



OnBase ID #60862

Date: January 19, 2018

To: Board of Acquisition and Contract

From: Hon. Benjamin Boykin, Chairman
Westchester County Board of Legislators

Re: Authority to enter into an agreement with PKF O'Connor Davies, LLP,
pursuant to which it will provide the Board of Legislators with audit services
for the County's financial statements.

In accordance with the obligations of the Board of the Legislators (the "Board") under section 107.91 of the Laws of Westchester County and the requirements of section 6 of the Westchester County (the "County") Procurement Policy, the Board issued a request for proposals ("RFP"), dated September 2, 2017, for audit services for the County's financial statements (the "Services"). The RFP-solicited Services were to include both specific audit services (the "Specific Services"), which were to be provided for a proposed flat fee, and, if and as requested by the County, additional work that is closely related to the Specific Services (the "Additional Services"), which were to be provided at proposed hourly rates. The Board posted the RFP on the County's website for requests for proposals and also sent the RFP to the entities that submitted a proposal in response to the last request for proposals for similar services, in 2014.

In response, the County received proposals from four (4) vendors, the following three (3) of which each submitted a proposal that was responsive to the RFP:

- 1.) EFPR Group, CPAs, PLLC
- 2.) Drescher & Malecki, LLP
- 3.) PKF O'Connor Davies, LLP

The proposals were reviewed by staff from the Board and scored and ranked on the basis of the evaluation criteria in the RFP. Although the proposal submitted by PKF O'Connor Davies, LLP ("O'Connor Davies") did not have the lowest net cost, it was still the first-ranked proposal, largely due to its superior scores in terms of technical qualifications and expertise. It is a prudent and economic use of public money, and otherwise in the best interests of the County, to contract with O'Connor Davies based on the fact that it has such technical qualifications and expertise, and was still the first-ranked proposer with consideration of price included.

Accordingly, authority is requested for the County, acting by and through its Board, to enter into an agreement (the "Agreement") with O'Connor Davies, pursuant to which O'Connor Davies will provide the Board with the Services, for a term from January 1, 2018 through December 31, 2018 (the "Initial Term"), for an amount not-to-exceed \$498,000.00, payable as invoiced and consisting of a flat fee of \$492,000.00 for the Specific Services and an amount not-to-exceed \$6,000.00 that will be available to pay for possible Additional Services that would be billed at the following hourly rates:

Initial Term

Partners:	\$290/hour
Managers:	\$230/hour
Supervisory Staff:	\$155/hour
Staff:	\$135/hour

During the Initial Term, if the County determines that it requires additional funding to pay for further Additional Services at the above-specified hourly rates, the County may seek authority from your Honorable Board to amend the Agreement accordingly.

Under the Agreement, the County would have the sole option to extend its term for up to two (2) additional one (1) year periods (each an "Option Term") on the same terms and conditions for each Option Term as for the Initial Term, except that the funding to be made available for the possible Additional Services during each Option Term may be increased or decreased based upon the expected needs of the County, and such Additional Services shall instead be billed at the following hourly rates for the first Option Term and the second Option Term:

First Option Term

Partners:	\$295/hour
Managers:	\$235/hour
Supervisory Staff:	\$158/hour
Staff:	\$138/hour

Second Option Term

Partners:	\$300/hour
Managers:	\$240/hour
Supervisory Staff:	\$161/hour
Staff:	\$141/hour

The proposed Agreement will serve a public purpose by having an experienced auditing firm analyze the County's financial statements and express an opinion on the County's financial status.

The goal and objective of the proposed Agreement is to provide the Board with audit services for the County's financial statements.

The goal and objective of the proposed Agreement 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 financial status, thereby enabling the Board to make informed decisions regarding the County's finances.

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

I respectfully recommend the adoption of the attached resolution.

BB/GC/bdm/nn

APPROVED BOARD OF ACQUISITION & CONTRACT - 01/25/2018 - LISA MRIJAJ, SECRETARY

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 enter into an agreement (the "Agreement") with PKF O'Connor Davies, LLP ("O'Connor Davies"), pursuant to which O'Connor Davies will provide the Board with audit services for the County's financial statements (the "Services"), including both the specific audit services solicited by the County in its request for proposals dated September 2, 2017 (the "Specific Services") and additional work that is closely related to the Specific Services (the "Additional Services"), for a term from January 1, 2018 through December 31, 2018 (the "Initial Term"); and be it further

RESOLVED, that, under the Agreement, for the Services during the Initial Term, the County shall pay O'Connor Davies an amount not-to-exceed \$498,000.00, payable as invoiced and consisting of a flat fee of \$492,000.00 for the Specific Services and an amount not-to-exceed \$6,000,000 that will be available to pay for possible Additional Services that would be billed at the following hourly rates:

<u>Initial Term</u>	
Partners:	\$290/hour
Managers:	\$230/hour
Supervisory Staff:	\$155/hour
Staff:	\$135/hour

; and be it further

RESOLVED, that, under the Agreement, the County will have the sole option to extend its term for up to two (2) additional one (1) year periods (each an "Option Term") on the same terms and conditions for each Option Term as for the Initial Term, except that the funding to be made available for the possible Additional Services during each Option Term may be increased or decreased based upon the expected needs of the County, and such Additional Services shall instead be billed at the following hourly rates for the first Option Term and the second Option Term:

<u>First Option Term</u>		<u>Second Option Term</u>	
Partners:	\$295/hour	Partners:	\$300/hour
Managers:	\$235/hour	Managers:	\$240/hour
Supervisory Staff:	\$158/hour	Supervisory Staff:	\$161/hour
Staff:	\$138/hour	Staff:	\$141/hour

; and be it further

RESOLVED, that the Agreement is subject to County appropriations; and be it

further

RESOLVED, that the Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate the Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the contractor, then the contractor shall have the right to terminate the Agreement upon reasonable prior written notice; 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

Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2018	101	52	2065	5100		\$498,000.00

Budget Funding Year(s): 2018 Start Date: 1/1/18 End Date: 12/31/18
(must match resolution)

Funding Source Tax Dollars: \$498,000.00
State Aid: _____
\$498,000.00 Federal Aid: _____
(must match resolution) Other: _____