants Audit)**

In connection with the audit of the financial statements, the Auditor shall perform tests and report on compliance in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities and Towns* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The CPA shall prepare the Schedule of Expenditures of Federal Awards for the primary government and discretely presented component units and the Data Collection Form required by OMB Circular A-133 by December 15 for submission by the Owner to the Federal Audit Clearinghouse as part of its Reporting Package.

**4. Internal Controls**

In connection with the audit of the financial statements, the Auditor shall consider, test, and report on internal controls in accordance with *Generally Accepted Auditing Standards (GASS)*, *Government Auditing Standards*, OMB Circular A-133, *Audits of State Local Governments*, and the *Specifications or Audits of Counties, Cities and Towns*. It is understood that in performing these tests of controls, the Auditor shall visit the following areas during the course

CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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of the audit: Information Technology, Finance, Treasurer, School Board, Social Services, and other areas as required. Non-reportable conditions discovered by the Auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

**5. Compliance Auditing**

In connection with the audit of the financial statements, the Auditor shall perform test and report on compliance in accordance with *Government Auditing Standards*, OMB Circular A-133, *Audits of State and Local Governments*, and the *Specifications for Audits of Counties, Cities and Towns*.

**6. Compliance Letters (as required)**

Provide services as necessary to issue compliance letters to various outside agencies as required.

**7. GFOA Certificate of Achievement for Excellence in Financial Reporting – Checklist**

Provide special assistance to the Owner in order for it to continue to meet the requirements of the Government Finance Officers' Association of the United States and Canada (GFOA) "Certificate of Achievement for Excellence in Financial Reporting" Process. Provide the Owner a formal review of the Owner's ACFR against the GFOA certificate program checklist prior to finalizing the ACFR.

**8. Supplemental Schedules and Statistical Schedules**

The Auditor is to also provide "an in-relation-to" opinion on the supporting schedules based on the audit procedures applied during the audit of the general purpose financial statements and the combined and individual fund financial statements and schedules. This includes the statements of the Treasurer's accountability, the analysis of funding progress for pension plans, the schedule of federal assistance, Budgetary Comparison Schedules and the Management's Discussion and Analysis Statement.

**9. Cost Allocation Plan**

The Auditor shall be responsible for calculating indirect costs and submitting appropriate reports to the state as part of the cost allocation plan involving reimbursable cost from the Department of Social Services.

**10. School Funds**

The audit of the School Cafeteria Funds shall be included in the audit of the Owner's financial statements.

**11. Internal Controls and Management Recommendation Letters**



CITY OF HOPEWELL  
RFP #10-22 – Financial Audit Services

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The Auditor shall issue a report on internal controls to the Owner containing recommendations to strengthen internal controls should such be necessary. The Auditor shall issue a report to the Finance Director for any minor internal control issues or recommendations to improve procedures.

**12. Annual Meeting – New Financial Reporting Standards and Audit Findings**

Meet annually in the late winter or early spring to plan for the upcoming year-end and ACFR preparation. Provide the Owner with a formal presentation of the financial reporting standards and the specific impact on the City and any component units. Specifically address any new Governmental Accounting Standards Board (GASB) Statements and any applicable Financial Accounting Standards Board (FASB) statements. The Auditor shall inform the City of any difficulties encountered in performing the audit and significant audit adjustments.

**13. Attend City Council Meeting**

Before December 31 of each year, attend the City Council meeting to present the results of the audit.

**14. Additional Meetings**

In addition to the annual meeting and the City Council meeting, the selected Auditor shall meet with the Finance Director and members of his accounting staff before the preliminary work and at the end of the fieldwork. The purpose of these meetings is to keep the Owner fully informed on the scope and progress of the audit.

**15. Technical Assistance**

From time to time during the contract period, the Auditor will provide assistance, advice, or recommendations regarding new or unusual accounting procedures. This assistance will be provided in a timely manner and will generally be requested on an informal basis as the need arises.

**16. Required Reports**

Following the completion of the audits of each fiscal year's financial statements, the Auditor shall:

- a. Issue a report on the fair presentation of the Basic Financial Statements as presented in the Owner's ACFR in conformity with Generally Accepted Accounting Principles.
- b. The Auditor shall also be responsible for performing certain limited procedures involving the Management's Discussion and Analysis (MD&A) and Required Supplementary Information (RSI) required by GASB as mandated by Generally Accepted Accounting Audit Standards (GAAS).
- c. Issue a report on the fair presentation of the Basic Financial Statements in conformity with GAAP and an "in-relation-to" opinion on the Schedule of Expenditure of Federal

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Awards.

- d. Issue a report on the Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. This report shall describe the scope of testing of internal controls and the results of the tests, and, where applicable, refer to the separate Schedule of Findings and Questioned Costs.
- e. Issue a report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133. This report shall include compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material adverse effect on the financial statements. This report shall also include an opinion as to whether the Owner complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major grant program and where applicable, refer to the separate Schedule of Findings and Questioned Costs.
- f. Issue a report on compliance with the general requirements applicable to federal assistance programs. The Auditor shall communicate all instance 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 Auditor shall reference the Schedule in the report on compliance.
- g. Issue a report on compliance with the requirements applicable to non-major federal assistance programs if the Auditor selected non-major program transactions during the audit. The Auditor shall communicate all instances of 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 auditor shall reference the Schedule in his report on compliance.
- h. Issue a Schedule of Findings and Questioned Costs prepared in accordance with the requirements of OMB Circular A-133.
- i. Issue a report on compliance and internal controls which shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter.
- j. Issue a report summarizing compliance matters tested in accordance with the Uniform Financial Reporting Manual.
- k. Issue a report on the application of agreed-upon procedures relative to the Comparative Report Transmittal Forms. This report shall be forwarded to the Finance Director for submission with the forms to the Auditor of Public Accounts.
- l. Issue a separate opinion on the Basic Financial Statements to be used by the Owner as part of its Official Statements in debt offerings. (as required)
- m. Issue two letters regarding internal control and operations, one addressed to the City

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Council and one addressed to the Finance Director.

- 1) The “Management Letter”, addressed to the Finance Director, shall state the existence or non-existence of situations that lack the significance to be designated as reportable conditions as well as opportunities to improve revenues, decrease costs, improve efficiency, improve management information etc.
  - 2) These letters shall encompass the primary government as well as its Component Units. All findings that are candidates for inclusion in either of these letters must be discussed with the responsible Department Head or his/her designee and the appropriate contact person.
  - 3) Initial drafts of all findings shall be provided to the Finance Director at the conclusion of the interim fieldwork phase of the audit, but not later than June 30. Final drafts of the finding shall be provided to the City Manager at the conclusion of the audit fieldwork, but not later than November 1. The letters shall be issued in final form no later than December 1.
- n. The Auditor shall make an immediate, written report of all irregularities and illegal acts, or indications of illegal acts of which they become aware to the:
- ▣ City Council
  - ▣ Hopewell City School Board
  - ▣ City Manager
  - ▣ Superintendent of Schools
  - ▣ Director of Finance
  - ▣ City Treasurer
  - ▣ Director of Social Services

**17. Report Preparation and Presentation**

The Auditor will be responsible for ACFR preparation, editing and printing. The Auditor shall furnish the audit opinion and required compliance reports necessary for the production of the ACFR.

The Auditor shall provide to the Hopewell City Public Schools’ Director of Finance ten (10) copies of the complete financial statement and report for all schools Student Activity Funds and an extract report for each school Student Activity Fund not later than September 1 of each year.

The Auditor shall present the Annual Comprehensive Financial Report to the Owner at a public session as required by Section 15.1-167 of the Code of Virginia.

**18. Submission of Report to the APA**

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The Auditor will submit three (3) copies of the ACFR to the Auditor of Public Accounts by December 15 of each year in accordance with Section 15.1-166 of the Code of Virginia.

**19. Submission of Reports to Federal and State Agencies**

The Owner will be responsible for submitting copies of the ACFR to appropriate state and federal agencies.

**20. Submission of Transmittal Forms to the APA**

The Auditor shall submit one copy of the Comparative Report Transmittal Forms, including his report thereon, to the Auditor of Public Accounts by December 15 following the end of the fiscal year. The Auditor shall prepare the Comparative Report Transmittal Forms for accuracy and compliance with APA's UFRM by December 15 for Finance Department Review. The Auditor shall issue the related "agreed upon procedures" transmittal letter as required by the APA not later than December 15. The Auditor shall file the reports electronically with the APA by the December 15 deadline.

**21. Submission of Reports to GFOA**

The Owner will submit the ACFR to the Government Finance Officers' Association for review for the Certificate of Excellence in Financial Reporting. The auditor shall review the ACFR using the GFOA checklist prior to the Owner's submission and provide the City's Finance Department with comments for correction prior to December 1.

**22. GASB/FASB Pronouncements**

The Auditor will undertake to keep the Owner fully informed as to new GASB and FASB pronouncements. The Auditor shall formally report to the Finance Department staff any new financial reporting requirements and the specific impact on the Owner's financial statements. If the Owner encounters any difficulties in implementing and complying with the specific reporting requirements mandated by the GASB or FASB, the Owner may request the Auditor's assistance to enable it to comply with these reporting requirements.

**23. 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 three (3) years, unless the firm is notified in writing by the Owner of the need to extend the retention period. The Auditor will be required to make working papers available, upon request, to the Owner.

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

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significance.

**24. Field Audit Schedule Deadlines**

The Auditor shall have completed the preliminary field audit no later than June 10 and the final field audit no earlier than September 15 and no later than October 10. The Auditor shall provide a detailed audit plan and a list of all schedules to be prepared by the City by July 1.

**25. Additional Services**

The Auditor shall provide additional auditing and/or consulting services as may be required in accordance with the agreed fee schedule. Such services shall be provided on an as-needed basis and may include but not be limited to spot audits on Owner departments or divisions, audits on vendors or agencies affiliated with the Owner or any other related services.

**C. Owner Responsibilities**

The Finance Department has the responsibility for maintaining the general accounts of the Owner. The Finance Department is the central oversight and coordinating agency for the City-wide audit of the financial statements. The Finance Director is the Audit Coordinator for the City. The Finance Department will provide all information required for the Auditor to perform their duties. The Owner will also provide space in Owner facilities for Auditors to perform on-site work.

**D. Term of Engagement**

A four (4) year contract, with the option to renew for one (1) additional year, is contemplated, subject to the annual review and recommendation of the City of Hopewell, the satisfactory negotiation of terms (including a price acceptable to both the City of Hopewell and the selected firm) and the annual availability of an appropriation.

**III. OFFEROR'S INSTRUCTION:**

**A. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS:**

1. Offerers may submit any questions or requests for additional information regarding the project in written format by Tuesday 11/16/2021 at 5:00PM. All questions shall be directed to Felicia Ashburn [fashburn@hopewellva.gov](mailto:fashburn@hopewellva.gov). A formal clarification will be sent out in writing on 11/22/2021, to all known potential Offerors.
2. Proposals must be signed by an authorized representative of the Offeror. All information requested must be submitted. Failure to submit all information requested may result in the Procurement Officer requiring prompt submission of missing

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information and/or receiving a lowered evaluation of the proposal. Proposals which are substantially incomplete or lack key information may be rejected by the City at its discretion. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of context. To facilitate an effective evaluation process, offerors are instructed to utilize the following format in preparing the proposal:

- a. Proposals must include the following completed forms:
    - i. Signature Sheet
    - ii. State Corporation Commission Form
  - b. Proposal should be prepared on 8 ½ x 11 inch paper
  - c. Page margins must be at least one inch on all sides
  - d. Any type smaller than a 12-point font will not be accepted in proposal narratives
  - e. All acronyms must be defined
  - f. Submission of (1) original, and three (3) copies of the full proposal, plus one (1) electronic copy on a USB drive.
3. The Offeror must submit a proposal, which demonstrates and provides evidence that the Offeror has the capabilities, professional expertise, and experience to provide the necessary services as described in this RFP. The Offeror shall ensure that all information required herein is submitted with the proposal. All information provided should be verifiable by documentation requested by the City of Hopewell. Failure to provide all information, inaccuracy or misstatement may be sufficient cause for rejection of the proposal or rescission of an award. **Each copy of the proposal should be bound with all documentation in a single volume where practical.**

Responses must, in any event, contain the following information and be organized into separate chapters and sections using the format described below in order to provide each firm an equal opportunity for consideration.

- a. Statement of Qualifications
  1. Signature sheet and the return of this completed RFP and any addenda, acknowledgments, signed and filled out as required.
  2. History of the firm, including number of years in business and size of firm.
  3. The approximate date the audit will begin (including preliminary fieldwork) and end including the approximate dates for delivery of the auditors' reports.
  4. Resumes, including experience, of the individuals who will be assigned, relevant experience of each in auditing municipalities, and recent continuing professional education of each stating that they have met the requirements required by Government Auditing Standards, issued by the Comptroller General of the United States.
  5. Reference letters from a minimum of five organizations, preferably

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local government, for which proposed staff has completed audits. Include names, addresses and telephone number of persons who may be contacted.

6. A copy of the report on the firm's most recent peer review and certification that Firm has met the peer review standards of the AICPA and Government Auditing Standards.
7. A statement by the Offeror that:
  - i. The firm is independent of the Owner, as that term is defined in the Ethical Rules of the AICPA.
  - ii. The firm and the partner assigned of the engagement are licensed to perform the audit as provided by the applicable laws of the Commonwealth of Virginia.
  - iii. The firm will provide adequate supervision of their field staff on a day-to-day basis.

b. Proposal:

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed.

4. Proposals shall be signed by the authorized representative of the Offeror.
5. Proposals should be prepared simply and economically, providing a straightforward, concise, detailed description of capabilities to satisfy the requirements of the RFP.
6. All expenses for making proposals to the City shall be incurred by the Offeror.
7. Offeror must be authorized to transact business in Virginia as a domestic or foreign business entity as required by the State Corporation Commission, if such is required by law. Such status shall be maintained during the term of a contract. A contract entered into by a business in violation of the requirements is voidable at the option of the public body.
8. Offerors are reminded that changes to the RFP, in the form of addenda, are often issued between the issue date and within 3 days of the due date of the solicitation. All addenda must be signed and submitted with proposal. Notice of addenda will be posted on eVA. It is the offeror's responsibility to monitor the webpage for the most current addenda.

**IV. PROPOSAL EVALUATION PROCESS:**

The City of Hopewell shall appoint a Selection Committee to review and evaluate all

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proposals submitted by Offerors responding to this RFP. The proposals will be evaluated and ranked based on the Evaluation Criteria listed in Section V. The City of Hopewell 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.

V. PROPOSAL EVALUATION CRITERIA

The respondents will be evaluated on the following criteria:

1. 30 Points - Proven record of expertise and independence in the auditing of local governments.
2. 20 Points - The audit plan indicating an understanding of the work, how the audit work is to be performed, the timing of the audit work, and the assistance needed from the City.
3. 20 Points - Experience and professional qualifications of the audit team, including applicable Virginia licensing requirements.
4. 20 Points - References from other governmental entities.
5. 10 Points - Overall completeness, clarity and quality of proposal.

The selection process shall be governed by and completed in accordance with the Hopewell City Procurement Ordinance. If any provision of this Request for Proposal shall be found to be inconsistent or in conflict with such policy, the terms of the ordinance shall govern.

The City of Hopewell reserves the right to reject any or all proposals.

The City of Hopewell reserves the right to evaluate any sources of information available on a potential vendor.



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VI. 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 Hopewell, 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 Hopewell business license, if required, before work is performed.**
- B. **EMPLOYMENT DISCRIMINATION/DRUG-FREE WORKPLACE BY CONTRACTOR:** By submitting the bids/proposals, 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.

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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/proposals 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/proposal price. Tax exemption certification will be furnished on request.
- D. **INDEMNITY:** The contractor agrees to defend, indemnify and hold harmless, the City of Hopewell 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/Proposal or be subject to being declared unresponsive. If unable to submit a Bid/Proposal, please sign and return this solicitation form, advising reason for no Bid/Proposal.
- 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/proposals, the bidders/offerors certify that the bids/proposals are made without collusion or fraud and that they have not offered or received any

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kickbacks or inducements from any other bidder/offeror, supplier, manufacturer or subcontractor in connection with the bid/proposal, 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/Proposal 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 Hopewell, 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/proposals, the bidders/offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals 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 Hopewell, 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 Hopewell, Virginia under said contract.
- N. **PAYMENT:** Payment by the City is due thirty (30) days after receipt of approved invoice unless otherwise specifically provided: subject to any discounts allowed. If an invoice requires modifications by the City, the thirty (30) day period begins after receipt of acceptable invoice.

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.

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**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.

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2. The Purchasing Department and/or Contract Administrator 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 Purchasing Department/Contract Administrator 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 Purchasing Department's and/or Contract Administrator'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 Purchasing Department with all vouchers and records of expenses incurred and savings realized. The Purchasing 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 Purchasing Department within thirty (30) days from the date of receipt of the written order from the Purchasing 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 Purchasing 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.

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- 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/proposal a bid/proposal 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 Hopewell, 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.

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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 Hopewell, 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.

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.

**VII. SPECIAL TERMS AND CONDITIONS**

- A. **ADVERTISING:** In the event a contract is awarded for supplies, equipment, or services resulting from this bid/proposal, no indication of such sales or services to the City of Hopewell, 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 Hopewell, 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 Hopewell, 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:** Selection shall be made of two or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposal, including price if so stated in the RFP. Negotiations shall then be conducted with each of the offerors so selected. The offeror shall state any exception to any liability provisions contained in the RFP in writing at the beginning of negotiations, and such exceptions shall be considered during negotiation. Price shall be considered, but need not be the sole or primary determining factor. After negotiations have been conducted with each offeror so selected, the City shall select the offeror which, in its opinion, has made the best proposal and provides the best value, and shall award the contract to that offeror. The City may cancel this RFP or reject proposals at any time prior to an award, and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous (Code of Virginia, § 2.2-4359D). Should the City determine in writing and in its sole discretion that only one offeror is fully qualified, or that one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror. The award document will be a contract incorporating by reference all the requirements, terms and conditions of the solicitation and the contractor's proposal as negotiated.
- D. **BID/PROPOSAL ACCEPTANCE PERIOD:** Any bid/proposal in response to this solicitation shall

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be valid for 90 days. At the end of the 90 days the bid/proposal may be withdrawn at the written request of the bidder/offeror. If the bid/proposal 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 Purchasing Department 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/proposal 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. Names of firms may be available from the buyer and/or from the Division of Purchases and Supply. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office the following information: name of firm, phone number, total dollar amount subcontracted and type of product/service provided.
- H. **PREPARATION AND SUBMISSION OF BIDS/PROPOSALS:** Bids/proposals must give the full business address of the bidder/offeror and be signed by him/her with his/her usual signature. Bids/proposals 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/proposals 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/proposal 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/proposal 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.
- I. **WITHDRAWAL OR MODIFICATION OF BIDS/PROPOSALS:** Bids/proposals may be withdrawn or modified by written notice received from bidders/offerors prior to the deadline fixed for bid/proposal receipt. The withdrawal or modification may be made by the person signing the bid/proposal or by an individual(s) who is authorized by him on the face of the bid/proposal. Written modifications may be made on the bid/proposal form itself, on the envelope in which the bid/proposal 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.
- J. **RECEIPT AND OPENING OF BIDS/PROPOSALS:** It is the responsibility of the bidder/offeror to



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assure that his bid/proposal is delivered to the place designated for receipt of bids/proposals and prior to the time set for receipt of bids/proposals. Bids/proposals received after the time designated for receipt of bids/proposals will not be considered. Bids/proposals 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/proposal not properly addressed and identified.

- K. **NEGOTIATION WITH THE LOWEST BIDDER (IF APPLICABLE):** Unless all bids are cancelled or rejected, the City of Hopewell 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.
- L. **TRADE SECRETS OR PROPRIETARY INFORMATION:** Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of §2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§2.2-3700 et seq.); however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary.

## **SECTION 4**

### **City RFP for Risk Assessment**

- **Presentation and discussion with City Council**

## SECTION 5

### 2018 Completion and Issuance Status

- Annual Comprehensive Financial Report
  - Issuance pending legal representation letter communications to Auditor
  - (Issuance Date 10.22.2021/Distribution 11.09.2021)
  
- Auditor of Public Accounts Report
  - Issuance pending legal representation letter communications to Auditor
  - (Issuance Date 10.22.2021/Distribution 11.09.2021)
  
- Single Audit Report
  - Completion and issuance projected for 12.31.2021

## Assigned Fund Balance and Unassigned Fund Balance

### Assigned Fund Balance (AFB)

#### AFB:

- The portion of fund balance that the City intends to use for specific purposes as expressed by City Council (governing body), budget resolution (annual budget document), or a delegated official (City Manager).
- Fund balances in the General Fund are assigned by resolution of the City Council.
- All government funds except the General Fund, AFB represent the amount that is not committed, restricted, or nonspendable.
- The City's Rainy Day Emergency/Stabilization Reserve was approved by Council in 2003 and was created by segregating a portion of the General Fund Unassigned Fund Balance (UAFB).
- The purpose of the reserve is to provide an easy mechanism to tap reserves to address temporary revenue shortfalls resulting from temporary circumstances (e.g., economic cycles, weather related emergencies etc.)
- City Council set the target at 10% of the next fiscal year's General Fund budget appropriation.

### Unassigned Fund Balance (UAFB)

#### UAFB:

- The portion of the fund balance available for any purpose.
- This includes all spendable amounts not classified as nonspendable, restricted committed, or assigned.

Michael Terry  
Finance Director  
11.09.2021  
**12.16.2021 (Updated)**

# ADJOURNMENT