



ID #72097

Date: October 9, 2019

To: Board of Acquisition and Contract

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

Re: Authority for the County to exercise its second option under an agreement with PKF O'Connor Davies, LLP, pursuant to which it was to provide the Board of Legislators with audit services for the County's financial statements.

By a resolution approved on January 25, 2018, 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 "Original Agreement") with PKF O'Connor Davies, LLP ("O'Connor Davies"), pursuant to which O'Connor Davies was to provide the Board with audit services for the County's financial statements (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

Under the Original Agreement, the Services include both specific audit services (the "Specific Services"), which were to be provided for a 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 hourly rates.

Under the Original Agreement, the County had 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 could be increased or decreased based upon the expected needs of the County, and such Additional Services would 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

The Original Agreement was subsequently executed.

By a resolution approved on November 21, 2018, your Honorable Board authorized the County to exercise its first option under the Original Agreement, and therefore amend the Original Agreement in order to, 1.) extend its term by one (1) year, to a new termination date of December 31, 2019, 2.) increase its not-to-exceed amount by \$498,000.00, consisting of a flat fee of \$492,000.00 for the Specific Services and an amount not-to-exceed \$6,000.00 that would be available to pay for possible Additional Services that would be billed at the hourly rates specified in the Agreement for the first Option Term, to a new amount not-to-exceed \$996,000.00, to pay for the Services during the first Option Term, and 3.) reflect the fact that the County would have one (1) option remaining under the Agreement (the "First Amendment"). The First Amendment was subsequently executed.

The County now requires the Services for the fiscal year 2019. Accordingly, the County respectfully requests authority from your Honorable Board for the County to exercise its second option under the Original Agreement, as amended by the First Amendment. (the "Agreement") and therefore amend the Agreement in order to, 1.) extend its term by one (1) year, to a new termination date of December 31, 2020, 2.) increase its not-to-exceed amount by \$498,000.00, 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 hourly rates specified in the Agreement for the second Option Term, to a new amount not-to-exceed \$1,494,000.00, to pay for the Services during the second Option Term, and 3.) reflect the fact that the County will not have any options remaining under the Agreement (the "Second Amendment").

Except as specifically described above, all terms and conditions of the Agreement shall remain in full force and effect.

The proposed Second Amendment will serve a public purpose by enabling 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.

The goal and objective of the proposed Second Amendment is to enable the Board to continue to receive audit services for the County's financial statements.

The goal and objective of the proposed Second Amendment is in the best interests of the County in terms of fiscal responsibility, as it will enable the Board to continue receiving audit-related information concerning the County's financial status, and thereby enable the Board to make informed decisions regarding the County's finances.

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.

BB/GC/bdm/nr

APPROVED BOARD OF ACQUISITION & CONTRACTS 11/07/2019 - LESAMBUJAJ, 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 hereby authorized to exercise its second option under an agreement with PKF O'Connor Davies, LLP ("O'Connor Davies"), pursuant to which O'Connor Davies was to provide the Board with audit services for the County's financial statements (the "Services"), including both certain specific audit services solicited by the County and additional work that is closely related to the Specific Services (the "Additional Services"), for a term from January 1, 2018 through December 31, 2019, for a total amount not-to-exceed \$996,000.00, consisting of an amount not-to-exceed \$498,000.00 for each year of said term, with said amount including a flat fee of \$492,000.00 for the Specific Services and an amount not-to-exceed \$6,000.00 that would be available to pay for possible Additional Services that would be billed at the below hourly rates, with the County having the sole option to extend its term for one (1) additional one (1) year period (the "Second Option Term") on the same terms and conditions as the initial term and the first option term, except that the funding to be made available for the possible Additional Services during the Second Option Term could be increased or decreased based upon the expected needs of the County, and such Additional Services would instead be billed at the hourly rates specified in the Agreement for the Second Option Term (the "Agreement"), and therefore amend the Agreement in order to, 1.) extend its term by one (1) year, to a new termination date of December 31, 2020, 2.) increase its not-to-exceed amount by \$498,000.00, 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 hourly rates specified in the Agreement for the Second Option Term, to a new amount not-to-exceed \$1,494,000.00, to pay for services during the during the Second Option Term, and 3.) reflect the fact that the County will not have any options remaining under the Agreement (the "Second Amendment"); and be it further

RESOLVED, that except as specifically hereby authorized to be amended, 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

Year	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2020	101	52	2065	5100		\$498,000.00

Budget Funding Year(s): 2020 Start Date: 1/1/20 End Date: 12/31/20
 (must match resolution)

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

APPROVED AND ORDERED BY ACQUISITION CONTRACT - 11/07/2019 - LISA M. LUJAJ, SECRETARY