

**AUDIT COMMITTEE FOR ERIE COUNTY**

Courtland R. LaVallee, Esq. - Chairman  
 Dan Tirone, CPA  
 Gary Quenneville  
 Hon. Christina Bove  
 Hon. John Mills  
 Michael R. Szukala, Secretary

FM

**TO: Clerk of the Erie County Legislature**

**FROM: Erie County Audit Committee Chairman Courtland R. LaVallee, Esq.**

**DATE: June 15, 2011**

**SUBJECT: Report of the Erie County Audit Committee on the Request for Proposal process to select and contract with an independent external County auditor**

**Enclosed Exhibits:**

- 1) Legislation establishing a contract for Erie County's ("County") external auditor for fiscal years 2005-2010
- 2) Erie County Charter Section 2617
- 3) Copy of Request for Proposal ("RFP") # 1105BC titled "Annual Audit of Erie County"

**Summary of Events and Discussions:**

Erie County's formal agreement with Deloitte & Touche LLP ("Deloitte") as the County's current independent auditing firm expires upon Deloitte's completion of the County's 2010 fiscal year audit. The legislation approving the Erie County auditor for fiscal years 2005 - 2010 is attached as Exhibit 1. In accordance with Erie County Charter Section 2617 (Exhibit 2), during the Audit Committee's meeting held January 11, 2011, the Erie County Audit Committee tasked the Committee Secretary with preparing an RFP for the selection of a new external auditor for Erie County. The draft RFP was amended by the Audit Committee at its meeting held on January 24, 2011.

The RFP was issued on February 23, 2011 specifying that all responses were due on or before Wednesday, April 20, 2011 at 3:00PM. The RFP is provided as Exhibit 3. The RFP was posted to the Erie County website, a notice was placed in The Buffalo News and copies of the RFP were distributed to the 25 largest CPA firms listed in the 2010 Business First Book of Lists.

As is standard for complex RFP's such as this, potential respondents asked a variety of questions of the County. To ensure equity, potential respondents' questions and the County's formal responses were posted to the County's website and emailed to all the bidders who had requested to be placed on an email list which was created for this purpose. The questions and answers are too voluminous to be incorporated into this report; however, they are accessible at the County's website.

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On Wednesday, April 20, 2011, after 3:00 PM, the Comptroller, the Deputy Comptroller – Audit, and a member of the Comptroller’s Office’s accounting staff and audit staff met in the Deputy Comptroller – Audit’s office to open the received bids. No bids were received after the 3:00 PM deadline. Bids were received from the following accounting firms:

- Buffamante Whipple Buttafaro, P.C.
- Deloitte & Touche LLP
- Drescher & Malecki LLP
- Freed Maxick & Battaglia, PC
- The Bonadio Group
- Toski, Schaefer & Co., P.C.

The Audit Committee Chair instructed that a summary of the bids be developed. This task was performed and the summary was provided to the Committee via email and at the Audit Committee meetings on Tuesday, April 25 and May 25, 2011.

On Tuesday, April 25 at 2:00 PM, the Audit Committee met to assess the responses to the RFP. At the conclusion of the meeting, the Committee directed the Secretary to arrange for three finalist firms to make presentations to the Committee and to be available to answer questions. The three firms invited to make presentations:

- Drescher & Malecki LLP
- Freed Maxick & Battaglia, PC
- The Bonadio Group

A date was selected by the Audit Committee, May 25, 2011, and invitations were presented to the three firms. All three firms accepted. The order of respondents’ presentations was determined by a random drawing made by the Deputy Comptroller – Audit and the Chief of Accounting Services.

The Secretary was directed to check a client reference for each of the three firms that were secured to give a presentation. A list of questions to ask each reference was developed, emphasizing input from the Accounting staff, as they will be working most closely with the successful bidder. On Monday, May 23, 2011, the Secretary and the Director of Accounting Services spoke with client references from each of the three firms. Each reference was asked identical questions, and the questions and answers were provided to the Audit Committee at the meeting on May 25, 2011 but prior to the three finalists’ presentations.

On May 25, 2011 at 12:30 PM, the Audit Committee met. Before the presentations began, the Committee was informed that member Gary Quenneville had resigned. The Committee instructed the Secretary to accept his resignation; Mr. Quenneville offered to assist in finding his replacement.

Senior management of the Comptroller’s Office’s Accounting Division was invited to the meeting in order to get their opinions. The Accounting Division’s senior management staff who attended: Lorne Steinhart, the Deputy Comptroller – Accounting, the Director of Accounting Services, and the Senior Accounting Analyst. The Committee discussed the bids of the

presenting firms and questions that would be asked of each presenter. In addition, the relative merits of each bid were highlighted.

The Bonadio Group's delegation began its presentation at 1:00PM, followed by Drescher & Malecki LLP at 2:00PM and Freed Maxick & Battaglia, PC at 3:00PM. The Secretary did not take detailed notes on the content of the presentations, as the information discussed would be considered trade secrets. Each firm distributed printed materials during their presentation. Those materials have been retained but are not included as an exhibit herein because they contain trade secret information.

Upon conclusion of the final presentation, the Committee requested the opinions of the Accounting Division's personnel. The Accounting senior staff provided their assessments and then were excused from the meeting. Thereafter, in Executive Session, the Audit Committee debated the merits of the three presenting firms.

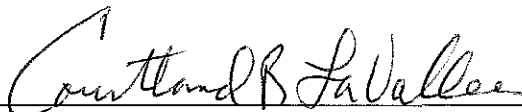
Upon conclusion of the discussion of the bids, the Committee rated each presenting firm's bid using the formula specified on Page 8 of the RFP. Committee members discussed the ratings and were then polled by the Committee Chair. The Committee selected Drescher & Malecki LLP. The Secretary was directed to draft a letter for the Chair's signature informing Drescher & Malecki LLP of their selection. The Chair also directed the Secretary to inform the Comptroller of the results of the Committee's deliberations and to complete the Committee's report to the Legislature pursuant to Erie County Charter's Section 2617.

The meeting was adjourned at 4:40 PM.

A summary of the fees of the awarded proposal is as follows:

| Drescher & Malecki LLP Proposal           | 2011      | 2012      | 2013      | Sum        | Average    |
|---|-----------|-----------|-----------|------------|------------|
| Audit Fee                                 | \$ 89,000 | \$ 90,500 | \$ 92,000 | \$ 271,500 |            |
| Single Audit Fee                          | \$ 57,500 | \$ 58,000 | \$ 58,500 | \$ 174,000 |            |
| Average                                   |           |           |           |            | \$ 148,500 |
| Mental Health Fee                         | \$ 3,750  | \$ 3,850  | \$ 3,950  | \$ 11,550  |            |
| Health Department Fee                     | \$ 3,750  | \$ 3,850  | \$ 3,950  | \$ 11,550  |            |
| Other Departments Fee                     | \$ 3,750  | \$ 3,850  | \$ 3,950  | \$ 11,550  |            |
| Maximum charge for a Due Diligence Letter |           |           |           | \$ 15,000  |            |
| Minimum charge for a Due Diligence Letter |           |           |           | \$ 5,000   |            |

Submitted:



Courtland R. LaVallee, Esq.  
Chairman – Erie County Audit Committee

**Exhibit 1**

**Legislation establishing a contract for the County's auditor for  
the years 2005-2010**

# STATE OF NEW YORK

EXHIBIT A

LEGISLATURE OF ERIE COUNTY  
CLERK'S OFFICE

BUFFALO, N.Y., FEBRUARY 2, 2006

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 3rd Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo on the Second day of February 2006 A.D. a Resolution was adopted, of which the following is a true copy:

### A RESOLUTION SUBMITTED BY LEGISLATOR MARINELLI

WHEREAS, the contract for the audit of Erie County expired with the completion of the audit for the fiscal year ended December 31, 2004; and

WHEREAS, the Audit Committee for Erie County prepared and forwarded requests for proposal (RFP) to national and regional certified public accounting firms requesting proposals for the audits of the County for fiscal years 2005 through 2010; and

WHEREAS, the Audit Committee's RFP and evaluation of the responses was in full compliance with paragraph C. Section 1813 of the Erie County Charter; and

WHEREAS, in order to comply with requirement of the Erie County Fiscal Stability Authority Act, and in consideration of staff reduction in the Comptroller's Office, the RFP sent to the audit firms requested fee pricing for four scenarios summarized in the fee chart below: and

| Audit yr. | Financials prepared<br>by Audit Firm<br>within |           | Financials prepared<br>by<br>Erie County<br>within |           |
|-----------|--|-----------|--|-----------|
|           | 120 Days                                       | 180 Days  | 120 Days   | 180 Days  |
| 2005      | \$284,800                                      | \$246,000 | \$259,720  | \$232,600 |
| 2006      | 299,000  | 258,300   | 272,700  | 244,500   |
| 2007      | 313,950  | 271,150   | 286,300  | 256,690   |
| 2008      | 329,700  | 284,800   | 300,625  | 269,525   |
| 2009      | 346,185  | 299,040   | 315,850  | 283,000   |
| 2010      | 363,500  | 313,950   | 331,430  | 297,150   |

study

WHEREAS, the firm Deloitte & Touche, LLP was the only firm responding to the RFP; and

WHEREAS, Deloitte & Touche's response complied with all aspects of the Audit Committee's RFP.

NOW, THEREFORE, BE IT

RESOLVED, that the County Executive is authorized to enter into a contract for the audit of Erie County's financial statements, to include the federal single audit for fiscal years 2005 through 2010, and be it further

ATTEST

*Kevin M. Kelley*

KEVIN M. KELLEY  
Clerk of the Legislature of Erie County

STATE OF NEW YORK

EXHIBIT A

LEGISLATURE OF ERIE COUNTY  
CLERK'S OFFICE

BUFFALO, N.Y., FEBRUARY 2, 2006

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 3rd Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo on the Second day of February 2006 A.D. a Resolution was adopted, of which the following is a true copy:

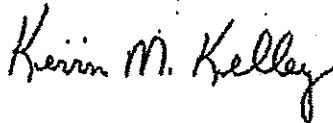
RESOLVED, the contract for the audit of Erie County's financial statements shall be paid from the Comptroller's dues and fees account and will be negotiated to select the lowest possible cost for each audit year, and be it further

RESOLVED, that the independent accountant will audit the state required reports of the Mental Health and Health Departments at a per report cost as follows: 2005 - \$7,200, 2006 - \$7,300, 2007 - \$7,400, 2008 - \$7,500, 2009 - \$7,600, and 2010 - \$7,700, and that such fees will also apply in the event New York State assigns special reporting requirements to other County departments, and be it further

RESOLVED, that certified copies of this resolution be provided to the County Executive, Budget Director, Comptroller and County Attorney.

REFERENCE: INTRO 3-1

ATTEST



KEVIN M. KELLEY  
Clerk of the Legislature of Erie County

**Exhibit 2**  
**Erie County Charter Section 2617**

## Section 2617. Audit committee

- A. There is hereby created and established an audit committee for the county of Erie consisting of the following five members appointed for the following terms:
- a. One majority member of the county Legislature to be appointed annually by the majority members of the Legislature.
  - b. One minority member of the county Legislature to be appointed annually by the minority members of the Legislature.
  - c. The county Legislature shall consider at least three qualified candidates which have been recommended by the Erie county bar association and shall initially appoint one of these nominees for a one year term. Thereafter, and at the expiration of the term of the initial appointee, the appointment shall be made for a term of three years.
  - d. The county Legislature shall consider at least three qualified candidates which have been recommended by the western New York chapter of the New York state association of certified public accountants and shall initially appoint one of these nominees for a two year term. Thereafter, and at the expiration of the term of the initial appointee, the appointment shall be made for a term of three years.
  - e. The county Legislature shall consider at least three qualified candidates which have been recommended by the commercial bank located within Erie County and shall initially appoint one of these nominees for a three year term. Should fewer than three such candidates be recommended by commercial banks, the Legislature may add a resident of Erie County who has demonstrable expertise in commercial banking industry to the list of nominees. Thereafter, and at the expiration of the term of the initial appointee, the appointment shall be made for a term of three years.

With the exception of the legislative members, no appointee may serve for more than two consecutive terms. Each appointee may be removed only for cause by the respective appointing authorities. Vacancies shall be filled by members appointed by whomever make the initial appointment. A member appointed to fill a vacancy shall serve for the duration of the expired term.

- B. The members of the audit committee shall annually elect their own officers. Members of the county Legislature shall not be eligible to hold such offices. The audit committee shall meet at least four times a year and shall maintain recorded minutes of all of its meetings.
- C. The audit committee shall be responsible for issuing requests for proposals from certified public accounting firms for the preparation of an annual audit report and accompanying management letter for the county of Erie and an annual report and accompanying management letter for the Erie community college. The audit committee may issue a request for proposal (RFP) to have the same certified public accounting firm contract with the county of Erie for two or all four of the aforementioned audit reports and management letters, or it may issue a separate RFP for each of the four aforementioned audit reports and accompanying management letters. Any request for proposal issued by the audit committee shall be in writing and shall be widely distributed among certified public accounting firms. Such requests for proposals shall contain all pertinent information concerning each proposed audit report and management letter contract, including the date upon which the contract is to commence, a description of the work to be performed, any particular or unique specifications required, the fiscal year(s) for which the audit reports and the management letter(s) are to be prepared and the date(s) by which the audit report(s) and accompanying management letters shall be completed and formally submitted to the county Legislature and county executive.

The audit committee shall review and evaluate the responses to each RFP it issues and it shall prepare in writing a comparison of all certified public accounting firms which responded showing (a)



what special skill or service will be provided; (b) the qualifications of the firm; (c) the expertise of the firm; and (d) the total estimated cost, or rate for providing services. The audit committee shall prepare a written report on the results of each RFP it issues. Such report shall be submitted to the clerk of the county Legislature at least three months prior to the commencement of the proposed annual audit and management letter contract and it shall contain the results of the audit committee's evaluation of all responses to the RFP, as well as the name of the certified public accounting firm which it is recommending to perform the proposed audit report and management letter contract.

The audit committee shall be responsible for meeting with the certified public accounting firm(s) which are awarded audit and management letter contract(s) for the county of Erie and the Erie community college to discuss in detail the scope of such contracts and all matters related to them.

Within forty-five days of the publication of a finalized audit report and accompanying management letter, the audit committee shall submit to the county executive and the county Legislature a written report containing its findings, comments and recommendations with respect to each such report.

The audit committee shall be responsible for monitoring the implementation of the recommendations which are contained in the management letters that are issued for the county of Erie and the Erie community college.

Amended by Local Law No. 3-2006.

**Exhibit 3**  
**Copy of RFP # 1105BC "Annual Audit of Erie County"**

## **AUDIT COMMITTEE FOR ERIE COUNTY**

Courtland R. LaVallee, Esq.  
Dan Tirone, CPA  
Gary Quenneville  
Hon. Christina Bove  
Hon. John Mills  
Michael R. Szukala, Secretary

February 23, 2011

(Name)  
(Title)  
(Firm Name)  
(Address)  
(City, State, Zip Code)

Dear (Name):

The Audit Committee for Erie County ("the Committee") is in the process of soliciting proposals from regional recognized certified public accounting firms in the Western New York area for the annual audits of Erie County. The Request for Proposal is enclosed as Attachment A.

For your information and reference, copies of the County's 2009 Comprehensive Annual Financial Report and Single Audit Report can be found on Erie County's website at [http://www.erie.gov/comptroller/financial\\_statements.asp](http://www.erie.gov/comptroller/financial_statements.asp).

Questions relative to the County, including requests to review County records, should be directed to Michael R. Szukala, Deputy Comptroller – Audit at 858-8430.

Your proposal must address the original RFP and all items contained in this correspondence to be considered complete.

Written proposals must be received by 3:00 p.m. on Wednesday, April 20, 2011. Please forward 10 copies of each proposal to:

Mr. Michael R. Szukala  
Secretary  
Audit Committee for Erie County  
Erie County Comptroller's Office  
95 Franklin Street, Room 1100  
Buffalo, New York 14202

Very truly yours,

AUDIT COMMITTEE FOR ERIE COUNTY

nr  
Enclosures

RFP Audit for website.docx (office\audcmte\rfp.ltr)

GENERAL INFORMATION – RFP # 1105BC

ANNUAL AUDIT OF ERIE COUNTY

YEARS OF AUDIT

The audit engagement contract will cover the fiscal years ending December 31, 2011, 2012 and 2013. The County is also interested in obtaining price quotes for the possible extension of this contract for the years 2014 and 2015. Auditing firms that are interested in bidding on contract extensions should complete a second pricing sheet using the same format as for the three year engagement.

CONTRACT AUTHORITY

All County contracts awarded through the Request for Proposal process are approved by the Erie County Legislature, and signed by the Erie County Executive. In the case of the County audit, the County Comptroller approves the contract as to content prior to the County Executive affixing his signature. The Audit contract is prepared by the County Comptroller and County Attorney, who approves all contracts as to form.

BILLING FOR AUDIT SERVICES

Interim billings are acceptable and are to be submitted to the Erie County Comptroller.

PREPARATION OF FINANCIAL STATEMENTS

The County will compile, prepare, duplicate and distribute the financial statements in the form of the Basic Financial Statements and Management's Discussion and Analysis and/or a Comprehensive Annual Financial Report at its discretion. The firm will prepare separate opinion letters, as required, based on the type of report(s) produced.

The firm will compile and prepare the County's annual Single Audit Report (A-133 Report) and Data Collection Form for electronic submission to the Federal Audit Clearinghouse based on the Schedule of Expenditures of Federal Awards (SEFA) provided by the County. In addition, the firm will provide an electronic copy and will print, bind and supply approximately 35 hardcopies of the A-133 Report for distribution by the County.

PROPOSED PRICE OF AUDIT

Each firm submitting a proposal is requested to complete the pricing sheet included with the proposal. Additional pricing items may be added as needed. Please submit the pricing sheet with your transmittal letter and proposal. It is important to remember that while price is a primary consideration, it will not be the sole factor in determining which firm will be awarded this audit contract. For out of scope and other services, provide on the pricing sheets a listing of hourly rates for partners, specialists, supervisors and staff levels.

RELATIONSHIP OF THE AUDIT FIRM TO THE COUNTY COMPTROLLER

The Erie County Comptroller is the County's Chief Accounting, Reporting, Auditing, and Fiscal Officer. The Comptroller will coordinate the County's audit with the audit engagement team. This Committee expects full cooperation and the required coordination between the team and the Comptroller.

RELATIONSHIP OF THE AUDIT FIRM TO THE AUDIT COMMITTEE FOR ERIE COUNTY

The Committee expects to be kept informed of all audit issues as they arise during the course of the audit. Any disagreements between the firm and management should be referred to the Committee, if a satisfactory resolution cannot be made. The Committee expects the auditing firm to maintain a relationship with the Committee as outlined by AU 380, *The Auditor's Communication With Those Charged With Governance*. Such communication should be in writing and sufficiently timely to allow for appropriate action. A copy of any written communication will be provided to the County Comptroller.

Erie County encourages minority and woman-owned bidders to compete for this contract.

**ATTACHMENT A**

**AUDIT OF ERIE COUNTY**

In addition to the Basic Financial Statement Report, a separate report will be completed for 2011, 2012 and 2013 in accordance with the Federal Single Audit Act of 1984, as amended. The audits of these statements are to be conducted in accordance with generally accepted auditing standards applicable to governments, and result in the issuance of an opinion on the financial statements.

Pursuant to the Single Audit Act, the Federal Office of Management and Budget has issued policies concerning procurement of audit services from small and minority firms as part of OMB Circular A-133. Specifically, the policies require that, whenever possible, municipalities encourage the usage of small and minority firms to perform audit services. The County of Erie has long maintained its commitment to help socially and economically disadvantaged persons by procuring goods and services from them whenever possible.

You are requested to seek the services of small or minority firms to aid you in conducting the Single Audit. Failure to include any participation by these firms will be considered, but will not be grounds for disqualification of your bids.

The following is a list of all funds to be audited, which is being furnished for your information and use in preparing a proposal to provide the requested auditing and review services.

**COUNTY OF ERIE, NEW YORK FUNDS**

- General Fund (includes Risk and Workers' Compensation)
- Capital Project Funds
- Special Revenue Fund
  - Grants
  - Road Fund
  - Sewer Fund
  - Community Development Block Grant Fund
  - Downtown Mall
  - E-911
  - Emergency Response
- Debt Service Fund
- Library Fund (Component Unit)
- Agency Fund
- Utility Enterprise Fund

## OTHER FUNDS

The general purpose financial statements currently include the Primary Government, five discretely presented component units including the Erie County Medical Center Corporation ("ECMCC"), the Buffalo and Erie County Public Library, the Erie County Fiscal Stability Authority ("ECFSA"), the Erie Tobacco Asset Securitization Corporation ("ETASC") and the Erie Tax Certificate Corporation ("ETCC"), and Erie Community College (reported as an Enterprise Fund). In the event the County auditor is not under contract for the audit of these other entities, coordination with other accounting firms is required. Erie County accounts for any capital projects it administers on behalf of these entities and maintains records on interfund billings. It is the responsibility of the County's auditor to insure that these accounts are reconciled.

## OTHER SERVICES

In connection with any anticipated note or bond offering in 2011, 2012 and 2013, audited financial statements will be included in the offering documents and prospective underwriters may request your assistance in connection with their "due diligence" functions. The AICPA Statement on AU-634, Letters for Underwriters and Certain Other Requesting Parties, provides both guidance and reporting samples.

New York State requires the County Department of Mental Health to prepare separate fiscal reports which must be certified by an independent certified public accountant. Mental Health prepares two Consolidated Fiscal Reports, one for its Administrative component and one for its Forensic Mental Health program component. If you have questions pertaining to this certification or wish to review a copy of the Reports, you may call the Department of Mental Health at 858-8541.

New York State also requires a similar certification on two AHCF-1 Reports (Health Center and Maternal and Infant Care). This certification must include an examination of the statistical data and must be completed by April 30. If you have questions pertaining to this certification, you may call the Department of Health at 858-8649.

In addition, New York State has required other departments such as the County Department of Social Services to provide certified fiscal reports. The proposal should provide for additional certification services.

Note: The Audit Committee reserves the right to reject bids for the Mental Health Department and the Health Department certifications. While it may be more convenient to have the County's auditors make these certifications, it is not an absolute requirement. The Audit Committee also reserves the right to solicit bids for these certifications under a separate RFP. The award of this bid may be made at a time different from the award of the County contract.

Your proposal should enumerate the costs of providing the required services (use Page 9 of this Attachment for this purpose), and should be structured giving appropriate consideration to

meeting each of the following objectives:

1. Final fieldwork for all funds and account groups for the fiscal years 2011, 2012 and 2013 is to be completed and the audit opinion for the general purpose financial statements delivered to the Erie County Comptroller's Office no later than June 30.. Fieldwork will start after receipt of the year-end trial balances from the Erie County Comptroller's Office and will be mutually agreed upon each year by the auditor and the Comptroller's Office. Adjusting journal entries should be presented and posted during the fieldwork period. Separate negotiations will be conducted should the County decide to issue a Comprehensive Annual Financial Report (CAFR).

2. Single Audit reports must be completed within the time guidelines published by the Federal Government.

3. Interim fieldwork for the fiscal years 2011, 2012 and 2013 should assist the County in preparation for its year-end closing, and should test existing internal control procedures to such an extent that the independent auditors can place reliance on the client's internal control system in developing their opinion on the final statements.

4. Audit should test for County conformity to GAAP.

5. Advise and assist the County in conforming to requirements necessary to obtain a Certificate of Achievement for Excellence in Financial Reporting and/or a Distinguished Budget Presentation Award from the Government Finance Officers Association, should the County elect to participate in the award program.

6. Perform tasks necessary to allow inclusion of audited financial statements in official statements for County borrowings during the contract period.

7. Preparation of a management letter as a result of regular audit work. The management letter will describe any material weaknesses in internal control, and will contain recommendations for financial and program management improvement. The management letter will also contain findings and recommendations in the following four categories: cost reduction actions that should be considered by the County; actions that would result in increased revenue to the County; actions that would result in increased productivity; and actions to insure the safeguarding of County assets.

8. The audit firm's staff will review a draft of the proposed report and management letter with the Erie County Comptroller, the Director of Budget, Management and Finance, and the Audit Committee.

9. The audit firm will provide the County Comptroller's Office with sufficient supporting documentation to facilitate line-item level posting of adjusting journal entries to the computerized general ledger system.

10. To the extent practicable, make available to personnel from the Comptroller's Office



local training seminars sponsored by your firm.

### OTHER REQUIRED INFORMATION

Your proposal should also clearly provide the following information:

1. Qualifications and Experience of the Firm.
    - a. The size of the firm (or local office assigned to perform the work) in full-time equivalents, rounded to the nearest ten persons.
    - b. Experience with governmental auditing, including a list of prior engagements performed by the office expected to be performing the work
    - c. The firm's most current peer review.
    - d. Any governmental client references.
  2. Qualifications and experience of the firm's staff.

Names and resumes, including the partners in charge, of personnel to be assigned to this project. It is fully expected that the personnel indicated will be those assigned to the project. Please detail which of these personnel are "local", that is, which of these persons normally live and work in Western New York.

    - a. Proposed or estimated staffing (in hours).
    - b. Affirmation that all staff have met the CPE requirements for government auditing.
  3. Proposed Work Plan
    - a. Present a draft Audit Work Plan, including levels of testing and field work.
    - b. Estimate of hours by type of staff
- Proposed Fee Structure
- c. Average hourly rate charged for the staff assigned to this project.
  - d. Any other expected fees or expenses.
  - e. Any "flat rate" or "not to exceed" price for this project.
4. An affirmation that no conflicts of interest exist between the firm and the Erie County Comptroller's Office, and the Erie County Audit Committee.
  5. Evidence of malpractice or errors and omissions insurance with a minimum coverage of \$5 million.
  6. A description of your firm's experience in performing due diligence reviews in support of note and bond sales, the validation of municipalities calculations pertaining to advance refunding and any other experience in assisting municipalities in the financing of governmental projects pursuant to New York State Local Finance Law.
  7. Demonstrate that the bidder is a "responsible bidder" by attesting that the bidder:
    - a. Complies with all laws prerequisite to doing business in New York.
    - b. Complies with U.S. Equal Opportunity Employer provisions.
    - c. The bidder has no Erie County outstanding tax liability.

\*\*\*\*\*

As a final reminder, if you wish to include as part of your proposal a price quote that would relate to the possible extension of the contract for these services to the years 2014 and 2015, please provide same using the format provided.

All provisions of the RFP that apply for the years 2011, 2012 and 2013 will apply for the years 2014 and 2015, should the extension be awarded.

\*\*\*\*\*

**The bids will be rated based upon the following criteria and criteria weights:**

- Total Fee for Audit Period- 60%
- Local Staffing – 10%
- Governmental Experience & References – 10%
- Peer Review – 10%
- Technical Response & Ability to Meet Timeframes – 10%

The Audit Committee reserves the right to award the contract to the low and responsible bidder it deems best suited and qualified to meet the needs of Erie County and its constituents. The Audit Committee assumes responsibility for determining if a specific bidder is responsible.

The judgment of the Audit Committee is final.

Erie County complies with the Freedom of Information Act ("FOIA"). Information the bidder considers covered under Exemption Four of the FOIA ("Trade Secrets, Commercial or Financial Information") should be indicated on the pricing sheet.



Proposed or estimated staffing (in hours). \_\_\_\_\_

Affirmation that all staff have met the CPE requirements for government auditing \_\_\_\_\_

The draft Audit Work Plan, including levels of testing and field work. \_\_\_\_\_

Estimate of hours by type of staff \_\_\_\_\_

Average hourly rate charged for the staff assigned to this project. \_\_\_\_\_

Any other expected fees or expenses. \_\_\_\_\_

Any "flat rate" or "not to exceed" price for this project. \_\_\_\_\_

An affirmation that no conflicts of interest exist between the firm and the Erie County Comptroller's Office, and the Erie County Audit Committee. \_\_\_\_\_

Evidence of malpractice or errors and omissions insurance with a minimum coverage of \$5 million. \_\_\_\_\_

A description of your firm's experience in performing due diligence reviews in support of note and bond sales, the validation of municipalities calculations pertaining to advance refunding and any other experience in assisting municipalities in the financing of governmental projects pursuant to New York State Local Finance Law. \_\_\_\_\_

The Bidder attests that:  
It complies with all laws prerequisite to doing business in New York. \_\_\_\_\_

It complies with U.S. Equal Opportunity Employer provisions. \_\_\_\_\_

The bidder has no Erie County outstanding tax liability. \_\_\_\_\_

Information the bidder considers covered under Exemption Four of the FOIA ("Trade Secrets, Commercial or Financial Information"). \_\_\_\_\_