



## **Request for Proposals**

**PFA-PR-003-2024**

### **PROFESSIONAL AUDIT SERVICES FOR THE TOBACCO SETTLEMENT FINANCING CORPORATION**

Virgin Islands Public Finance Authority  
For Fiscal Years 2023,2024,2025

**DUE DATE: Friday, March 29, 2024, 4:00 PM (AST)**

*Physical Address:*

**Virgin Islands Public Finance Authority**  
5033 Kongens Gade, Government Hill  
Attention: Executive Director  
c/o Director of Finance & Administration  
St. Thomas, V.I. 00802

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## REQUEST FOR PROPOSALS

### I. INTRODUCTION

#### A. General Information

1. **Background.** The Virgin Islands Public Finance Authority (the “Authority”), a blended component of the Government of the US Virgin Islands, was created by the Virgin Islands Act No. 5365 (the “Act”), The Government Capital Improvement Act of 1988, for the purposes of aiding the Government of the Virgin Islands (the “Government”) in the performance of its fiscal duties and in effectively carrying out its governmental responsibility of raising capital for essential public projects. Under the enabling legislation, the Authority is vested with, but not limited to, the following powers: (i) to have perpetual existence as a corporation, (ii) to borrow money and issue bonds, (iii) to lend the proceeds of its bonds or other money to the Government or any Agencies, authority or instrumentality thereof, and to private entities, (iv) to establish one or more revolving loan funds with the proceeds of bonds issued by the Authority or issued by the Government or any Agencies, authority or instrumentality thereof and, (v) to invest its funds and to arrange for the investment of the funds of the Government or any Agencies, authority or instrumentality thereof. Pursuant to Section 8(b)(i) of the Revised Organic Act, the Government may issue revenue bonds for public improvements or undertakings authorized by an act of the Legislature, without limitation as to principal amount. The Authority also provides property management services to the Tobacco Settlement Financing Corporation ( “TSFC”) as discussed further below under Activities of the Authority.

The TSFC was created in the aftermath of the receipt of a settlement with tobacco manufacturers for smoking related injuries by cigarette users. More specifically, on November 23, 1998 the Attorneys General and other representative of 46 states, Puerto Rico, the U.S. Virgin Islands, American Samoa, the Northern Mariana Islands, Guam and the District of Columbia ( the “Settling States”) signed an agreement with the four largest tobacco manufacturers (Philip Morris Incorporated, R. J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, and Lorillard Tobacco Company collectively the “Original Participating Manufacturers “ or “OPMs”) ending a four year legal battle between the states and the industry that began in 1994, when Mississippi became the first state to file suit. The MSA represented the resolution of a large potential financial liability of the OPMs for smoking-related injuries by cigarette consumers. Under the MSA, the Settling States receive cash payments from the tobacco companies for a period of 25 years in exchange for the companies being exempt from future legal action.

On August 13, 2001, the Tobacco Settlement Financing Corporation (“TSFC”) was established pursuant to Virgin Islands Law at 29 V.I.C section

1024 as a special purpose, independent instrumentality of the Virgin Islands.  
The corporation was formed for the purpose of:

- 1) purchasing all the government's right, title, and interest in the Tobacco Settlement Fund litigation awards received and to be received by the government under the Master Settlement Agreement entered into with the four largest tobacco manufacturers.
- 2) to issue Bonds to pay the purchase price for acquiring such proceeds and
- 3) enabling the government to pay for or refinance hospital and healthcare projects and other undertakings of the government. The proceeds of the bonds were used to finance several hospital and health department capital projects, including the Charlotte Kimmelman Cancer Institute on St. Thomas and the construction of the V.I. Cardiac Center on St. Croix, and to fund operating costs of the corporation.

On November 1, 2001, the Tobacco Settlement Financing Corporation entered into a Purchase and Sale Agreement with the Government of the U.S. Virgin Islands to purchase the rights, title, and interest in Tobacco Settlement fund litigation awards for the amount of \$18.4 million, under the Master Settlement Agreement dated November 23, 1998. Tobacco bonds were issued in 2001 and 2006 to finance various health related capital improvement projects throughout the territory.

#### **Activities of the Authority for the MFSPSC**

The Authority, by itself or through the use of contractors performs certain financial management and administrative functions for the TSFC . Those functions consist of the following activities:

- General Corporation administration and coordination.
- Management and coordination of the legislative process.
- Introductions and management of appointment of members to the board of directors of the Corporation, if applicable.
- Transaction structuring assistance.
- Maintaining the organizational books and records of the Corporation and all financial and accounting records of the Corporation.
- Prepare all financial and accounting reports, including annual financial reports.

- Website/marketing.
- Compliance assistance including compliance with obligations under the Continuing Disclosure Agreement with Digital Assurance Certification for filings with the Internal Revenue Service, filings on the Electronic Municipal Market Access (EMMA) system and arbitrage rebate calculations.
- Management of outside contracts, including contracts or engagement letters with Independent Registered Municipal Advisor (IRMA), law firms, auditors, consulting firms, accounting firms and/or other providers or goods or services to the extent that Corporation engages services providers directly.
- Monitoring and compliance services including review of financial, legal and compliance records, affidavits or comparable documents.

2. **Notice of Invitation.** The Virgin Islands Public Finance Authority, on behalf of the TSFC invites qualified independent Certified Public Accountants, who are licensed or willing to become licensed in the USVI to practice in the United States Virgin Islands (hereafter, the “Offeror” or “prospective firm”), to submit proposals to perform an audit and report on the financial statements of the Tobacco Settlement Financing Corporation for the years ending September 30, 2023, September 30, 2024, and September 30, 2025.

After the third year, the Authority reserves the right to extend the agreement an additional two (2) years and to negotiate rates, terms and conditions based on changes of circumstances for the audit, as may be in the Authority’s best interest. The audit is to be conducted in accordance with Generally Accepted Auditing Standards (GAAS), Generally Accepted Government Accounting Standards (GAGAS), the standards set forth for financial audits in the U.S. General Accounting Office’s (GAO) Government Auditing Standards, the Single Audit Act of 1984 with Amendments of 1996, the U.S. Office of Management and Budget (OMB) Circular A-133. **Section II “Nature of Services Required”**, of this Request for Proposals (RFP) outlines the services required by the Authority.

The Authority intends to issue separate RFPs for the audit of the Matching Fund Securitization Corporation and for the blended audit of the Virgin Islands Public Finance Authority/West Indian Company/ Virgin Islands Next Generation Network/Lonesome Dove Petroleum Co. and King’s Alley Management Inc. Prospective firms may bid on any one or all three RFPs but are required to submit separate proposals and enter into separate agreements for each.

All costs and expenses associated with developing and/or submitting a response to this RFP or any related activity following the submission of any such response shall be borne by the Respondent. While the Authority has endeavored to supply useful information in this RFP, it makes no representation or warranty, expressed or implied, as to the accuracy or completeness of any information contained in this RFP or otherwise provided by any agent by or on behalf of the Authority. Neither the Authority nor the TSFC shall have any liability relating to or arising from any such information or the use thereof. Respondents are encouraged to conduct their own investigation and analysis of any and all information contained herein or otherwise provided by or on behalf of the Authority. This RFP is not an offer or commitment and is not capable of being accepted to form a binding agreement.

3. Proposal Submission. Prospective firms must submit detailed proposals on or before **Friday, March 29, 2024, at 4:00 PM (AST)**. Proposals must be electronically mailed to [PFA-RFP-003-2024@usvipfa.com](mailto:PFA-RFP-003-2024@usvipfa.com), utilizing the following subject header:

**RFP Professional Audit Services for the TSFC.**

Proposal cover letters should designate who can answer questions concerning the submitted proposals. An officer empowered to bind the firm submitting the proposal must sign the proposal.

Any questions should be submitted in writing, electronically to: [PFA-RFP-003-2024@usvipfa.com](mailto:PFA-RFP-003-2024@usvipfa.com) utilizing the following subject header:

**RFP Professional Audit Services for the TSFC**

5. Contract Terms. The proposal should be on a fee basis as defined in *Section III, "Proposal Document Instructions"*, and must be submitted electronically. There should be no mention of fees in the qualitative proposal, except within the separately sealed and properly labeled fee proposal. All firms submitting a proposal shall agree to include a "Hold Harmless Agreement" into the contract with the Authority and the TSFC, which will require the prospective firm to indemnify and hold the Authority and the TSFC harmless for any and all claims, liability, losses and causes of action, which may arise out of its fulfillment of the contract awarded pursuant to this RFP. The prospective firm will agree to pay all claims and losses, including related court costs and reasonable attorneys' fees, and shall defend all suits filed due to the negligent acts, errors or omissions of the prospective firm or its employees and/or agents of the prospective firm. By responding to this RFP, the prospective firm is agreeing to the terms, conditions and requirements set forth herein, unless expressly noted in writing in the firm's written submission.

**6. Schedule of key issuance dates for the audit for the TSFC are delineated as follows:**

<b>Fiscal Year Ending</b>	<b>ISSUANCE DATES</b>	
	<b>Basic Financial Statements</b>	
<b>September 30, 2023</b>	<b>September 30, 2024</b>	
<b>September 30, 2024</b>	<b>March 31, 2025</b>	
<b>September 30, 2025</b>	<b>March 31, 2026</b>	

Note that the TSFC’s FY 2022 audit is ongoing and is anticipated to be delayed. Further there may be an overlap between the 2022 and 2023 audits. Notwithstanding that the audit may be delayed, the Authority would like to commence with the various audits so that it can eventually become current. Reasonable time adjustments will be addressed in the contract between the parties for delays in the 2022 audit.

**B. Evaluation and Selection of Proposals**

An evaluation committee will perform the evaluation of proposals in accordance with the criteria set forth at *Appendix A*. The following criteria will also be considered in the evaluation:

1. Audit approach
2. The prospective firm’s independence
3. The quality and capacity of the prospective firm’s professional and management support personnel to be assigned to the engagement from a local, regional, and national standpoint
4. Expertise with similar federal and financial awards
5. The firm’s Peer Review results under the AICPA’s Peer Review Program
6. Other criteria as deemed prudent

The Authority and the TSFC reserve the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

**C. Subcontracting**

Firms are not permitted to subcontract or assign any part of the work covered under the scope of the audit engagement, without the express prior written consent of the Authority.

**D. Minority-owned firms and women’s business enterprises are encouraged to apply.**

## **II. NATURE OF SERVICES REQUIRED**

### **A. Scope of Work**

The Authority desires the audit firm to express an opinion on the fair presentation of its basic financial statements, and the related notes to the financial statements, in conformity with generally accepted accounting principles. The auditor is to conduct its audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The Authority, via a Service Agreement between it and the TSFC, is responsible for the preparation and fair presentation of the TSFC's basic financial statements in conformity with U.S. generally accepted principles.

### **B. Auditing Standards to be followed**

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

- Auditing standards generally accepted in the United States,
- The Single Audit Act of 1984 with Amendments of 1996,
- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, and any other applicable OMB circulars,
- Compliance Supplement for Single Audits of State and Local Governments (as amended),
- Any future audit conventions, audit procedures, or audit pronouncements from or by any state or federal funding agencies, entity establishing generally accepted auditing standards (e.g., Government Accounting Standards Board), or statute from a governmental entity or regulation from grantor agencies, or other authoritative entity concerning audits of funds or programs operated, administered, or managed by the MFSPSC.

### **C. Reports to be Issued**

The following reports must be issued in a timely manner by the prospective audit firm:

1. The basic financial statements, and the related notes to the financial statements, in conformity with U.S. generally accepted accounting principles.
2. Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
3. The prospective firm shall submit, no later than fifteen (15) working days after the end of field work, a draft of the management letter, which shall identify material weaknesses observed in the system of internal accounting



control as well as the effect on financial management and propose steps to eliminate the weaknesses found.

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

All audit working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the Authority or the TSFC of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

- The TSFC
- The Authority
- Government of the Virgin Islands
- Inspectors General's Office
- Parties designated by the federal or state governments or by the TSFC as part of an audit quality review process.
- Auditors of entities of which the MFSPSC and/or its Agencies are a sub-recipient of certain grants.

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

### **III. PROPOSAL DOCUMENT INSTRUCTIONS**

#### **A. General Requirements**

Proposals should include the following:

1. Title page, including:
  - a. The name, address, and phone number of the proposer's contact person
  - b. The name and address of the firm
2. Table of contents
3. Transmittal letter, including:
  - a. A brief statement as to the firm's understanding of the work to be performed, the commitment to perform the work within the time period, and a statement as to why the firm believes it to be the best qualified to perform the engagement.
  - b. The period for which the offer will be honored, which should be at least ninety (90) days from the date of the proposal.
  - c. A signature of the person authorized to commit the firm.
4. Body of proposal – see below
5. Executed copies of Proposer Guarantee and Proposer Warranties, provided in the attachments, *Appendix B* and *Appendix C*.

## **B. Body of Proposal**

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the Authority and its components in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The qualifications proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement. It should also specify an audit approach that will meet the requirements of the RFP. The proposal should address all the points outlined in the request for proposal. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, responses to the following items must be included, particularly given that said items will be an integral component by which the proposal will be evaluated:

### **1. Independence**

The firm should provide an affirmative statement that it is independent of the Authority and the TSFC as defined by current professional standards. Professional standards refer specifically to Generally Accepted Auditing Standards as established by the American Institute of Certified Public Accountants and Generally Accepted Government Auditing Standards established by the U.S. General Accounting Office.

### **2. Licensed to Practice in the U.S. Virgin Islands**

An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly registered/licensed to practice. A copy of the Virgin Islands CPA License should be provided or must be obtained and provided to the Authority before the Audit work may proceed.

### **3. Firm Qualifications and Experience**

The proposal should state the size of the firm, the size of the firm's governmental audit staff and the location of the office from which the audit will be performed. If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable. The firm is also required to submit a copy of the report on its most recent external quality control review (Peer Review), with a statement whether that quality control review included a review of specific government engagements. The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past five (5) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

#### **4. Partner, Manager, Supervisor and Staff Qualifications and Experience**

The firm should identify the principal management and supervisory staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a Certified Public Accountant in the Virgin Islands or will become licensed to practice as a Certified Public Accountant in the Virgin Islands. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to performance of this audit. Engagement partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to other clients or offices. These personnel may also be changed for other reasons. However, the Authority and the TSFC retain the right to approve or reject replacements.

#### **5. Similar Engagements with Other Entities**

For the specific firm's office that will be assigned responsibility for the audit, list the most significant audit engagements, with a maximum of ten (10) performed in the last five (5) years, which are similar to the engagement described in this request for proposals. At least seven (7) of the engagements should be governments of similar size and scope. Indicate the scope of work, number of audits completed for the specific government entity, performance period of the most recent completed engagement, actual issuance date of the most recent completed audit report, name of engagement partner, total audit hours, and the name and telephone number of the principal client contact.

#### **6. Specific Audit Approach**

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in **Section II** of this RFP. In developing the work plan, references should be made to such sources of information as the Authority's most recent audited financial statements, budget, and related materials. Proposers will be required to provide the following information on their audit approach:

- a) Proposed segmentation of the engagement with anticipated time frames for each segment.
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c) Extent of use of management information systems/software/etc. that will significantly aid in completing the engagement as defined and delineated in **I.A.6**.
- d) Type and extent of analytical procedures to be used in the engagement.
- e) Approach to be taken to gain and document an understanding of the Authority's internal control structure.
- f) Approach to be taken in determining laws and regulations that will be subject to audit test work.

- g) Identification of the approach used to test controls and compliance.
- h) Identification of the extent of substantive tests of balances procedures to be performed.
- i) Identification of the firm's pre-issuance report review procedures that the Authority's audit reports will be subject to. If firm personnel other than members of the engagement team are involved in the pre-issuance report review, those individuals should be identified.

#### **7. Identification of Potential Problem Audit Areas**

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Authority or the TSFC.

#### **8. Fee Proposal**

**The Fee Proposal must be submitted in a separately sealed envelope. The Authority wishes to evaluate proposals initially without regard to fees.**

##### *a. Total All-Inclusive Minimum to Maximum Price Range*

The proposal should contain all pricing information related to performing the audit engagement as described in this RFP. The total all-inclusive price range to be bid must contain all direct and indirect costs including all out-of-pocket expenses. The proposed price range must be documented in the format included in **Appendix D**. Neither the TSFC nor the Authority will be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar bid. Such costs should not be included in the proposal.

##### *b. Rates by Partner, Manager, Supervisor and Staff*

The proposal should include a schedule of professional fees and expenses, presented in the format provided in the attachment, **Appendix D**, which supports the total all-inclusive minimum to maximum price.

*c. Out-of-pocket expenses for firm personnel (e.g., travel, lodging, meals, etc.)* should be included on the schedule of professional fees and expenses in the format provided in the attachment, **Appendix D**. All expense reimbursements will be charged against the total all-inclusive price range submitted by the firm.

##### *d. Additional Professional Services, Other than Subject Matter Experts*

If it should become necessary for the Authority to request the auditor to render any additional services to supplement the services requested in this RFP, such additional work shall be performed only if set forth in an addendum to the contract between the Authority and the firm.

##### *e. Taxes*

The pricing proposed by the Respondent shall be the total consideration, inclusive of applicable taxes. The Respondent, if awarded the contract, will be subject to

Virgin Islands Gross Receipt Taxes. All taxes are the responsibility of the Respondent unless exempt by law. The Respondent is advised to contact the Virgin Islands Bureau of Internal Revenue (“IRB”), (340) 715-1040, for information on their tax obligations. Neither the Authority, nor its employees or representatives, shall be responsible for or liable due to any inquiries or representations regarding the Respondent’s tax liability to the Government of the Virgin Islands. To the extent a Respondent claims an exemption from any applicable taxes, Respondent must present valid written documentation of such.

Pursuant to 33 VIC § 44(a) (b) of the Virgin Islands Code as amended, the Government of the Virgin Islands and its instrumentalities, agencies and public corporations are required, when making a payment to any person, partnership, firm corporation or other business association that is subject to the payment of gross receipt taxes under the law, to deduct and withhold from such payment, gross receipt taxes as required by law at 33 VIC § 43 (a). Payment for the purposes of withholding is defined by law as:

1. Any single payment of at least \$30,000
2. Any payment pursuant to a contract providing for a total expenditure of \$225,000 or more.

The Authority will withhold gross receipt taxes in accordance with the above.

#### **IV. SPECIAL PROVISIONS**

##### **A. Reservation of Rights:**

The Authority on behalf of the TSFC reserves and may, in its sole discretion, exercise any one or more of the following rights and options with respect to this notice of contract opportunity:

- (a) to reject any and all proposals and to reissue this RFP at any time prior to execution of a final contract;
- (b) to issue a new RFP with terms and conditions substantially different from those set forth in this or a previous RFP;
- (c) to issue a new RFP with terms and conditions that are the same or similar as those set forth in this or a previous RFP in order to obtain additional proposals or for any other reason the Authority determines to be in the best interest of the people of the V.I.;
- (d) to extend this RFP in order to allow for time to obtain additional proposals prior to the RFP’s application deadline or for any other reason the Authority determines to be in the best interest of the people of the V.I.;
- (e) to supplement, amend, substitute, or otherwise modify this RFP at any time prior to issuing an RFP to one or more Respondents;

- (f) to cancel this RFP at any time prior to the execution of a final
- (g) to do any of the foregoing without notice to Respondents or others, except such notice as the Authority, in its sole discretion, elects to provide.

### **B. Contract Period**

The purchase of professional services contract shall apply to the annual audit of the period ending September 30, 2023, September 30, 2024, and September 30, 2025, with the option for a two-year extension as discussed in Section I(A)(2) above.

### **C. Assignability**

The firm cannot transfer any interest or provide for the assignment of the purchase of professional services contract with the TSFC/Virgin Islands Public Finance Authority both in whole or in part, without the expressed written permission and written consent of the TSFC's Board of Directors.

### **D. Payment**

Payment for services rendered will be based upon receipt of an itemized statement from the audit firm. All billings should indicate the percentage of work completed. Amounts billed of the maximum price will not exceed the percentage of completion.

### **E. Ownership**

All proposals and reports become the property of the **TSFC** upon submission, for use as deemed appropriate. Work papers must be available for references and reproduction by the TSFC and the Authority for a minimum of seven (7) years, unless the firm is notified in writing by the Authority of the need to extend the retention period. Copies of adjusting audit entries and trial balances, if applicable, will be provided to the Authority and the TSFC upon completion of each individual audit engagement.

### **Confidential Information, Trade Secrets, and Proprietary Information**

Proposals submitted in response to RFPs may contain trade secrets and/or privileged or confidential commercial (processes and techniques) or financial information (cost breakdown, profit, and indirect cost rates) which the proposer (or his subcontractor) does not want used or disclosed for any purpose other than evaluation of the proposal. Neither the TSFC nor the Authority assume any liability for disclosure or use of unmarked data and may use or disclose such data for any purpose. However, the TSFC and the Authority reserve the right to make any proposal, including proprietary information contained therein, available to its personnel for the sole purpose of assisting the Authority in its evaluation of the proposal. The TSFC and Authority shall require said individuals to protect the confidentiality of any specifically identified proprietary information or privileged

business information obtained as a result of their participation in these evaluations.

The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of your proposal. Your cost proposal will not be considered confidential under any circumstance. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

For the purposes of this procurement, the provisions of the Virgin Islands Public Records Act (3 V.I.C. § 881) will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this procurement shall be open to public inspection, but only after the contract has been awarded. Proposers are reminded that while trade secrets and other proprietary information they submit in conjunction with this procurement may not be subject to public disclosure, protections of any confidential information must be claimed by the proposer at the time of submission of its Proposal. Proposers should refer to the Virgin Islands Public Records Act for further clarification. The proposer must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential proprietary information as “Confidential” in order to claim protection, if any, from disclosure. The proposer shall mark the cover sheet of the proposal with the following legend, specifying the specific section(s) of his proposal sought to be restricted in accordance with the conditions of the legend:

“The data contained in pages \_\_\_\_ of the proposal have been submitted in confidence and contain trade secrets and/or privileged or confidential information and such data shall only be disclosed for evaluation purposes, provided that if a contract is awarded to this Proposer as a result of or in connection with the submission of this proposal, the VIPFA shall have the right to use or disclose the data therein to the extent provided in the contract. This restriction does not limit the Authority’s right to use or disclose data obtained from any source, including the proposer, without restrictions.”

Further, to protect such data, each page containing such data shall be specifically identified and marked “CONFIDENTIAL”. If your proposal contains confidential information, you should also submit a redacted copy along with your proposal. If you do not submit the redacted copy, you will be required to submit this copy within 48 hours of notification from the Authority. When submitting your redacted copy, you should clearly mark the cover as such - “REDACTED COPY” - to avoid having this copy reviewed by an evaluation committee member. The redacted copy should also state which sections or information has been removed.” Once it is determined that information is confidential or if a restraining order is issued, only the redacted copy is to be made available for public inspection.

Proposers must be prepared to defend the reasons why the material should be held confidential. If a competing proposer or other person seeks review or copies of another proposer's confidential data, the Authority will notify the owner of the asserted data of the request. If the owner of the asserted data does not want the information disclosed, it must agree to indemnify and hold the TSFC and the Authority harmless against all actions or court proceedings that may ensue (including attorney's fees), which seek to order the TSFC or the Authority to disclose such information.

### **G. Conflict of Interest**

A Respondent submitting its qualifications must fill out the non-collusion affidavit ( APPENDIX F) accompanying this RFP which certifies that no officer, agent or employee of the Authority and any Division therein or subsidiary thereof has a pecuniary interest in its submission or has participated in contract negotiations on behalf of or and any Division therein or subsidiary thereof ; that the submission is made in good faith without fraud, collusion, or connection of any kind with any other Respondent for the same request for qualifications; the Respondent is competing solely on its own behalf without connection with, or obligation to, any undisclosed person or firm.

This affidavit must be signed, notarized, and submitted as part of the RFP for it to be considered responsive.

### **H. Insurance**

Respondent shall be responsible for maintaining, at its sole cost, during the life of the contract the following types of insurance with minimum acceptable limits as set forth below:

#### ***LIMITS OF LIABILITY***

Commercial General Liability	\$2,000,000.00 per occurrence and in the aggregate
Professional Liability (E&O)	\$2,000,000.00 per claim limit
Cyber Insurance	\$2,000,000.00 in the aggregate
Workers Compensation	As required by law

The insurance carriers providing the required coverages shall (a) be licensed in the state where Respondent is headquartered, (b) rated no lower than "A-" by the most recent Best's Key Rating Guide, and (c) have a Best's Financial Size Category of not less than VIII, unless otherwise agreed to by the RFP Respondent.



For any liability policy maintained on a claims-made basis (including renewals or replacements thereof), the retroactive date (if any) must not be set later than the effective date of this Agreement and shall not be advanced throughout the term of this Agreement or renewal thereof. Any claims-made coverage must be maintained without material change or interruption of coverage:

(a) throughout the term of this Agreement, and any subsequent renewal thereof; and

(b) for a period of not less than three years after termination of this Agreement without advancement of the retroactive date, material change in or interruption of the claims-made coverage (the extended term of protection). In the event of any advancement of an applicable retroactive date, material change in or interruption of the claims-made coverage during this period, Respondent hereby agrees to take all necessary steps at his/her sole expense to eliminate any potential gap(s) in the claims-made coverage, including the purchase of an extended reporting period endorsement (“tail” coverage) at the sole expense of Respondent. It is understood that the length of this extended reporting period endorsement may be reduced to coincide with any time remaining in the extended term of protection.

Respondent will be obligated to mail, or hand deliver to the Director of Finance and Administration, Virgin Island Public Finance Authority, a copy of any cancellation or non-renewal notice received from the insurer for any policy affording the coverage required herein within five (5) days of Respondent’s receipt of same. Notices should be sent as follows:

**If By US Mail:**

Director of Finance and Administration  
V.I. Public Finance Authority  
P.O. Box 430  
St. Thomas, V.I. 00804

**If By Hand Delivery:**

Director of Finance & Administration  
V.I. Public Finance Authority  
5033 Kongens Gade  
St. Thomas, V.I. 00802

Respondent further agrees to provide the Authority with 30 days’ advance written notice of any material reduction in coverage initiated by Respondent with respect to any of the required insurance coverages. For the purpose of this provision, material reduction in coverage shall mean any change or reduction in the scope of insurance coverage that adversely affects the protection that would otherwise be available to the TSFC and the Authority.

Respondent shall supply a certificate of insurance evidencing such required insurance coverage with its response to this RFP and prior to or concurrent with execution of the contract.

Defense costs in all primary liability policies shall be “outside the limit”, i.e., the full policy limits are for the payment of damages.

The Commercial General and any Excess or Umbrella Liability policy shall be endorsed to name the Authority as an additional insured. Any such policy shall contain language that: “Such insurance as afforded by this policy for the benefit of the TSFC and the Authority shall be primary as respect to any claims, losses, damages, expenses or liabilities arising out of this Agreement, and insured hereunder, and any insurance carried by the TSFC, or the Authority shall be excess of and noncontributing with insurance afforded by this policy”.

Respondent shall provide the Authority with an original certificate of insurance signed by an authorized officer of the insurance company or its authorized representative. The certificate shall show:

- The name of the insurance company
- The policy period
- The policy number
- Description of the coverage
- The name of the seller/policyholder
- TSFC and the Authority as additional insureds.

## **I. REQUIRED DOCUMENTS**

Respondent shall be required to submit the following documents:

**A. Corporate Documents** – The Respondent is required to provide a copy of their Corporate Documents with their proposal.

- **Provide a copy of the following Corporate Documents:**

Corporation:

- Copy of Articles of Incorporation & By-Laws

Limited Liability Company (LLC):

- Copy of Articles of Organization
- Copy of Operating Agreement

Sole Proprietor:

- Copy of Trade Name Certificate

**B. Employer Identification Number (EIN)** - The Respondent will be required to provide their EIN on or before contract execution.

**C. Insurance Documents-** The Respondent will be required to provide a copy of their Insurance Documents containing the requirements as set forth in this RFP, on or before contract execution.

**D. Copy of Virgin Islands Business License -** The Respondent will be required to provide a copy of their Insurance Documents containing the requirements as set forth in this RFP, on or before contract execution.

#### **J. Special Meetings**

A planning meeting will be held prior to the start of audit work each year, at the request of the Authority.

Progress meetings will be held as deemed necessary by the Authority's Comptroller to gauge audit progress and assist in facilitating the timely completion of the audit.

An exit conference will be held at the end of the audit to discuss findings and recommendations resulting from the audit work performed and a draft copy of the report will be provided at this time. In addition, special meetings will be scheduled when matters involving the potential of fraud, theft, misuse, or misrepresentations on financial or grant reports, or similar matters are discovered that require notification and/or the determination of a course of action. The scheduling of these meetings will be the responsibility of the audit firm and shall include the TSFC's Board of Directors and Authority representatives.

## APPENDIX A

Upon determining that a proposal satisfies the mandatory requirements stated in the request for audit services, a comparative assessment of the relative benefits and deficiencies of the proposal in relationship to published evaluation criteria shall be made objectively. The award of a contract resulting from this request for auditing services shall be based on the best proposal received in accordance with the evaluation criteria stated below.

After an initial screening process of the RFP, a technical question-and-answer conference or interview may be conducted, if deemed necessary to clarify or verify the proposer's proposal and to develop a comprehensive assessment of the service. The Authority reserves the right to consider historical information and facts, whether gained from the proposer's proposal, question-and-answer conferences, references, or any other source, in the evaluation process.

The proposer is cautioned that it is the proposer's sole responsibility to submit information related to the evaluation categories and that **neither the TSFC nor the Authority** is under any obligation to solicit such information if it is not included with the proposer's proposal. Failure of the proposer to submit such information may cause an adverse impact on the evaluation of the proposer's proposal.

### AUDITOR EVALUATION CRITERIA AND RATING POINT VALUE

1. Prior experience /Industry Expertise of Firm and Staff **[0 -- 30]**
  - a. Auditing State, Agencies, and/or local government activities. (General Government) **[0 – 5]**
  - b. Auditing State, Agencies, and/or local government activities. **[0 – 15]**
  - c. Auditing programs financed by the Federal Government. **[0 – 10]**
2. Organizational size and structure of the prospective firm. **[0 – 20]**
  - a. Consideration of size, audit approach, and capabilities of the prospective firm in relation to the demands of tasks to be performed. **[0 – 20]**
3. Qualification of staff to be assigned to the audit. **[0 – 25]**

This will be determined from resumes submitted, education, position in firm, years and types of experience will be considered.

  - a. Audit team makeup. **[0 – 15]**
  - b. Overall supervision. **[0 – 10]**
4. Proposer's understanding of work to be performed. **[0 – 25]**
  - a. Adequate staffing for audit completion **[0 – 10]**
  - b. Realistic time estimates of each audit step **[0 – 10]**
  - c. Organization/user friendliness of schedules **[0 – 5]**

Maximum Points: **100**

The Authority will use the total scores as a guide in selecting an auditor for the MFSPSC Audit. The Authority also reserves the right to negotiate with any proposer, if it is deemed in the best interest of the TSFC.

## APPENDIX B

### PROPOSER GUARANTEE

The proposer certifies it can and will provide and make available, as a minimum, all services outlined as part of *Section II, "Nature of Services Required"*, and further provides the following certifications:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Proposer.
- B. The individual signing certifies that the Proposer is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the firm.
- 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 Proposer prior to an award to any other Proposer or potential Proposer.
- E. The individual signing certifies that there has been no attempt by the Proposer to discourage any potential Proposer from submitting a proposal.
- F. The individual signing certifies that the Proposer is a properly licensed certified public accountant, licensed to conduct independent audits in the U.S. Virgin Islands or will be licensed to conduct independent audits in the U.S. Virgin Islands at the time services are rendered.
- G. The individual signing certifies that the Proposer meets the independence standards of the *Government Auditing Standards* (Current Revision).
- H. The individual signing certifies that she/he is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that she/he 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 she/he has read and understands the following publications relative to the prospective audits:
  - *Government Auditing Standards* (Current Revision)
  - OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (June 1997)
  - OMB Circular A-133 - *Compliance Supplement* (Revised June 1997)
  - Indirect Cost and Other Rates for Grants
- K. The individual signing certifies that she/he has read and understands all 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 Proposer, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government.
  - **NOTE**: If the Proposer or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.

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

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

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

Firm: \_\_\_\_\_

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

This page must be signed, notarized, and submitted as part of your RFP to be considered valid.

**APPENDIX C**

**PROPOSER WARRANTIES**

A. Proposer warrants that it is willing and able to comply with the laws of the United States and the United States Virgin Islands.

B. Proposer warrants that it has errors and omissions insurance policy with coverage of not less than \$1,000,000 for the willful or negligent acts or omissions of any partners, officers, employees, or agents thereof and proof shall be submitted upon award of the contract.

C. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

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

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

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

Firm: \_\_\_\_\_

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

*This page must be signed, notarized, and submitted as part of your RFP to be considered valid.*



**APPENDIX D**

Summary schedule of professional fees and expenses (all-inclusive minimum to maximum price range) for professional services for the fiscal year ended September 30, 2023, September 30, 2024, and September 30, 2025. Total all-inclusive minimum to maximum price range for audit services must be delineated as follows:

**Professional Fees**

Resource	Minimum Cost	Maxium Cost
Partner	\$	
Senior Manager		
Manager		
Senior		
Staff		
Subject Matter Expert(s)		
Out of Pocket Expenses		
<b>Grand Total</b>	<b>\$</b>	

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

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

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

Firm: \_\_\_\_\_

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

*This page must be signed, notarized, and submitted as part of your RFP to be considered valid.*

**APPENDIX E**

**RFP EXCEPTIONS PAGE**

The Proposer must note below all exceptions to the RFP specifications. I certify that the following are the only exceptions to the RFP specifications, and all forms attached. If your RFP meets all specifications for this RFP except as noted above, sign here:

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

*This page must be signed, notarized, and submitted as part of your RFP to be considered valid.*

**APPENDIX F**

**VIRGIN ISLANDS PUBLIC FINANCE AUTHORITY**

**NON-COLLUSIVE AFFIDAVIT**

\_\_\_\_\_, being first duly sworn, deposes and says:

That he/she is \_\_\_\_\_ (a partner or officer of the firm of, etc.), the party making the foregoing proposal or proposal cost, that such proposal or proposal cost is genuine and not collusive or sham; that said proponent has not colluded, conspired, connived or agreed directly or indirectly, with any proponent or person, to put in a sham proposal cost or to refrain from bidding and has not in any manner directly or indirectly sought by agreement or collusion or communication or conference, with any person, to fix the proposal cost of the affinity or any other proponent, or to fix any overhead, profit or cost element of said cost proposal, or of that of any other proponent, or to secure any advantage against the Matching Fund Securitization Corporation, Virgin Islands Public Finance Authority, or any person interested in the proposed contract; that no officer, agent or employee of the Authority, and any Division therein or subsidiary thereof has a pecuniary interest in this proposal or has participated in contract negotiations, and that all statements in said proposal or cost proposal are true.

\_\_\_\_\_  
(Name of Respondent if the Respondent is a Corporation)

\_\_\_\_\_  
(Name of Respondent if the Respondent is a Limited Liability Corporation)

\_\_\_\_\_  
(Name of the Respondent if the Respondent is a Sole Proprietor)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
2024, by

\_\_\_\_\_ of legal age,

\_\_\_\_\_  
(Trade or Corporation)

and personally, known to me.

(SEAL)

\_\_\_\_\_

Notary Public