February 21, 2012

REQUEST FOR PROPOSALS
CONTRACT AUDIT SERVICES FOR NYSDOT
Contract No. C030871

Dear Sir or Madam:

SUBJECT: MODIFICATION NO. 1 TO REQUEST FOR PROPOSALS “CONTRACT AUDIT SERVICES FOR NYSDOT”

Reference is made to the subject solicitation wherein the following changes are hereby incorporated:

1. The NYS Department of Transportation is updating its website regarding the “Contract Audit Services for NYSDOT” RFP relative to the Excel attachments/documents for use by interested Prime firms when preparing a Cost proposal. The reference in the RFP to the Excel documents is correct. The original documents on NYSDOT’s website were incorrect. The correct Attachments/Documents can now be found on NYSDOT’s website at:

https://www.dot.ny.gov/portal/page/portal/doing-business/opportunities/consult-opportunities#c745

and copies of the correct documents are provided in this Modification No.1.

Any/all interested proposers will have to access the Excel versions, correct ones are now on the website – incorrect ones have been removed, when submitting a proposal.

Again, for reference purposes, copies of the correct Excel documents for use by proposers responding to the “Contract Audit Services for NYSDOT” RFP are also included in this Modification No. 1. Again, proposers will have to access the Excel documents for submission with proposals.

No other provision of the solicitation is otherwise changed or modified.
An authorized representative of your firm or organization MUST acknowledge receipt and acceptance of this Modification No. 1 by including a signed copy of this form with the Part II Cost and Contract Submission as a separate tab item.

ACKNOWLEDGED AND ACCEPTED:

BY: ____________________________

NAME: __________________________

TITLE: __________________________

FIRM: __________________________

RFP: Contract Audit Services for NYSDOT – C030871
     Modification No. 1

NYS DEPARTMENT OF TRANSPORTATION

William A. Howe

BY: ____________________________

William A. Howe
Director, Contract Management
General Notes Applicable to Attachments 9 through 11a:
Proposing Prime firms shall complete Attachments 9 through 11a using the formula driven Excel worksheets found at the following link: https://www.nysdot.gov/business. Once the link is accessed, click on "Consulting Services" then select "Opportunities" and then find and click on the respective project document within the correct contract (C030871 “Contract Audit Services for NYSDOT”).

All Cost attachments/worksheets must be included in hard copy form in the one Cost proposal per Lot submitted by the Prime proposing firm.

As already stated, one technical and one cost proposal shall be submitted for each Lot that a Prime firm is proposing on.

For ease of explanation, the columns in the attachments are lettered sequentially straight through from Attachment 9 to 11a.

Only high-lighted cells in Attachments 9 through 11a shall be completed - all other cells are formula driven.

The estimated level of effort for Lot 1 is 10,000 hours and the estimated level of effort for Lot 2 is 2,500 hours. Minimum commitment per Prime firm/team for each Lot should be the estimated level of effort as stated (10,000 for Lot 1 and 2,500 for Lot 2).

The estimated number of desk audits/reviews (required on Attachment 10) is 45 hours for Lot 1 and 11 hours for Lot 2.
This information is formula driven and will be based on the Lot selection submitted by the firm in Attachment 9.

Range of hours for typical Desk Closeout Audits and Reviews are 60 - 75 - proposing Prime firms shall propose a number of hours based on this information.

Prime firm and subconsultant firms on the same team shall adhere to the same rate per title for that team.

Billing rates for year two (2) and three (3), including Desk Closeout Audits/Reviews, should be escalated by no more than 2.0 percent over the previous year (if escalation is sought). For the two optional one-year extensions beyond the contract's base term, all proposing firms shall hold annual increases to 2.0 percent or the PPI (whichever is lower). NYSDOT reserves the right to request zero percent rate increases during the term of the contract with a firm under contract.
Overhead rates and fees will not increase during the term of the contract (base or extension years).

NYSDOT encourages proposers to be competitive when proposing escalation rates, overhead rates and fees. Partner's time is not chargeable directly. It should be included in overhead.
SPECIFIC HOURLY RATES CHART
These rates (Managing auditor, Senior Auditor, Staff auditor) will be used when determining the cost negotiated as the assignment budget for field assignments.

<table>
<thead>
<tr>
<th>TITLE</th>
<th>(a) YEAR #1 Hourly Rate (Direct Labor Rate)</th>
<th>(b) OVERHEAD (i)%</th>
<th>(c) FEE (ii)%</th>
<th>(d) (a) x (i)</th>
<th>(e) ((a)+(b)) x (ii)</th>
<th>(f) (a) + (b) + (c)</th>
<th>(g) (d) x (1 + (iii))</th>
<th>(h) (e) x (1 + (iii))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Auditor</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Senior Auditor</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Staff Auditor</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>COMPOSITE RATE * (Not to exceed $115.00)</td>
<td>(Manager Rate x 25%) + (Senior Auditor Rate x 50%) + (Staff Auditor Rate x 25%)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Information provided on Attachment 9 is to be used to develop a composite hourly rate (and ultimately a budget) to be applied to the hours on Attachment 11 to get a proposal price for field assignments for the base term of the contract.

Directions for completion of Attachment 9:
Firm name and Lot selection ("1" or "2") must be inserted on Attachment 9 - this information will be carried forward via formulas for use in Attachments 10 through 11a.
Insert direct labor rate as indicated in Column (a) and insert the percentage rates for items (i) through (iii) where noted.

The escalation rate (salary escalation rate) increase is not to exceed 2% per year and the fee multiplier is not to exceed 10%.
NYSDOT encourages proposers to be competitive when proposing escalation rates, overhead rates and fees.
The remainder of the table is formula driven.

* The composite rate equals 25% of the Managing Auditor rate plus 50% of the Senior Auditor rate plus 25% of the Staff Auditor rate.

* Proposals with Composite rates exceeding $115.00 will NOT be considered or evaluated (reference RFP section I. D.).

The information proposed on Attachment 9 will be used in negotiations and resulting contract.
### Calculation of bid for Desk Assignments

<table>
<thead>
<tr>
<th>Task Assignment Type</th>
<th>Estimated Number of Audits</th>
<th>Proposed Hours per Audit</th>
<th>Proposed Total Hours</th>
<th>Proposed Price per Audit</th>
<th>Year #1</th>
<th>Year #2</th>
<th>Year #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk Closeout Audits/Reviews</td>
<td>11</td>
<td>(g) x (h)</td>
<td>(g) x (k)</td>
<td>(l) x (1+ (iii))</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hours available for Field Assignments</strong></td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total hours the firm is expected to commit to DOT projects annually (either 10,000 hours for Lot 1 or 2,500 for Lot 2): 2,500

Firm name and Lot selection cells are formula driven - information taken from Attachment 9.

**Hours available for Field Assignments is the difference between the total hours the firm is expected to commit to DOT projects annually (10,000 for Lot 1 and 2,500 for Lot 2) and the hours committed to Desk Assignments. This cell in Column (j) is formula driven. NOTE: the above will change based upon a proposers submission.

**Directions for completing Attachment 10:**

Insert the number of hours proposed by the firm/team in Column (h) for Desk Closeout Audits/Reviews (estimated between 60 - 75 per audit/review) and insert in Column (k) the Proposed Price Per Audit.

The remainder of the table is formula driven.

*The information proposed on Attachment 10 will be used in negotiations and resulting contract.*
Calculation of bid for Field Assignments

<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>(o)</th>
<th>(p)</th>
<th>(q)</th>
<th>(r)</th>
<th>(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Composite Rate</td>
<td>Available Hours</td>
<td>Year #1 (o) x (p)</td>
<td>Year #2 (q) x (1 + (iii))</td>
<td>Year #3 (r) x (1 + (iii))</td>
</tr>
<tr>
<td>Field Assignments</td>
<td>$0.00</td>
<td>2,500</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

All cells on Attachment 11 are formula driven.

Proposals submitted with Composite rates exceeding $115.00 will NOT be considered or evaluated (reference RFP section I. D. "Minimum RFP Responsiveness.")

The information proposed on Attachment 11 will be used in negotiations and resulting contract.
Contract Audit Services for NYSDOT - C030871

Attachment 11a

Firm Name: 0 Lot #: 0

Base Term Total Value/Cost Proposal

<table>
<thead>
<tr>
<th>Assignment Type</th>
<th>(t)</th>
<th>(u)</th>
<th>(v)</th>
<th>(w)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year #1</td>
<td>Year #2</td>
<td>Year #3</td>
<td>Base Term Total</td>
</tr>
<tr>
<td>Desk Closeout Audits/Reviews</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Field Assignments</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

All cells in Attachment 11a are formula driven.

The following statement is also formula driven and compiles the information from Attachments 9 through the table of Attachment 11a as provided by and agreed to by the proposing Prime firm:

"The Base Term Total Value/Cost Proposal for Lot: 0 is: $0.00 as represented by the Base Term Total Cost of column (w) above. This final dollar value will be used for evaluation purposes as explained in Section V.D. of the RFP."

*Information proposed on Attachment 11a may be used in negotiations and resulting contract.*