

ROANOKE VALLEY BROADBAND AUTHORITY

P.O. Box 2569, Roanoke, VA 24010
www.highspeedroanoke.net

MEMBERS:
Kevin Boggess, City of Salem
Kathleen Guzi, Botetourt County
Mike McEvoy, Citizen
Chris Morrill, City of Roanoke
Daniel O'Donnell, Roanoke County

Roanoke Valley Broadband Authority Meeting

Friday, September 19, 2014 at 8:30 a.m.
Roanoke Valley-Alleghany Regional Commission (**Upstairs Conference Room**)
313 Luck Avenue, SW, Roanoke, VA 24016

The September meeting of the Roanoke Valley Broadband Authority will be held on **Friday, September 19, 2014 at 8:30 a.m. at the Roanoke Valley-Alleghany Regional Commission (Upstairs Conference Room), 313 Luck Avenue, SW, Roanoke, VA 24016.**

AGENDA

1. **Call to Order and Introductions** *Chairman Boggess*
2. **Roll Call of Board** *Secretary Strickland*
3. **Approval of the August 7, 2014 Minutes, pp. 2-7** *Chairman Boggess*
4. **Treasurer's Reports, pp. 8-23** *Olivia Dooley, Treasurer*
 - Approval of Financial Report (Period: January 20, 2014-August 31, 2014)
 - Adoption of Proposed 2015 Budget
 - Approval of RFP for Auditing Services
5. **Verizon Presentation (10-minutes)** *Steve Cronemeyer, Manager–Governmental Affairs, Verizon Communications*
6. **Status of RFP for Design, Engineering & Permitting** *Matt Miller*
7. **Design Build Policy** *Mike McEvoy*
8. **Other Business** *Chairman Boggess*
 - Next Meeting Date – October 17, 2014
9. **Adjournment**

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MINUTES

The August meeting of the Roanoke Valley Broadband Authority was held on Thursday, August 7, 2014 at 8:30 a.m. at the Roanoke Higher Education Center, Room #409, 108 N. Jefferson Street, Roanoke, VA.

1. **CALL TO ORDER**

Chairman Boggess called the meeting to order at 8:32 a.m. and welcomed those in attendance. Dan O'Donnell now serves as the new Roanoke County representative on the Broadband Authority (replacing Clay Goodman, who recently retired from the County). Mr. O'Donnell also serves as the Interim Roanoke County Administrator. Because of the large number of guests, Chairman Boggess did not request individual introductions.

2. **ROLL CALL/DETERMINE IF QUORUM IS PRESENT**

Wayne Strickland, Secretary to the Broadband Authority, called the roll and stated that a quorum was present.

Broadband Authority Members Present: Kevin Boggess, City of Salem; Kathleen Guzi, Botetourt County; Mike McEvoy, Citizen; Chris Morrill, City of Roanoke; and Dan O'Donnell, Roanoke County.

3. **APPROVAL OF THE JULY 18, 2014 MINUTES**

Chairman Boggess stated that the Minutes of the July 18, 2014 meeting of the Roanoke Valley Broadband Authority were included in the agenda packet and asked for approval.

Roanoke Valley Broadband Authority Action:

Upon motion by Mr. McEvoy, seconded by Mr. Morrill and carried, the Minutes of the July 18, 2014 meeting of the Roanoke Valley Broadband Authority were approved, as distributed.

4. **TREASURER'S REPORT**

A Financial Report, for the period January 20, 2014 – July 31, 2014, was previously distributed in the agenda mailing. There were no questioned costs and the report was received as presented.

5. PRESENTATIONS FROM AREA PROVIDERS

A. COMCAST

Paul Comes, with COMCAST, introduced John Conwell, Vice President of Government Affairs, along with Marty Driscoll, Tim Garst and Ed Evans. Mr. Driscoll gave an overview of COMCAST's residential services (TV-Internet-Voice-Home) and explained some of the technology improvements and upgrades that COMCAST has made in the Salem and Roanoke markets. Mr. Conwell noted that speeds up to 505M are available at home, and they have a wireless device that serves high speeds to multiple devices in the home. Many of the upgrades focused on Internet and voice services. COMCAST reviewed Broadband Authority "sites" in their market and stated that all 13 sites in their local service area could be served, and one is currently being served. Mr. Driscoll gave an overview of COMCAST's local service area in the form of maps. It was reported that COMCAST can also provide 1M to 10G dedicated fiber service in their entire market area. Mr. Conwell emphasized that they are here to help provide service to those customers desiring faster access in the COMCAST area. COMCAST wants to serve unserved areas and they have the budget and network to serve new customers. Mr. McEvoy asked if there were any regulatory reasons why they have not expanded into Roanoke City. COMCAST said they have their hands full with the existing market area, but they could expand if they thought it was economically feasible. Mr. Conwell added that sometimes they can cooperate with Cox or another provider to extend service to a new area.

B. Cox Communications

Margaret-Hunter Wade, with Cox Communications, introduced Kathryn Falk, Vice President, Public & Government Affairs, and Vonya Alleyne, Market Vice-President, Roanoke Operations. Ms. Alleyne outlined Cox's approach that they strive to partner with the local communities they serve because "Your success is our success." She gave an overview of Cox Communication's residential services, business services and their Roanoke network and national network. Furthermore, she emphasized their commitment to the Roanoke Valley, noting that Cox has been serving the region for 38 years and has made \$70 million of investment over the last 8 years. Ms. Alleyne also announced that the preferred and premier tiers would be doubling speeds with no additional cost in early September, and that Roanoke would be the first market in Virginia to do this for Cox. It was also the first Cox Virginia market to roll out 150 meg in May to all residential customers in Roanoke. Cox also intends to bring 1G to residential markets starting this year and construction and engineering teams in Virginia are working on plans now. Also, all of the new Cox Home Security/Home Controls products and Contour video products have been rolled out in Roanoke. Ms. Alleyne stated that the Cox Connect2Compete program provides Internet service to over 1,000 eligible low income families in Virginia with children in K-12 on Free Lunch for \$9.95 per month with no installation, no deposit and no modem rental fees. Cox serves small, medium and large businesses and is able to deliver up to 10G of service across their network. Cox has hundreds of miles of fiber and thousands of miles of coax in the Roanoke service area which includes several

diverse fiber paths in and out of Roanoke connecting to the national Cox backbone and the national Internet Exchange points in MAE EAST/Ashburn and Bonsack. She also shared a high level map showing their fiber network in Roanoke. They have many interconnects and direct paths to major hubs, and are currently expanding in areas and are open to exploring other areas as well. Cox has invested over \$1 million to serve the Roanoke County Center for Research and Technology. Cox remains committed to the community and has donated over \$10 million to various charities in the region over the past 10 years. Cox would like to partner with the local governments to help with the success of the region. Doyle Edgerton (Rev.Net) asked when Cox started delivery of Internet services in the Roanoke Valley and about the capacity of the backbone serving Cox's network to support 10G customers. Cox representatives noted that they would report back on those issues. Bill Hunter asked what type of technology would be deployed for the 1G services. Ms. Falk answered that it would be a variety of technologies with the release of DOCSIS 3.1-fiber and cable. Mr. Edgerton asked if Cox could come into the City of Salem. Ms. Alleyne explained that they do serve a small part of Salem for a business customer but can't provide video services to Salem because of franchise agreements. Chuck McKinnis asked if all the providers could work together. Cox mentioned that they already interconnect with about 12 other telecom carriers in the region and that all companies frequently work together. Mr. McKinnis asked if a specific network could be created with multiple providers. Cox stated that they would have to look at the specific details of each case but it seemed reasonable. Jill Loope asked if the 10G service was dedicated. Cox responded that it was a dedicated service and available to any commercial customer. Bill Hunter asked about the bandwidth coming into Roanoke, and pointed out that it would have to be much greater than 10G to provide that service. Ms. Falk again stated she was not sure of the size of the backbone feeding Cox's network. Bob Picchi asked about the monthly charge for 10G of service. Ms. Falk was not familiar with the charging structure for the 10G service and would check on the charge. She did note that it was specific to each company and their needs but that it was similar pricing to Northern Virginia and Hampton Roads.

Chairman Boggess thanked Comcast and Cox Communication representatives for their presentations and noted that the Authority looks forward to finding ways to work together on a critical piece of economic development -- that being access to broadband.

6. REQUEST FOR CLOSED MEETING PURSUANT TO VIRGINIA CODE §2.2-3711

Mr. McEvoy moved that the Broadband Authority convene a Closed Meeting as authorized by Virginia Code §2.2-3711 for the following purposes:

(A)(34) - Discussion or consideration by a local authority created in accordance with the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 et seq.) of confidential proprietary records and trade secrets excluded from this chapter pursuant to subdivision 19 of § 2.2-3705.6.

Chairman Boggess added that a personnel matter related to the consultant's contract would also need to be discussed during the Closed Meeting, as allowed by Virginia Code §2.2-3711(A)(1).

(A)(1) - Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board.

Mr. McEvoy acknowledged the addition. The motion was seconded by Mr. Morrill and carried by the following Roll Call vote: Mr. Boggess – Yes; Ms. Guzi – Yes; Mr. McEvoy – Yes; Mr. Morrill – Yes; and Mr. O'Donnell – Yes.

The Roanoke Valley Broadband Authority entered into a Closed Meeting at 9:05 a.m.

7. END CLOSED MEETING AND RECONVENE REGULAR MEETING OF THE BROADBAND AUTHORITY

A motion was made by Mr. McEvoy and seconded by Mr. Morrill that the Broadband Authority end the Closed Meeting and reconvene its regular meeting.

The motion was carried by the following Roll Call vote: Mr. Boggess – Yes; Ms. Guzi – Yes; Mr. McEvoy – Yes; Mr. Morrill – Yes; and Mr. O'Donnell – Yes.

The Roanoke Valley Broadband Authority ended the Closed Meeting and reconvened its regular meeting at 9:43 a.m.

8. RESOLUTION OF CERTIFICATION OF CLOSED MEETING

A motion was made by Mr. McEvoy, seconded by Mr. Morrill to adopt the following certification resolution.

CERTIFICATION OF CLOSED MEETING

Whereas, the Roanoke Valley Broadband Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Roanoke Valley Broadband Authority that such closed meeting was conducted in conformity with Virginia law.

Now, Therefore, Be It Resolved, that the Roanoke Valley Broadband Authority hereby certifies that, to the best of each member’s knowledge: (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Roanoke Valley Broadband Authority.

The motion was carried by the following Roll Call vote: Mr. Boggess – Yes; Ms. Guzi - Yes; Mr. McEvoy – Yes; Mr. Morrill – Yes; and Mr. O’Donnell – Yes.

9. ACTION(S) OF THE AUTHORITY AS A RESULT OF THE CLOSED MEETING

As a result from the Closed Meeting, Chairman Boggess stated that two items would require action.

- Mr. Morrill moved to authorize the Chair to work with the consultant and the Roanoke Valley-Alleghany Regional Commission staff to develop an RFP that would have several options; the first option would be a build-out of the entire region of the participating jurisdictions as demonstrated in the draft report; additional options would allow the build-out to be scaled back to only those jurisdictions that choose to participate immediately, but leave the option open for other jurisdictions to come in at a later date; and he further moved that the RFP include a design-build option should it be determined that it would reduce costs or allow fiber to be deployed more quickly. Mr. McEvoy seconded the motion.

The motion was carried by the following Roll Call vote:

| | |
|---------------|---|
| Mr. Boggess | Yes |
| Ms. Guzi | Yes |
| Mr. McEvoy | Yes |
| Mr. Morrill | Yes |
| Mr. O’Donnell | Yes, and he asked for the record that the following comment be added to his vote... <i>“Roanoke County supports, or I support, moving forward with the issuance of an RFP as long as there is an option that excludes Roanoke County in the build out. At this point there has been no commitment made by Roanoke County to participate in the actual construction. So as long as it is clear that we are moving forward with an RFP with an option that would exclude Roanoke County, I vote yes.”</i> |

Ms. Guzi asked to make the following comments.... *“First, I think it is very important that as we have evolved in terms of approaching regional projects, we have allowed options where for the good of the region we are all committed to doing something, but in terms of expending dollars, we do that when we can fully realize in [sic] our individual jurisdictions, so I applaud this Authority for allowing that option to take place. Similar to Dan’s comments, Botetourt County has not fully vetted this issue. They have not made any decision either way in terms of investment in broadband - utilizing local taxpayer*

dollars. They have not said yes, but they have not said no. But I think it is important to continue to work with the Authority so we are better educated in terms of how to bring broadband to Botetourt County.”

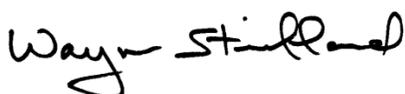
- Mr. McEvoy moved to extend contract engagement of Blue Ridge Advisory Services Group on a month-to-month basis. Mr. Morrill seconded the motion.

The motion was carried by the following Roll Call vote: Mr. Boggess – Yes; Ms. Guzi – Yes; Mr. McEvoy - Yes; Mr. Morrill - Yes; and Mr. O’Donnell – Yes.

10. OTHER BUSINESS

- National Broadband Map Data Profile -- Matt Miller, with the Regional Commission staff, stated that the Profile (included in the agenda packet) consisted of data collected by each state and compiled nationally. The report includes information on how the Roanoke Metropolitan Statistical Area (MSA) compares to other metro areas. Additionally, profiles of each jurisdiction are included and profiles of three major providers are included. The report also includes various coverage maps. Mr. Miller stated that in the interest of time, he would not be able to explain the maps in detail.
- Letter to the FCC -- Chairman Boggess reported that many states and local governments are requesting that the FCC remove laws that limit local authorities and governments from doing open access broadband investments. Chairman Boggess noted that Virginia is currently one of those states, but obviously we would not want the state to restrict affordable access to broadband in the Roanoke Valley. A draft letter will be presented at the next meeting for consideration.
- The Broadband Authority and staff are still working on arrangements for the meeting with the business community to “formally” update them on the Authority’s progress.
- The next scheduled meeting of the Broadband Authority will be held on Friday, September 19, 2014 at the Regional Commission office at 8:30 a.m.
- Mr. O’Donnell reported that the Roanoke County Board of Supervisors will hold a work session on Tuesday, August 12, 2014 at 3:00 pm at the County Administration Building. Broadband is one of the items on the work session agenda to be discussed. The meeting is open to the public; however, it is not a public hearing and there is no public comment period. The Board Chairman determines who is allowed to speak at work sessions.

The meeting was adjourned at 9:54 a.m.



Wayne Strickland, Secretary,
Roanoke Valley Broadband Authority

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Roanoke Valley Broadband Authority

TREASURER'S REPORT September 2014

1. Monthly financial report is attached.

2. Draft budget is attached.

Accounting Package - QuickBooks from Staples.

Advertising – Placement of RFP for engineering, design and build in Roanoke Times August 2014 and placement of audit RFP in November 2014.

Audit – Estimate from the Commission's current auditor for an 18 month audit (February 2014 – June 2015).

Consultant – Blue Ridge Advisory Services Group \$5,000 per month August – January 2015 for a total of \$30,000.

Consultant – Engineering \$100,000, design and build to be determined at a later date.

Insurance – Policy with VML July 1, 2014 – June 30, 2015.

Supplies - Checks, deposits slips, envelopes and paper.

3. Audit RFP is attached.

Time Line for Acquiring Auditing Services Fall 2014

Sept 19: Selection of Audit Committee members.

1. Kevin Boggess
2. Olivia Dooley

September 21-22: Legal ad in Roanoke Times, send out bid list notifications

October 31 3:00 pm: All RFPs due to RVARC office.

November 3 – December 12: Committee members review and evaluate proposals. Questions from committee members will be answered by communication between Olivia and offerors.

December 15: Discussion between committee members and firm chosen.

December 19: Discussion at meeting about RFP responses and announcement of chosen firm.

Auditing firm decision accepted or rejected by Authority.

January 2: Letters sent to winner and losers.

Olivia Dooley, Treasurer
Roanoke Valley Broadband Authority

ROANOKE VALLEY BROADBAND AUTHORITY
Financial Report
January 20, 2014 - August 31, 2014

| DATE | FOR | | | BALANCE |
|-----------|-----------|---------------------------------|-----------|-----------|
| 1/20/2014 | Deposit | Loan from RVARC | | 5,000.00 |
| 1/22/2014 | Check 091 | Roanoke Times (RFP Adv) | 126.72 | |
| 1/31/2014 | | Balance | | 4,873.28 |
| 2/25/2014 | Check 092 | VML (Insurance 2/1 - 6/30/2014) | 344.00 | |
| 2/28/2014 | | Balance | | 4,529.28 |
| 3/31/2014 | | Balance | | 4,529.28 |
| 4/2/2014 | Deposit | City of Roanoke | | 28,600.00 |
| 4/18/2014 | Check 093 | BRASG Inv #578 | 10,379.48 | |
| 4/14/2014 | Deposit | City of Salem | | 28,600.00 |
| 5/30/2014 | Check 094 | BRASG Inv #580 | 15,867.93 | |
| 6/06/2014 | Check 095 | BRASG Inv #582 | 17,201.83 | |
| 6/06/2014 | Check 096 | VML Insurance 14/15 | 837.00 | |
| 7/18/2014 | Check 097 | BRASG Inv #585 | 10,213.01 | |
| 8/13/2014 | Check 098 | BRASG Inv #587 | 3,499.16 | |
| 8/14/2014 | Deposit | City of Salem | | 418.50 |
| 8/14/2014 | Deposit | City of Roanoke | | 418.50 |

Roanoke Valley Broadband Authority
Period 07/01/14 to 06/30/15

BROADBAND AUTHORITY DRAFT BUDGET 8/14/2014

| Revenues | Budget | Current Month | YTD | Available |
|-----------------------|-------------------|--------------------------|---------------|-------------------|
| City of Roanoke | 68,550.00 | 418.50 | 418.50 | 68,131.50 |
| City of Salem | 68,550.00 | 418.50 | 418.50 | 68,131.50 |
| Total Revenue | 137,100.00 | 837.00 | 837.00 | 136,263.00 |
| Expenses | | | | |
| Salaries | 0.00 | 0.00 | 0.00 | 0.00 |
| Fringe Benefits | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounting Package | 400.00 | 0.00 | 0.00 | 400.00 |
| Advertising | 600.00 | 0.00 | 0.00 | 600.00 |
| Audit | 5,000.00 | 0.00 | 0.00 | 5,000.00 |
| Consultants | 130,000.00 | 0.00 | 0.00 | 130,000.00 |
| Insurance | 850.00 | 0.00 | 837.00 | 13.00 |
| Supplies | 250.00 | 0.00 | 0.00 | 250.00 |
| Travel | 0.00 | 0.00 | 0.00 | 0.00 |
| Indirect Costs | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Expenses | 137,100.00 | 0.00 | 837.00 | 136,263.00 |
| Total | 0.00 | 837.00 | 0.00 | 0.00 |

DRAFT 9/3/2014

REQUEST FOR PROPOSAL

AUDITING SERVICES

Fall 2014

Roanoke Valley Broadband Authority

PROPOSAL GUIDELINES

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I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and performance audit for the year ending June 30, 2015. The proposal includes options for two additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP. The Roanoke Valley Broadband Authority does not discriminate on the basis of race, color, national origin, sex, age, disability, religion, or any other basis prohibited by state law relating to discrimination in employment. The Authority does not discriminate against faith-based organizations in accordance with the Code of Virginia § 2.2-4343.1.

C. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted no later than 3:00 p.m. on Friday, October 31, 2014.

2. Inquiries

Inquiries concerning this RFP should be directed to Olivia Dooley at 540.343.4417 or odooley@rvarc.org.

3. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by the Roanoke Valley Broadband Authority (RVBA).

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

Olivia Dooley, Treasurer
Roanoke Valley Broadband Authority
P.O. Box 2569
Roanoke, Virginia 24010-2569
Or
313 Luck Avenue SW
Roanoke, VA 24016-5013

It is important that the Offeror's proposal be submitted in a sealed envelope clearly marked in the lower left hand corner with the following information:

Request for Proposal
3:00 p.m. October 31, 2014
SEALED BID
For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by the Roanoke Valley Broadband Authority by the date and time specified above.

Late proposals will not be considered.

5. Right to Reject

The Roanoke Valley Broadband Authority reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-owned Businesses

Efforts will be made to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR-121.201.8721), by having average annual receipts of less than six million dollars.

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within nine (9) weeks of the closing date for the receipt of proposals. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, of the name of the successful audit firm.

It is expected that the contract shall be a one-year fixed price contract with options for two additional one-year periods.

D. Description of Entity and Records to be Audited

The Roanoke Valley Broadband Authority is a government instrumentality established on December 13, 2013, and created under the "Virginia Wireless Authority Services Act" Chapter 15.2-5431.1 of the Code of Virginia. It includes the cities of Roanoke and Salem, and the counties of Botetourt and Roanoke in the Commonwealth of Virginia. Administrative offices and all records are located at 313 Luck Avenue, SW, Roanoke, Virginia 24016.

RVBA plans an initial build of approximately 42 miles of open access broadband fiber within the four jurisdictions. A majority of the build will take place in the two cities. The open access network will be designed, engineered and permitted in the fall of 2014, with construction taking place primarily in 2015. Initial estimates of \$5 million will be refined after design and permitting. Funds will come from various resources including the cities of Roanoke and Salem, various grants, and possible loan or bond proceeds. RVBA does not anticipate hiring any staff during the audit period.

E. Options

At the discretion of the Roanoke Valley Broadband Authority, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be agreed upon by the Roanoke Valley Broadband Authority and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

II. **SPECIFICATION SCHEDULE**

A. Scope of a Financial and Performance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of the Roanoke Valley Broadband Authority.

Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision), states on pages 9-11:

Financial audits are primarily concerned with providing reasonable assurance about whether financial statements are presented fairly in all respects in conformity with generally accepted accounting principles.

Performance audits provide information to improve program operations and facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and improve public accountability.

B. Description of Programs/Contracts/Grants

**Roanoke Valley Broadband Authority Budget
Period 07/01/14 to 06/30/15**

| Revenues | Budget |
|--------------------|---------------|
| City of Roanoke | 68,550.00 |
| City of Salem | 68,550.00 |
| <hr/> | |
| Total Revenue | 137,100.00 |
| <hr/> | |
| Expenses | |
| Salaries | 0.00 |
| Fringe Benefits | 0.00 |
| Accounting Package | 400.00 |
| Advertising | 600.00 |
| Audit | 5,000.00 |
| Consultants | 130,000.00 |
| Insurance | 850.00 |
| Supplies | 250.00 |
| Travel | 0.00 |
| Indirect Costs | 0.00 |
| <hr/> | |
| Total Expenses | 137,100.00 |
| <hr/> | |

C. Performance

The Roanoke Valley Broadband Authority records should be audited through June 30, 2015.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to the Roanoke Valley Broadband Authority's Chairman, Vice Chairman and Treasurer. The final audit report is due on Wednesday, September 7, 2015.

The Offeror shall present the final audit reports to the Roanoke Valley Broadband Authority's Board of Directors in September, 2015.

Draft reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, the Roanoke Valley Broadband Authority may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when the Roanoke Valley Broadband Authority has determined that the total work effort has been satisfactorily completed. Should the Roanoke Valley Broadband Authority reject a report, the Roanoke Valley Broadband Authority's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the final report to the Roanoke Valley Broadband Authority and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by the Roanoke Valley Broadband Authority and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions and other appropriate audit guides.

H. Exit Conference

An exit conference with Roanoke Valley Broadband Authority representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with the Roanoke Valley Broadband Authority. It should include internal control and program compliance observations and recommendations.

I. Work Papers

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The work papers will be retained for at least five years from the end of the audit period.

3. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and the Roanoke Valley Broadband Authority.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to the Roanoke Valley Broadband Authority, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the Roanoke Valley Broadband Authority's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Professional Standards State:

Ethics Interpretation .04 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his/her report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, e-addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing government instrumentalities
2. Prior experience auditing similar programs funded in the Commonwealth of Virginia
3. Prior experience auditing programs financed by the Federal Government
4. Prior experience auditing county or local government activities
5. Demonstrated ability in completing audits accurately and promptly

B. Organization, Size, and Structure

The Offeror should describe its organization, its size and structure. Indicate if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by the Roanoke Valley Broadband Authority because the Roanoke Valley Broadband Authority desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposal

All proposals shall include two copies of the Offeror's technical qualifications, and the signed Certifications and two copies of the pricing information (in a separately sealed envelope). These documents will become part of the contract.

B. Non Responsive Proposals

Proposals may be judged non responsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP
2. The proposal does not follow the specified format
3. The proposal does not include the Certifications

C. Proposal Evaluation

The selection of one or more firms will be made in accordance with the procedures outlined in the Code of Virginia § 2.2-4301.3.a, Procurement of Professional Services. The RVBA reserves the right to accept or reject, in whole or in part, any and all proposals and to waive informalities. Evaluation of each proposal will be based on the following criteria:

| <u>Factors</u> | <u>Point Range</u> |
|--|--------------------|
| 1. <u>Prior experience auditing and/or designing and installing accounting systems</u> | |
| a. Prior experience auditing government instrumentalities | 0-10 |
| b. Prior experience auditing similar programs funded in the Commonwealth of Virginia | 0-5 |
| c. Prior experience auditing programs financed by the Federal Government | 0-5 |
| d. Prior experience auditing county or local government activities | 0-5 |
| e. Demonstrated ability in completing audits accurately and promptly | 0-5 |
| The Roanoke Valley Broadband Authority will contact prior audited organizations to verify the experience provided by the Offeror. | |
| 2. <u>Organization, size, and structure of Offeror's firm</u> | |
| a. Adequate size of the firm | 0-5 |
| b. Minority/small business | 0-5 |
| 3. <u>Qualifications of staff to be assigned to the audits to be performed</u> (Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered) | |
| a. Audit team makeup | 0-10 |
| b. Overall supervision to be exercised | 0-5 |
| c. Prior experience of the individual audit team members | 0-10 |
| 4. <u>Offeror's understanding of work to be performed</u> | |
| a. Adequate coverage | 0-10 |
| b. Realistic time estimates of each audit step | 0-5 |

5. Responsiveness of the RFP submittal and /or interviews 1-20

MAXIMUM POINTS: 100

D. Review Process

The Roanoke Valley Broadband Authority may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, the Roanoke Valley Broadband Authority reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

The Roanoke Valley Broadband Authority contemplates award of the contract to the responsible Offeror with the highest total points.

V. CERTIFICATIONS

ON BEHALF OF THE OFFEROR:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in an agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before July 1, 2014.
- G. The individual signing certifies that the Offeror meets the independent standards of the Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision).
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing professional education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and government auditing.

- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (2011 Revision) (Yellow Book)
 - 2. Government Accounting Standards Board Statement No. 34
 - 3. OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations" (revised June 2007)
 - 4. OMB Circular A-133 "Compliance Supplement" (March 2012)
 - 5. OMB Circular A-102 "Uniform Administrative Requirements for Grants in Aid to State and Local Governments" including the Common Rule
 - 6. OMB Circular A-87 "Cost Principles for State and Local Governments"
- K. The individual signing certifies that he/she has read and understands all of the information in this request for proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror and any individuals to be assigned to the audits do not have a record of substandard audit work. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state and AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 2015

Offeror's Firm Name _____

Signature of Offeror's Representative _____

Printed Name and Title of Individual Signing _____