BERRYVILLE TOWN COUNCIL BUDGET AND FINANCE COMMITTEE
MEETING AGENDA
Berryville-Clarke County Government Center
101 Chalmers Court, Second Floor
Meeting Room A/B
Called Meeting
March 28, 2017
10:30 a.m.

Item		Attachment
1. **Call To Order**	**Erecka Gibson, Chair**	
2. **Approval of Agenda**		
3. **Discussion**	**Audit Services**	**1**
4. **Closed Session**	**No Closed Session Scheduled**	
5. **Other**		
6. **Adjourn**		

↕ Denotes an item on where a motion for action is included in the packet

Attachment 1

This section will summarize our understanding of your needs and provide you with the information necessary to be fully aware of how our capabilities are uniquely positioned to provide the greatest value to the Town now and in the coming years.

Addressing the following concerns is important because it removes obstacles to helping you meet important business goals and objectives; achieving your goals is PBMares' primary focus. PBMares understands the Town is requesting proposals from qualified certified public accounting firms to map its internal controls as they relate to the cash disbursement and procurement roles.

Scope of Work

- Review and assess the Town's cash disbursement and procurement processes. Provide process and control documentation and mapping.
- Provide process and control documentation and mapping.
- Define any significant risks and assess how they are managed.
- Assess the controls in place and identify any significant fallings or weaknesses.
- Consider whether the findings indicate a need for more extensive monitoring of the system of internal controls.
- Provide examples of best practices to remediate deficiencies.

Assistance to Be Provided by the Town

- Finance Department - The Finance Department has the responsibility for maintaining the general accounts of the Town and is the central oversight and coordinating agency for the Town wide audit of financial statements. The Finance Department will provide the support necessary for the completion of a successful review.
- Town Departments - All Town departments will assist the engagement team by assembling and making available information pertinent to the examination and providing knowledgeable personnel to meet with PBMares to explain agency operations.
- Office Accommodations - The Town will provide the engagement team with reasonable office accommodations. This includes access to the internet, telephone lines, photocopying facilities and FAX machines. All work conducted on the Town's premises shall be accomplished between the Town's standard office hours of 8:00 a.m. and 5:00 p.m., Mondays through Fridays, holidays excepted, unless otherwise prearranged. While onsite sites, engagement team members will comply with all rules and regulations of the Town with specific mention being made of complying with rules and regulations governing conduct with respect to health and safety not only as they relate to themselves, but also to Town personnel.

Compliance with Terms and Conditions

Our engagement will comply with all of the specifications, including needs, reporting requirements, and delivery requirements, set forth in the Request for Proposal. In addition, we will comply with all of the specifications detailed in the Request for Proposal under Agreement Terms and Provisions.

Methodology for Requested Services

PBMares
Your Future. Our Focus

www.PBMares.com

We have built our reputation on the quality of audit services we provide to organizations like yours. Using sophisticated auditing tools, we assure that you will receive an audit that is consistent, objective and provides accountability.

Audit Approach

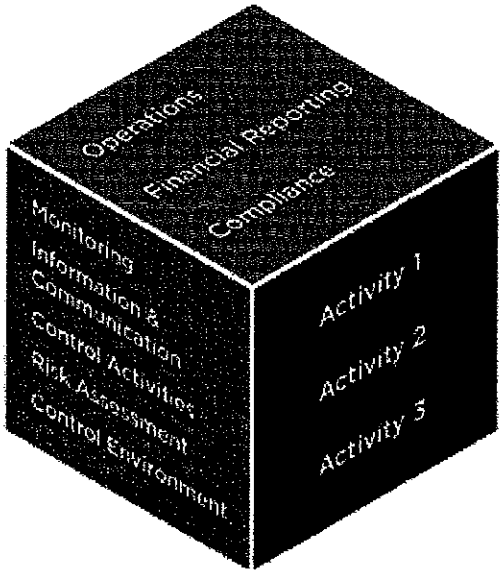
Our approach and services are tailored to fit your unique needs and operations. As an Alliance firm, PBMares, LLP utilizes RSM US LLP's (formerly known as McGladrey LLP) governmental audit approach and audit programs designed to obtain sufficient, competent evidential matter within the framework of a risk assessment process, the end result of which is naturally unique to each client.

Over the past few years, we have devoted substantial internal and external resources to redesign our audit process – including investment in software that supports our process making our governmental audits virtually paperless and increases our efficiency. Our personnel completed required, comprehensive training designed to help us perform audits as effectively and efficiently as possible under the audit standards.

An additional benefit to our paperless audit process is that it allows subject matter experts and government specialists from across the firm to participate in the engagement as needed, increasing efficiency and decreasing the impact of geography and travel time.

Work Plan and Audit Methodology

An increased focus on internal control is key to the development of a successful, effective audit. Control is not a one-time event or just a matter of performing a few checks and reconciliations. Internal control is a process, an interconnected web of policies, procedures, attitudes and actions that work together to achieve a desired result. Auditors analyze an internal control system by breaking it down into its five component parts: control environment, risk assessment, control activities, information and communication, and monitoring.



These components span many aspects of your operations and involve individuals outside the accounting department. Our procedures performed to understand internal control will be just as rigorous as the procedures the auditor performs to verify an account balance or the existence of inventory. A single inquiry is not sufficient to understand the client and evaluate the design of its information processing and controls. Additionally, this heightened focus on internal control assists us to identify control deficiencies.

Work Plan and Audit Methodology (Continued)

Sequenced over the timeline of the audit engagement, our work plan functions as follows:

Interim Work
— Preliminary Phase
Planning. Work begins with a structured planning phase, which streamlines the audit process and minimizes any interruptions to your staff. At this time, we will submit an arrangement letter for ratification that outlines the work being performed for the Town.

Entrance Conferences. A conference is scheduled with the appropriate personnel to discuss the audit scope, timing and other logistical issues. Another conference will be scheduled before fieldwork commences.

Obtain Background Information. We then obtain background information concerning the audit, such as prior audit reports, management letters, laws, regulations and procedures affecting our audit; the budget, organizational charts, relevant financial information; and relevant correspondence.

Finalize Audit Plan. In addition to developing specific audit procedures to be performed, our audit plan includes:

- Planning conference to schedule audit work and timing with the appropriate personnel
- Channeling communication between PBMares personnel and the Town personnel

Understanding and Documenting the Control Structure
Our approach to the review of the control structure is through the use of a series of questionnaire forms. Our "Government Services Manual" contains these practice aids which are specifically geared to entities the size of the Town. They are designed so that their proper completion would provide sufficient understanding and documentation of the control structure and include the following elements:

- Assessing the control environment
- Accounting system understanding
- Performance of walk throughs
- EDP file processing
- Individuals performing processing functions
- Basic controls and critical accounting routines
- Performance of procedures to establish that basic controls and critical accounting routines on which reliance is anticipated are in place

Work Plan and Audit Methodology (Concluded)

Report and Review Phase
— Completion/Reporting

Final Review by Engagement Partner and Quality Control Partner. Throughout the audit engagement, staff work is reviewed by someone with a higher level of experience and technical expertise. In completing the audit, all work is reviewed by the engagement partner. Our firm policy also requires that an individual of at least manager level who is not otherwise involved with the engagement perform a quality control review on the report.

Summarize Results of Work and Findings. During the audit, fieldwork findings are noted and results of testing are documented. Recommendations are developed for enhancing operational efficiencies. This information must be summarized for presentation to management and anyone else deemed appropriate.

Work Paper Retention

As is our policy for all attest services, PBMares will retain the work papers for a minimum of seven (7) years upon completion of the services provided unless the firm is notified in writing by the Town of the need to extend the retention period. The Town, its authorized agents, subsequent independent auditors, and/or state and federal auditors will have full access to and the right to examine any of these materials during that time.

Communications

We recognize the necessity to communicate and cooperate closely and regularly with you during the audit process. From the engagement letter, preliminary audit planning and delivery of the reports, we strive to maintain open communications. It is important for us to provide your people with an understanding of what is expected from them to minimize disruptions to their internal work schedules.

All formal communication is provided in draft form prior to Management or Council meetings in which they will be discussed. All audit communication letters are also subject to the same quality review process as other audit reports prior to release.

TOWN OF BERRYVILLE, VIRGINIA
REQUEST FOR PROPOSAL
AUDIT SERVICES RFP #FIN-2017-001

ISSUE DATE:	November 9, 2016
DUE DATE:	November 30, 2016, 2:00 PM
DELIVERY ADDRESS:	101 Chalmers Court, Suite A Berryville, VA 22611
TECHNICAL CONTACT:	Desiree A. Moreland Assistant Town Manager/Treasurer Phone: (540) 955-1099 E-mail: treasurer@berryvilleVA.gov
PROCUREMENT CONTACT:	Ann Phillips Town Clerk Phone: (540) 955-1099 Fax (540) 955-4524 E-mail: townclerk@berryvilleva.gov

INTRODUCTION AND BACKGROUND INFORMATION

A. **General Information** - The Town of Berryville ("Town") is requesting proposals from qualified certified public accounting firms to map its internal controls as they relate to the cash disbursement and procurement roles.

B. **Background** - The Town serves an area of 2.3 square miles with an estimated population of 4297. The Town's fiscal year begins on July 1 and ends on June 30.

Services - The Town provides the following services to its citizens:

- General governmental services including: police, refuse collection and disposal, water and sewer utility, parks and recreation, and maintenance of streets and roadways.
- The Town has a total payroll, including benefits of $1.39 million covering 32 full-time employees.
- The Town is organized into five departments. The accounting and financial reporting functions of the Town are centralized in the administrative department.
- More detailed information on the government and its finances can be found in the Comprehensive Annual Financial Report for fiscal year 2015 and Budget for fiscal year 2016. These can be found on the Town's website at www.berryvilleva.gov .

Fund Structure - The Town uses the following fund types and account groups in its financial reporting:

Fund Type/Account Group	Number of Individual Funds	Number With Legally Adopted Annual Budgets
General Fund	1	1
Enterprise Funds	2	2

Budgetary Basis of Accounting - The Town prepares its budgets on a basis consistent with generally accepted accounting principles.

Magnitude of Finance Operations - The finance department is headed by Desiree Moreland, Assistant Town Manager/Treasurer, and consists of 4 employees. The principal functions performed and the numbers of employees assigned to each are as follows:

- Asst Town Mgr/Treas (accounts payable, payroll, collections, procurement, budget) 1
- Deputy Treasurer/Utility Clerk (real estate, personal property and utility billing) 1
- Front Desk Clerk (customer service, meals tax, cigarette tax, reimbursables and p-card reconciliation) 1
- Town Clerk (procurement, business license) 1

Computer Systems - The Town's integrated accounting system and files are shared via server. The following are details:

Hardware:

Type of Equipment Server

Model/Make of Equipment	SQL database engine and Windows 7 operating software.
Networked	Yes

Software:

Vendor	Applications
Southern Software	General Ledger/Accounting
FMS	Accounts Payable
	Payroll/Personnel
	Business Licenses
	Budget Preparation
	Utility Billing
	Property Taxes

Availability of Prior Audit Reports and Working Papers – Prior year's CAFR may be found on the Town's website. The audit firm of Robinson, Farmer, Cox Associates, P.O. Box 6580 Charlottesville, VA 22906 performed the Town's audit for the last five fiscal years. Their contact is Josh Roller at (434) 973-8314.

II. SCOPE OF WORK

Review and assess the Town's cash disbursement and procurement processes .

Provide process and control documentation and mapping.

Define any significant risks and assess how they are managed.

Assess the controls in place and identify any significant failings or weaknesses.

Consider whether the findings indicate a need for more extensive monitoring of the system of internal controls.

Provide examples of best practices to remediate deficiencies.

Contact Persons/Locations of Offices

After Agreement award, the auditor's principal contact with the Town will be Desiree Moreland, Assistant Town Manager/Treasurer, who will coordinate the assistance to be provided by the Town to the auditor. Phone (540) 955-1099; Facsimile at (540) 955-4524; Email treasurer@berryvilleva.gov.

Assistance to Be Provided to the Auditor; Report Preparation

1. Finance Department - The Finance Department has the responsibility for maintaining the general accounts of the Town and is the central oversight and coordinating agency for the town wide audit of financial statements. The Finance Department will provide the support necessary for the completion of a successful review.

2. Town Departments - All Town departments will assist the auditor by assembling and making available information pertinent to the examination and providing knowledgeable

personnel to meet with the auditor to explain agency operations.

3. Office Accommodations - The Town will provide the auditor with reasonable office accommodations. The auditor will also be provided with access to the internet, telephone lines, photocopying facilities and FAX machines. All work conducted on the Town's premises shall be accomplished between the Town's standard office hours of 8:00 a.m. and 5:00 p.m., Mondays through Fridays, holidays excepted, unless otherwise prearranged. While auditor personnel are at the Town's sites, they are required to comply with all rules and regulations of the Town with specific mention being made of complying with rules and regulations governing conduct with respect to health and safety not only as they relate to themselves, but also to Town personnel.

III. PROPOSAL SUBMISSION REQUIREMENTS

General Requirements - The purpose of the offeror's proposal is to demonstrate the qualifications, competence, and capacity to evaluate and assess the internal controls associated with the Town's cash disbursement and procurement processes.

The offeror's proposal should describe their understanding of the project objectives and articulate any concerns you have about achieving the project objectives. Describe any changes you might suggest to the scope of work.

Discuss how you intend to carry out the project, Include specifics on organization, methodology, staffing and resources.

The Town will follow the evaluation process and selection criteria described later in this RFP.

Independence - The offeror shall provide an affirmative statement in its proposal that the offeror is independent of the Town as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards and the Ethics Rules of the AICPA.

The offeror shall also list and describe in its proposal the offeror's professional relationships involving the Town for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services described within this RFP.

License to Practice in Virginia – The offeror shall include an affirmative statement in its proposal representing that the offeror and all assigned key professional staff are properly licensed to practice as certified public accountants in the Commonwealth of Virginia, and meet any and all other specific qualification requirements imposed by state or local law.

Profile and Government Experience of Offeror – A description of the offeror, including the size of its governmental staff.

Qualifications and Government Experience of the Assigned Staff – Identify the principal supervisory and management staff who would be assigned to this project, provide information regarding his or her specific government auditing experience.

Audit Approach and Work Plan – The proposal must set forth a work plan to perform the

services required in this RFP, including an explanation of the approach to be followed.

References – List three references. Each reference must indicate the scope of services provided to each referenced client.

Meeting; Non-Binding Cost Estimate – After the Town has reviewed all proposals, the Town will invite one or more of the highest–rated and fully–qualified offerors to the Town to discuss their proposals and to deliver a non-binding cost estimate.

IV. EVALUATION CRITERIA

- Qualifications and government experience of assigned staff
- Approach and work plan
- Client references

V. INSTRUCTIONS AND AGREEMENT TERMS AND PROVISIONS

Right to Reject Proposals – The Town reserves the right, without prejudice, to reject any or all proposals.

Submission of Proposals - All proposals must be submitted in a sealed envelope, labeled with the proposal title and number and addressed to:

Ann W. Phillips
Town Clerk
101 Chalmers Court, Suite A
Berryville, VA 22611

In order for a proposal to be considered by the Town, the Town must receive one original and four copies of the proposal no later than 2:00 pm November 30, 2016 local time. Proposals received after the submission deadline will be returned unopened. Proposals in the form of telegrams, telephone calls, facsimiles or electronic mail will not be accepted. It is the sole responsibility of the offeror to ensure the receipt of the proposal by the Town.

The Town reserves the right to reject any or all proposals or cancel this RFP.

During the evaluation process, the Town reserves the right, where it may serve the Town's best interest, to request additional information of clarification from offerors, or to allow corrections of errors or omissions.

The Town reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP.

Inquiries – Inquiries concerning this RFP must be made in writing to : , Ann W. Phillips, Town Clerk, townclerk@berryvilleva.gov. or Desiree Moreland, Assistant Town Manager/Treasurer, treasurer@berryvilleva.gov.

Contact with personnel of the Town other than (a) Desiree Moreland, Assistant Town Manager/Treasurer, or (b) Ann Phillips, Town Clerk, regarding this RFP may be grounds for elimination from the selection process.

Disposition of Proposals – All materials submitted in response to this RFP will become the property of the Town. One copy of each proposal will be retailed for official files and will become a public record after the award and will be open to public inspection. It is understood that the proposal will become part of the official file on this matter without obligation on the part of the Town except as to the disclosure restrictions.

Disclosure – In compliance with the Town's Purchasing Policy, all proposals will be available for public inspection after the Agreement award. Trade secrets and proprietary information submitted by a vendor in connection with a procurement shall not be subject to public disclosure under the Virginia Freedom of Information Act, however, the offeror must invoke protection of this legislation prior to or upon submission of the data or other materials, and must identify the specific area or scope of data or other materials to be protected and state reasons why protection is necessary. An all-inclusive statement that the entire proposal is proprietary is unacceptable. A statement that costs are to be protected is unacceptable.

Cost incurred in Responding – This solicitation does not commit the Town to pay any costs incurred in the preparation and submission of proposals or in making necessary studies or designs for the preparation thereof.

Prime Vendor Responsibilities – Offerors may propose services that are provided by others, but any services proposed must meet all of the requirements of this RFP.

If the Offeror's proposal includes services provided by others, the Offeror will be required to act as the prime vendor for all such services. The Offeror will be considered the sole point of contact with regard to all stipulations, including payment of all charges and the meeting of all requirements of the RFP.

Laws and Regulations – The Offeror's attention is directed to the fact that all applicable Commonwealth of Virginia laws, municipal ordinances and the rules and regulations of all authorities having jurisdiction over the Agreement shall apply to the Agreement throughout, and they will be considered to be included in the Agreement the same as though herein written out in full.

Conflict of Interest Statement – The conflict of interest statement attached to this RFP must be executed and returned with the offeror's proposal. See Section III of Attachment B.

Ethics in Public Contracting – The offeror will familiarize itself with the "Ethics In Public Contracting" section of the Virginia Public Procurement Act found in the Code of Virginia, Section 2.2-4310, which will be incorporated into any Agreement awarded. The offeror agrees to comply, and to require all suppliers and sub consultants paid in whole or in part from payments made under the Agreement to comply, with Section 122(A)(1) of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512), as amended to wit:

No person in the United States shall, on the ground of race, color, national origin, or sex, be excluded from participation in, be denied benefits of, or be subject to discrimination under any program or activity of a State government or unit of local government, which government or unit receives funds made available under Subtitle A (of Title 1 of the Act).

Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to any such program activity.

Any prohibition against discrimination on the basis of religion, or any exemption from such prohibition, as provided in the Civil Rights Act of 1964 or Title VIII of the Act of April 11, 1968, hereby referred to as the Civil Rights Act of 1968, shall also apply to any such program or activity.

Anti-collusion- The signer of the proposal must declare that all persons, companies, and parties interested in the Agreement as principals or owners are named therein; that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that the proposal is in all respects fair and made in good faith without collusion or fraud; and that the signer of the proposal has authority to contractually bind the offeror. See Section IV of the RFP Submission Form, under Attachment B.

Agreement Execution – The successful offeror will be required to execute the attached Agreement, provided under Attachment C. Questions or concerns with any of the Agreement terms and conditions are to be addressed in the original proposal.

AN INFORMATION OVERVIEW OF BERRYVILLE, VIRGINIA

1. **Description of unit including location, physical size, recent and prospective annexation.**

   A 2.3 square-mile municipality located IN THE NORTHERN Shenandoah Valley, 11 miles east of Winchester and 5 miles south of the West Virginia border in Clarke County Virginia

2. **Population:**
   2000 – 2,963
   2010 – 4,185
   2014 – 4,297 (Est)

3. **Description of enterprises operated.**
   Water and Wastewater Utilities

4. **Personnel/payroll**
   -Number of personnel, full-time.
   Currently (FY 16) 32
   Exempt - 6
   Non-exempt - 26
   -Estimated employee turnover.
   5 employees per year.

5. **Tax collections**
   -Number of bills issued.
   Approximately 2,850 Personal Property
   3,500 Real Estate

6. **Enterprise billings**
   -Number of bills (monthly period).
   Water and Wastewater – 1,650

   -Average number of delinquent bills.
   Water and Wastewater -180 second notices

7. **Accounts Payable Checks**
   -Number per month - 50
   Accounts Payable transactions per month – 200

8. **Major bank accounts**
   -Number of bank accounts by type.
   Three (two operating and one payroll)
   -Average monthly activity in each bank account.
   Deposits: operating 20, payroll 6

9. **Special conditions**
   -Describe arrangements to collect taxes for others. N/A
   -Describe arrangements to perform fiscal or accounting functions for others. N/A

10. **Listing of separately functioning Authorities, Boards and Commissions created by the governing body and currently in operation.**
Boards and Commissions are adjuncts to the Town Council and do not function independently - They are:

Berryville Planning Commission
Berryville Architectural Review Board
Berryville Board of Zoning Appeals
Berryville Area Development Authority

ATTACHMENT B
AUDIT SERVICES RFP SUBMISSION FORM
RFP #FIN-2017–001

SECTION I – COMPANY IDENTIFICATION AND OWNERSHIP DISCLOSURE

Company _____

Address _____

Contact Person_____Title _____

Telephone No._____Fax No._____Email _____

Organized under the laws of the State of _____

Principal place of business at _____

Following are the names and addresses of all persons having an ownership interest of 3% or more in the company (attach more sheets if necessary):

Name	Address
_____	_____
_____	_____
_____	_____

The Town of Berryville requests, as a matter of policy, that any consultant or firm awarded an Agreement resulting from a formal solicitation issued by the Town shall make certification as specified below. Receipt of such certification shall be a prerequisite to the award of Agreement and payment thereof.

SECTION II – EMPLOYEES NOT TO BENEFIT

I (we) hereby certify that if the Agreement is awarded to our firm, partnership, or corporation, that no employee of the Town of Berryville, or members of his/her immediate family, including spouse, parents or children has received or been promised, directly or indirectly, any financial benefit by way of fee, commission, finder's fee, political contribution, or any similar form of remuneration on account of the act of awarding and/or executing this Agreement.

SECTION III – CONFLICTS OF INTEREST

This solicitation is subject to the provisions of VA Code Ann. Section 2.2-3100 et seq., the State and Local Government Conflict of Interests Act.

The offeror [ ] is [ ] is not aware of any information bearing on the existence of any potential organizational conflict of interest.

SECTION IV – COLLUSION

I certify that this offer is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting an offer for the same services, materials, supplies, or equipment and is in all respects fair and without collusion or fraud. I understand collusive bidding is a violation of the State and federal law and can result in fines, prison sentences, and civil damage awards. I hereby certify that the responses to the above representations, certifications, and other statements are accurate and complete. I agree to abide by all conditions of this RFP and certify that I am authorized to sign for my company.

Signature_____Date_____

_

Name
(Printed)_____Title_____

OFFEROR MUST RETURN THIS FORM WITH PROPOSAL

A. The offeror warrants that it is willing and able to comply with Commonwealth of Virginia laws with respect to foreign (non-state of Virginia) corporations.

B. The offeror warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any of the offeror's officers, employees or agents.

C. The offeror warrants that it will not delegate or subcontract its responsibilities under an agreement with the Town without the express prior written permission of the Town.

D. The offeror warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

ATTACHMENT C
AUDIT SERVICES AGREEMENT RFP #FIN-2017-001

This agreement ("Agreement") is made this_____ day of_____, 2016, by and between the TOWN OF BERRYVILLE, VIRGINIA ("Town"), a municipal corporation, and_____ _____, a_____ having a usual place of business at_____("Auditor").

The Auditor and the Town, in consideration of the mutual covenants, promises, and agreements herein contained, hereby agree as follows:

1. **Provision of Services.**
   The Auditor shall provide all services as described in the Town's request for proposal #FIN-2017-001 ("RFP") and as described in the Auditors proposal dated_____ ("Proposal"). The RFP and Proposal are incorporated into this Agreement as if set out fully herein.

2. **Interpretation.**
   Where the terms of this Agreement and the Proposal are at variance, the provisions of this Agreement shall prevail.

3. **Term.**
   The term of this Agreement shall commence on _____ and shall be effective through completion of the project.

4. **Compensation.**
   In return for the services identified above, the Town certifies that sufficient funds are budgeted and appropriated and shall compensate the Auditor within thirty (30) days after receipt of a proper invoice for the amount of payment due or thirty (30) days after receipt of services, whichever is later, and in accordance with paragraph numbered 5 of this Agreement.

   The Town shall pay the Auditor at the hourly rates shown on the attached rate schedule. The total cost shall not exceed $_____ .

5. **Method of Payment.**

   The Auditor shall submit invoices to the Town with all supporting documentation and shall be reimbursed as follows:

   Payment shall be made upon receipt of an invoice, which details the hours worked and services performed. The Auditor shall mail all invoices to the address specified below.

   Town of Berryville
   ATTN: Desiree A. Moreland, Assistant Town Manager/Treasurer
   101 Chalmers Court, Suite A
   Berryville, VA 226112

   All invoices shall be Net 30 and indicate the date for services provided, and a brief description of the services provided. Failure to provide the above information will result in the invoice being returned to the Vendor. The Town will not be liable for any delays in payment as a result thereof. The Town

reserves the right to make payment via a Corporate Purchasing Card, but will not pay surcharges if payment is made via a Corporate Purchasing Card.

6. **Controlling Law and Venue.**
This Agreement is made, entered into, and shall be performed in the Town of Berryville, Virginia, and shall be governed by the applicable laws of the Commonwealth of Virginia. Any dispute arising out of the Agreement, its interpretations, or its performance shall be litigated only in the Clarke County General District Court or the Circuit Court of the County of Clarke, Virginia. The Auditor shall comply with applicable federal, state and local laws and regulations.

7. **Assignment of Agreement.**
The Auditor is prohibited from assigning this Agreement in whole or in part without the prior written consent of the Town.

8. **Modification of Agreement.**
The Agreement may be amended or modified only by a written modification acceptable to both the Town and Auditor.

9. **Insurance.**

A. At all times during the term of this Agreement and all renewals thereof, the Auditor shall maintain:

(1) A general liability insurance policy with a minimum primary limit of $1,000,000 combined single limits, and an excess liability policy with a minimum limit of $2,000.000. The Auditor's general liability and excess liability policies must be properly endorsed by a separate insurance company issued endorsement to list the Town as an additional insured. The endorsements must be issued by the same insurance company that provides the Auditor's general liability policy and excess liability policy. A notation listing the Town as an additional insured on the certificate of insurance is not sufficient. General liability and excess liability coverage shall be on an occurrence basis with an insurer licensed to conduct business in the Commonwealth of Virginia. The insurer must have an A. M. Best rating of A- or better. Prior to the Auditor commencing work under the Agreement, the Auditor shall provide the Town with a certificate of insurance evidencing compliance with all requirements under this paragraph.

(2) Workers' compensation coverage in compliance with the laws of the Commonwealth of Virginia. The insurer shall be licensed to conduct business in the Commonwealth of Virginia. The insurer must have an A. M. Best rating of A- or better. As an alternative, it is acceptable for the Auditor to be insured by a group self-insurance association that is licensed by the Virginia Bureau of Insurance.

(3) Employer's liability insurance with a limit of at least (a) $100,000 for bodily injury per accident, (b) $100,000 for bodily injury by disease per employee, and (c) a policy limit of $500,000 for bodily injury by disease. Prior to the Auditor commencing work under the Agreement, the Auditor shall provide the Town with a certificate of insurance evidencing compliance with all requirements under this paragraph.

(4) Commercial automobile liability insurance policy for vehicles that are owned, scheduled, non-owned, or hired by the Auditor with a combined single limit of not less than $1,000,000 per occurrence. The coverage must be symbol "1" liability coverage. The insurer must be

licensed to conduct business in the Commonwealth of Virginia and must have an A. M. Best rating of A- or better. Prior to the Auditor commencing work under the Agreement, the Auditor shall provide the Town with a certificate of insurance evidencing compliance with all requirements under this paragraph.

B. **INSURANCE COVERAGES REQUIRED BY THIS AGREEMENT SHALL BE IN FORCE THROUGHOUT THE AGREEMENT TERM AND THE TERM OF ANY RENEWALS THEREOF. SHOULD THE AUDITOR FAIL TO PROVIDE ACCEPTABLE EVIDENCE OF INSURANCE COVERAGES REQUIRED UNDER THIS AGREEMENT WITHIN FIVE (5) DAYS OF THE TOWN'S WRITTEN REQUEST, THE TOWN SHALL HAVE THE ABSOLUTE RIGHT TO IMEDIATELY TERMINATE THE AGREEMENT WITHOUT ANY FURTHER OBLIGATION TO THE AUDITOR, AND THE AUDITOR SHALL BE LIABLE TO THE TOWN FOR THE ENTIRE ADDITIONAL COST OF PROCURING THE UNCOMPLETED PORTION OF THE AGREEMENT AT THE TIME OF TERMINATION.**

C. The Auditor shall require the same insurance coverage from its sub consultants as the Town requires of the Auditor under this Agreement. Compliance by the Auditor and any of its sub consultants with the insurance requirements under this Agreement shall not relieve the Auditor or any sub consultants from their liabilities and obligations under this Agreement.

D. Nothing contained herein shall be construed to create a contractual relationship between the Town and any sub consultant of the Auditor. The Auditor shall be fully responsible to the Town for the acts and omissions of the Auditor's employees, the Auditor's sub consultants, and the employees of any sub consultant.

E. In the event the Auditor cannot meet the specifications required by these insurance requirements, alternate insurance coverage, satisfactory to the Office of the Town Manager, or his designee, may be considered if proposed by Auditor at the time of proposal submission.

F. Prior to commencing work under this Agreement or any renewal thereof, the Auditor shall provide the Town an original, signed Certificate of Insurance evidencing the insurance coverage and other insurance requirements of this Agreement, and shall have it filed with the Office of the Town Manager, or his designee.

G. For each sub consultant, the Auditor shall provide the Town an original, signed Certificate of Insurance evidencing the insurance coverages and other insurance requirements of this Agreement, and shall have it filed with the Office of the Town Manager, or his designee, before the sub consultant commences work.

H. If an "ACORD" Insurance Certificate form is used by the Auditor's insurance agent, the words, "endeavor to" and "....but failure to mail such notice shall impose no obligation or liability of any kind upon the company" in the "Cancellation" paragraph of the form shall be deleted.

10. Audit.

The Auditor shall retain all books, records, and other documents relative to this Agreement for five (5) years after final payment, or until audited by the Town, whichever is sooner. The Town, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.

11. Indemnification and Hold Harmless.

The Auditor shall, for itself, its agents, servants, employees, and sub consultants, perform all work under or associated with this Agreement in accordance with any and all applicable professional standards and in accordance with sound financial accounting and auditing practices and principles. As to all matters of professional responsibility, the Auditor shall indemnify and hold harmless the Town and its agents, volunteers, servants, employees, and officials from and against any and all liability, losses, reasonable attorneys' fees, litigation expenses, and other expenses suffered by the Town and any indemnified party or entity as the result of any claim to the extent it is found to have been caused by the negligent acts, errors, or omissions of the Auditor, or those for whom Auditor is legally liable.

If the Auditor contracts with any sub consultants for the work under this Agreement, the Auditor shall enter into an Agreement with each such sub consultant that indemnifies, defends, and holds harmless the Town and its agents, volunteers, servants, employees, and officials from and against any and all liability, losses, reasonable attorneys' fees, litigation expenses, and other expenses suffered by the Town and any indemnified party or entity as the result of any claim to the extent it is found to have been caused by the negligent acts, errors, or omissions of the sub consultant, or those for whom the sub consultant is legally liable.

The attorney(s) selected to defend the Town shall be subject to approval by the Town. The Auditor expressly understands and agrees that any insurance protection required by this Agreement, or otherwise provided by the Auditor, shall in no way limit the responsibility to indemnify, keep and hold harmless and defend the Town as herein provided.

12. Employment Discrimination Prohibited (Code of Virginia, Section 2.2-4311)

A. The Auditor shall 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 in employment, except where there is a bona fide occupational qualification reasonably necessary to normal operations of the Auditor. The Auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting for the provisions of this nondiscrimination clause.

B. All solicitations or advertisements for employees placed by or on behalf of the Auditor, will state that the Auditor is an equal opportunity employer.

C. Notices, advertisements and solicitations placed in accordance with a federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of the section.

D. The Auditor shall include the provisions of the foregoing paragraphs A, B and C in every contract between the Auditor and a sub consultant, and in every purchase order by the Auditor of over $10,000, so that the provisions will be binding upon each sub consultant and vendor of the Auditor.

13. Drug Free Workplace to be Maintained (Code of Virginia, Section 2.2-4312).

A. During the performance of this Agreement, the Auditor agrees to (i) provide a drug- free workplace for the Auditor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Auditor's workplace and specifying the actions that will be taken

against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Auditor that the Auditor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every contract between the Auditor and a sub consultant, and in every purchase order by the Auditor of over $10,000, so that the provisions will be binding upon each sub consultant and vendor of the Auditor.

B. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with this Agreement, which was awarded to the Auditor in accordance with the Virginia Public Procurement Act. The Auditor's employees are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of this Agreement.

14. No Discrimination against Faith-Based Organizations.
The Auditor agrees to not discriminate against faith-based organizations as that term is defined in Virginia Code Section 2.2.-4343.1.

15. The Auditor Does Not and Shall Not Knowingly Employ an Unauthorized Alien.
During the term of this Agreement and any renewals thereof, the Auditor agrees that it does not and shall not knowingly employ an unauthorized alien as defined in the Immigration Reform and Control Act of 1986.

16. Auditor Compliance with State Law; Foreign and Domestic Businesses Authorized to Transact Business in the Commonwealth.

A. Pursuant to Section 2.2-4311.2 of the Code of Virginia, the Auditor shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity.

B. The Auditor shall not allow its existence, its certificate of authority, or its registration to transact business in the Commonwealth to lapse, be revoked, or be cancelled at any time during the term of this Agreement or any renewals thereof.

C. The Town may terminate this Agreement with the Auditor if the Auditor fails to remain in compliance with the provisions of Section Sixteen of this Agreement, or Section 2.2-4311.2 of the Code of Virginia.

17. Notice Address.
All notices provided under this Agreement shall be sent to the following persons at their respective physical or electronic address. All notices sent to a physical address shall be sent by certified mail, return receipt requested.

1. For TOWN: Treasurer, 101 Chalmers Court, Suite A, Berryville, VA 22611

2. For AUDITOR:

Each party may amend the contact person and address by providing prior written notice to the other party.

18. Termination by Town without Cause.
The Town may terminate this Agreement for any reason by providing notice to the Auditor no fewer than ten days in advance of the termination date and by paying any and all sums already earned by

the Auditor under this Agreement, including reasonable documented expenses incurred in reliance upon this Agreement.

19. Integration Clause.

This Agreement shall constitute the whole agreement between the parties. There are no promises, terms, conditions, or obligations other than those contained herein, and this Agreement shall supersede all previous communications, representations or agreements, written or verbal, between the parties hereto related to the subject of this Agreement.

IN WITNESS WHEREOF, the parties have affixed their signatures to this Agreement and by execution, hereby acknowledge their respective authority to bind the Auditor and the Town.

AUDITOR

By: _____

Name: _____

Its: _____

COUNTY OF CLARKE
COMMONWEALTH OF VIRGINIA

The foregoing Agreement was acknowledged before me by_____, its _____, on this the_____day of_____, 2016.

_____ My Commission Expires: _____
Notary Public Signature Notary Registration #: _____
STAMP:

TOWN OF BERRYVILLE, VIRGINIA
A Municipal Corporation
By: Keith R. Dalton
Its: Town Manager

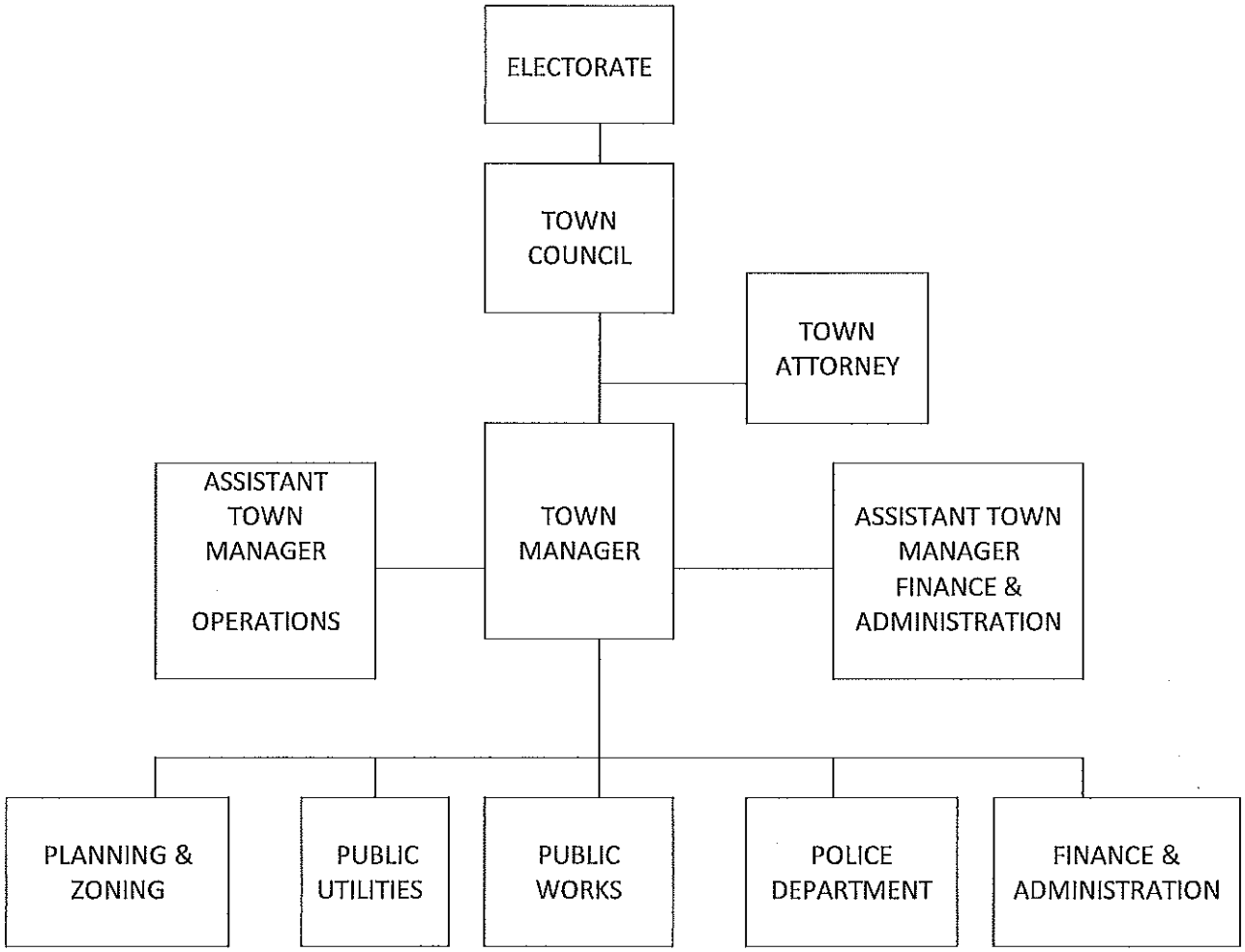
COUNTY OF CLARKE
COMMONWEALTH OF VIRGINIA

The foregoing Agreement was acknowledged before me by Keith R. Dalton, Town Manager of the Town of Berryville, Virginia, on this the_____day of_____, 2016.

_____ My Commission Expires: _____
Notary Public Signature Notary Registration #: _____

STAMP:

ATTACHMENT D - ORGANIZATIONAL CHART

Town of Berryville Organization Chart

TOWN OF BERRYVILLE
ORGANIZATIONAL CHART