

**#53977**

Date: December 1, 2016

To: Honorable Members of the Board of Acquisition and Contract

From: Hon. Michael B. Kaplowitz, Chairman
Westchester County Board of Legislators

Re: Authority for the County to, a.) exercise its second and final one-year option under an agreement with O'Connor Davies, LLP, pursuant to which O'Connor Davies, LLP was to provide the Board of Legislators with audit services for the County's financial statements, and b.) amend that agreement to reflect the change in the name of the limited liability partnership from O'Connor Davies, LLP to PKF O'Connor Davies, LLP.

By a resolution approved on January 22, 2015, your Honorable Board authorized the County of Westchester (the "County"), acting by and through its Board of Legislators (the "Board"), to enter into an agreement (the "Agreement") with O'Connor Davies, LLP ("O'Connor Davies"), pursuant to which O'Connor Davies was to provide the Board with an audit of the County's financial statements (the "Services"), for a term from January 1, 2015 through December 31, 2015 (the "Initial Term"), for an amount not-to-exceed \$483,000.00, payable pursuant to an approved budget, which was to specify that \$472,500.00 was to be payable as a flat fee for all of the Services except for any 'comfort letters', \$8,000.00 was to be payable if a first 'comfort letter' is provided to the County at the County's request, and \$2,500.00 was to be payable if a second 'comfort letter' is provided to the County at the County's request. During the Initial Term, the Services were to be for the fiscal year 2014.

Under the Agreement, the County was to have the sole option to extend the term of the Agreement for up to two (2) additional one (1) year periods (each an "Option Term"), for an amount not-to-exceed \$492,850.00, payable pursuant to an approved budget, for the Services for first Option Term (for the fiscal year 2015) and an amount

not-to-exceed \$502,897.00, payable pursuant to an approved budget, for the second Option Term (for the fiscal year 2016).

For the first Option Term, under the approved budget, \$482,350.00 was to be payable as a flat fee for all of the Services except for any 'comfort letters', \$8,000.00 was to be payable if a first 'comfort letter' is provided to the County at the County's request, and \$2,500.00 was to be payable if a second 'comfort letter' is provided to the County at the County's request.

For the second Option Term, under the approved budget, \$492,397.00 was to be payable as a flat fee for all of the Services except for any 'comfort letters', \$8,000.00 was to be payable if a first 'comfort letter' is provided to the County at the County's request, and \$2,500.00 was to be payable if a second 'comfort letter' is provided to the County at the County's request.

The Agreement, as described above, was subsequently executed.

By a resolution approved on April 21, 2016, your Honorable Board authorized the County to exercise its first one-year option under the Agreement and therefore amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of December 31, 2016; 2.) increasing the not-to-exceed amount thereof by \$492,850.00, to a new total not-to-exceed amount of \$975,850.00, to pay for the Services during the first Option Term, and payable as specified in the Agreement for the first Option Term; and 3.) reflecting the fact that the County will have one (1) additional one (1) year option remaining under the Agreement (the "First Amendment"). The First Amendment was subsequently executed.

The County now requires the Services for the fiscal year 2016. Accordingly, authority is requested from your Honorable Board for the County to exercise its second and final one-year option under the Agreement, as amended by the First Amendment, (the "Current Agreement") and therefore amend the Current Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of December 31, 2017; 2.) increasing the not-to-exceed amount thereof by \$502,897.00, to a new total not-to-exceed amount of \$1,478,747.00, to pay for the Services during the second Option Term, and payable as specified in the Current Agreement for the second Option Term; and 3.) reflecting the fact that the County will not have any options remaining under the Current Agreement (the "Second Amendment").

O'Connor Davies recently notified the County that it has changed the name of its limited liability partnership from O'Connor Davies, LLP to PKF O'Connor Davies, LLP. The County has confirmed the accuracy and effectiveness of the name change via a search of the New York State Secretary of State's public business entity database. Accordingly, the County also requests authority from your Honorable Board, as part of the proposed Second Amendment, to amend the Current Agreement to reflect the change in the name of the limited liability partnership from O'Connor Davies, LLP to PKF O'Connor Davies, LLP.

Except as specifically amended hereby, all terms and conditions of the Current Agreement shall remain in full force and effect.

The proposed Second Amendment will serve a public purpose by allowing the Board to continue to have an experienced auditing firm analyze the County's financial statements and express an opinion on the County's financial status, in accordance with the Board's obligations under section 107.91 of the Laws of Westchester County.

The goal and objective of the proposed Second Amendment is to allow the Board to continue to receive audit services for the County's financial statements, in accordance with the Board's obligations under section 107.91 of the Laws of Westchester County.

The goal and objective of the proposed Second Amendment is in the best interests of the County in terms of fiscal responsibility, as the audit services to be provided will supply the Board with information concerning the County's operating expenses, thereby enabling the Board to make informed decisions regarding the County budget.

The goal and objective of the proposed Second Amendment will be tracked and monitored by the staff of the Board.

I respectfully recommend the adoption of the attached resolution.

MBK/SS/bdm/nn

RESOLUTION

Upon a communication from the Chairman of the Westchester County Board of Legislators, be it hereby

RESOLVED, that the County of Westchester (the "County"), acting by and through its Board of Legislators (the "Board"), is authorized to exercise its second and final one-year option under an agreement with O'Connor Davies, LLP ("O'Connor Davies"), pursuant to which O'Connor Davies was to provide the Board with an audit of the County's financial statements (the "Services"), with the Services being for the fiscal years 2014 and 2015, for a term January 1, 2015 through December 31, 2016, for an amount not-to-exceed \$975,850.00, payable pursuant to an approved budget, with the County having the sole option to extend the term of the agreement for up to one (1) additional one (1) year period (the "second Option Term"), for an amount not-to-exceed \$502,897.00, payable pursuant to an approved budget, for the Services for the second Option Term (for the fiscal year 2016) (the "Agreement"), and therefore amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of December 31, 2017; 2.) increasing the not-to-exceed amount thereof by \$502,897.00, to a new total not-to-exceed amount of \$1,478,747.00, to pay for the Services during the second Option Term, and payable as specified in the Agreement for the second Option Term; and 3.) reflecting the fact that the County will not have any options remaining under the Agreement (the "Second Amendment"); and be it further

RESOLVED, that the County, acting by and through its Board, is also authorized, as part of the Second Amendment, to amend the Agreement to reflect the change in the name of the limited liability partnership from O'Connor Davies, LLP to PKF O'Connor Davies, LLP; and be it further

RESOLVED, that except as specifically amended hereby, all terms and conditions of the Agreement shall remain in full force and effect; and be it further

RESOLVED, that the Chairman of the Westchester County Board of Legislators, or his authorized designee, is hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Account to be
Charged/Credited

Date	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2017	101	52		2065		\$500,000.00
2016	101	52		2065		\$2,897.00

Budget Funding Year(s): 2017 Start Date: 1/1/17 End Date: 12/31/17
(must match resolution)

Funding Source
\$502,897.00
\$ _____
(must match resolution)

Tax Dollars: \$502,897.00 _____
State Aid: _____
Federal Aid: _____
Other: _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 01/12/2017 - LISA MEXIAJ, SECRETARY