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

March 14, 2012

Dear Sir or Madam:

SUBJECT: MODIFICATION NO. 3 TO REQUEST FOR PROPOSALS – Contract Audit Services for NYSDOT

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

1. Contract Management has moved from the 1st Floor at 50 Wolf Road to the 6th Floor at 50 Wolf Road.

   The contact/US mailing address for RFP Response Forms should be updated in the RFP to reflect:

   New York State Department of Transportation
   Contract Management, 6th Floor
   50 Wolf Road
   Albany, NY 12232

   The Proposal Delivery Location should be updated in the RFP to reflect:

   Director, Contract Management
   NYS Department of Transportation
   50 Wolf Road, 6th Floor
   Albany, NY 12232
   Attention: Patricia A. Rowe, Contract Management Specialist

2. After ATTACHMENT #15, Insert ATTACHMENT #16 “RFP - Questions and Answers for Contract No. C030871.”

   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. 3 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: ______________________________

NYS DEPARTMENT OF TRANSPORTATION

William A. Howe
BY: ________________________________
William A. Howe
Director, Contract Management

RFP: Contract Audit Services for NYSDOT– C030871
QUESTION 1: As a potential subconsultant for Contract C030871, would our firm still be able to work on other future non-related NYSDOT projects if the team we are on were awarded a contract as a result of this RFP? We are concerned that it may be a conflict of interest if our firm were both auditing and working for DOT.

ANSWER 1: Page 10 of the RFP under the Audit Assignment Procedure (CAB Assignments to CPA Firms) addresses special considerations such as conflicts of interest/lack of independence. It would be appropriate and is expected that all known conflicts of interest be disclosed/discussed prior to team development and be included in proposal submission. Furthermore, as stated on page 10 of the RFP, “….the firm will be asked how it will handle special considerations. If the Contract Audit Bureau (CAB) determines the firm is not the appropriate firm to handle the assignment, the assignment will be considered for the next highest ranked best value firm...”

Additionally, Government Auditing Standards (reference Chapter 3, Independence Standards) require audit staff have independence of mind and appearance relative to the activities they audit. For more on this please access the following link:

http://www.gao.gov/products/GAO-12-331G

The American Institute of Certified Public Accountants (AICPA) Professional Standards also has comparable independence requirements and they can and may be referenced at:

http://www.aicpa.org/RESEARCH/STANDARDS/Pages/default.aspx

QUESTION 2: Do all members of a team have to be CPAs? According to page 5, item 7, it states that “the offeror, including all proposed subconsultants, must be a CPA firm or sole practitioner registered with the NYSED.” Our firm would be acting as a subconsultant to a CPA certified firm, but we ourselves are only certified as Professional Engineers. Would we be allowed to work on this project, due to its engineering aspects, without being a certified CPA?

ANSWER 2: All team member firms proposed in response to the subject RFP must be CPA firms or sole practitioners registered with the NYS Education Department/NYS Department of State. As indicated in the question, page 5 of the RFP states the following as a minimum RFP responsiveness requirement:

"The offeror, including all proposed subconsultants, must be a CPA firm or sole practitioner registered with the New York State Education Department/NYS Department of State to provide professional audit services in New York State. All proposals must contain documentation that
registration requirements are met and which will be verified by NYSDOT prior to evaluation of proposals. This status must be maintained by the offeror and each proposed subconsultant during the term of any resulting agreement. The firm’s staff auditors, as defined in this RFP, who may be assigned to the project, do not have to be Certified Public Accountants.”

QUESTION 3: Is this internal audit work or opinion-based external audit work?

ANSWER 3: This is not internal audit work, but opinion based external audit work which may include agreed upon procedures engagements.

QUESTION 4: This firm is a WBE CPA firm and is interested in working as the subconsultant on this RFP. Can you let the Prime firms that are interested in submitting a proposal know that we are available for the WBE part of this contract?

ANSWER 4: NYSDOT has published the source list for this RFP—reference Modification #2. Firms interested in proposing as subconsultants/team members should reference the source list and make contact with those firms as they deem necessary.

Furthermore, as included in Modification #2 to the RFP, “….. Firms/entities interested in contacting a firm on the source list should use any means necessary above and beyond the information provided on the source list by NYSDOT to contact firms/entities of interest. Additionally, the source list is not inclusive of the industry and any firm/entity that wishes to be added to the source list for future contracts/RFPs should submit a letter of interest to the contact name/location included in the RFP. NYSDOT also encourages entities who are interested in proposing or developing a team for proposal purposes to use other forms of industry information to further develop their own source list for proposal purposes."

QUESTION 5: Can we obtain a list of the firms that were most recently under contract with NYSDOT for Contract Audit Services? Who were the M/WBE firms under contract previously?

ANSWER 5: NYSDOT did not establish M/WBE participation goals in the last RFP (Master Contract #C030682). The Prime firms under contract with NYSDOT as a result of the last RFP (Master Contract #C030682) in alphabetical order were/are:

Dadia Valles Vendiola LLP
Dannible & McKee LLP
Lumsden & McCormick, LLP
Toriano & Company, CPAs
Wojeski & Company, CPAs, P.C.
QUESTION 6: What is a master contract number?

ANSWER 6: In a multiple award RFP, the first resulting contract in the series is called the “Master Contract” and that contract will receive the first number in the series – that number becomes the master contract number. This assists with record keeping and has no other purpose.

QUESTION 7: Our firm is preparing a proposal in response to the above mentioned RFP and we have the following questions:

1. On Attachment 9 of the cost proposal forms, would you like the calculation for overhead to be attached to the cost sheets?
2. On Attachment 9 of the cost proposal forms, is the fee subject to a maximum percentage?

ANSWER 7 - 1: NYSDOT is not at this time requesting the details of how a firm’s overhead rate is determined/calculated. We may, however, request in the future that a firm substantiate its rate. Please reference the RFP for items that should be considered for inclusion in a firm’s overhead rate.

ANSWER 7 – 2: As provided on the excel cost worksheet labeled as Attachment 9, the salary escalation rate is not to exceed 2 percent per year and the fee multiplier is not to exceed 10 percent. Those are maximum rates and proposers are encouraged to be competitive when proposing escalation rates, overhead rates and fees.

NOTE: The excel cost sheets (Attachment 8 through 11a) which shall be completed and submitted with a proposal may contain additional details than their narrative counterparts included in the Word version of the RFP.

Additionally, as included on excel Attachment 8 “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).”

QUESTION 8: Page 6 of the RFP refers to an MBE participation contract goal and a WBE participation contract goal. What is a participation contract goal?

ANSWER 8: NYSDOT encourages the participation of certified Disadvantaged Business Enterprises (DBE), Minority Business Enterprises (MBE) and Women Owned Enterprises (WBE) in its solicitations. To be in compliance with Federal and State regulations for Disadvantaged/Minority/Women-Owned Business Enterprise Participation (D/M/WBE), NYSDOT has established Department goals for each. In order to meet the overall goals, the Department establishes, when appropriate, individual contract goals in its solicitations. Please note, in Federally funded procurements the goal established will be DBE. In State funded procurements, the goal established will be MBE and/or WBE. The Contract Audit Services RFP is a State funded procurement and thus includes M/WBE goals. The “participation contract goal” referenced in the subject solicitation is just that a “contract goal.” A contract goal will vary by contract and is based on project/industry needs, opportunity and availability.
For the subject RFP, NYSDOT has established an MBE Participation Contract Goal of 15 percent and a WBE Participation Contract Goal of 5 percent. Only certified MBE and WBE consultants listed in Empire State Development’s MBE/WBE directory are eligible for participatory credit in this procurement. Detailed information regarding the MBE/WBE goals can be and should be referenced in the RFP.

**QUESTION 9:** I’m an M/WBE firm that is interested in proposing on the Contract Audit Services RFP. Does my status as an MBE and WBE satisfy your participation goals?

**ANSWER 9:** As stated on page 6 of the RFP, “...a prime consultant that is a certified MBE and/or a certified WBE may also propose to meet either the MBE goal or the WBE goal through its own participation. However, a prime consultant that is certified as both an MBE and a WBE can propose to meet only one of the goals via its own participation, the prime consultant cannot propose to utilize its own participation to meet both goals. Therefore, a prime consultant that proposes to meet either the MBE or WBE contract goals through its own participation must offer subcontractant participation to meet the other goal, or demonstrate that it made adequate, NYSDOT acceptable GFE to meet that goal even though it did not succeed.

To reiterate, a proposing prime firm that is certified as an MBE and/or WBE can propose to meet only one of the M/WBE contract goals via its own participation. It is not relieved from seeking participation by either a certified MBE or WBE firm for subcontractable services under the second goal in this solicitation, or to demonstrate adequate GFE to do so.”

**QUESTION 10:** My firm is interested in proposing on both geographic lots and would like to propose the same information for each Lot. However, in the second paragraph of page 10 the RFP states, “If a firm wishes to be considered for a contract in both geographic Lots, a separate proposal (both Part I and II) must be submitted for each Lot. This will allow the firm to present different key personnel and cost information for consideration in each geographic Lot – two separate proposals are required even if the staff and cost information does not differ.” Does NYSDOT want two exact duplicate sets of proposals or can I just reference in the cover letter that the information submitted is for consideration in both Lots?

**ANSWER 10:** As quoted in your question, NYSDOT requests two SEPARATE proposals (a separate Part I and a separate Part II) from firms that want to be considered for a contract in each Lot. This is required even if the staff and cost information does not differ.

Furthermore, the above is included in the Minimum RFP Responsiveness section of the RFP and as stated in that section “Any proposing firm that does not provide all of the following by the RFP deadline may be determined to be non-responsive (it is NYSDOT’s sole discretionary determination as to whether a proposal is complete). Proposals deemed non-responsive shall be removed from further consideration (prior to the technical evaluation of proposals) and the firm (s) notified.”

**QUESTION 11:** The Minimum RFP Responsiveness section of the RFP references that proposing firms that do not provide all of the following by the RFP deadline may be determined to be non-responsive.
My firm intends to submit a complete proposal, however, can you explain what it is meant by “may be determined?”

**ANSWER 11:** Pages 4 and 5 of the RFP state “Any proposing firm that does not provide all of the following by the RFP deadline may be determined to be non-responsive (it is NYSDOT’s sole discretionary determination as to whether a proposal is complete). Proposals deemed non-responsive shall be removed from further consideration (prior to the technical evaluation of proposals) and the firm(s) notified.” It should be understood that it is NYSDOT’s intent to require at proposal submission all that is included in the RFP responsiveness section on pages 4 and 5 and it is NYSDOT’s sole discretionary determination as to whether a proposal is complete.

**QUESTION 12:** According to Section III. C. 1. of the RFP, firms will be required to travel to CAB’s office in Albany, New York. Please confirm that a successful firm will be reimbursed for travel expenses to Albany if that firm is located out of the Albany, New York area.

**ANSWER 12:** A successful firm will be allowed reimbursement for travel expenses based on NYSDOT’s travel rules. The following link can be accessed for information on NYSDOT’s travel rules [http://www.osc.state.ny.us/agencies/travel/travel.htm](http://www.osc.state.ny.us/agencies/travel/travel.htm)

**QUESTION 13:** How does NYSDOT decide what work is assigned to any one of the designated/selected firms?

**ANSWER 13:** Please reference page 9 Audit Assignment Procedure (CAB Assignments to CPA Firms). Page 9 includes among other details “Audit assignments will be made to the highest ranked best value firm selected for each Lot. The highest ranked best value firm in each Lot will have the right of first refusal for each/every assignment in that respective Lot – dependent upon the firm’s quality of performance and any special considerations as outlined below. If the highest ranked firm in a respective Lot is at capacity and cannot currently accept additional assignments, it must formally notify CAB within two business days of being offered the assignment. In this circumstance, the next highest ranked best value firm in that Lot would be offered the assignment(s) and the same right of refusal. This process will follow through to the lowest ranked best value firm in each respective Lot.” To view the steps in support of the above, please reference page 9 of the RFP.

**QUESTION 14:** Can you clarify the process for submission of references? The firm is to provide the contact information to NYSDOT and NYSDOT will contact any/all references for completion of Attachments 6a and/or 6b?

**ANSWER 14:** As stated on page 24 of the subject RFP, NYSDOT will forward to each client organization submitted as a reference the appropriate reference form (either 6a or 6b). Page 24 also includes the contact information that proposing firms should submit to NYSDOT to enable the Department to contact the references - that information is also provided below:

Organization name  
Contact name  
Organization address
Telephone number
Contact’s email address

It must be clear from the information NYSDOT receives from the proposing firm whether the client organization will be providing a transportation related reference or a non-transportation related reference.

**QUESTION 15:** As part of the “Consultant Checklist for Proposal Submission” NYSDOT has provided information regarding insurance. The sentence “Likewise, completion of insurance form C218M is required before work may begin on the contract” appears as part of the information regarding insurance in the extended checklist. My insurance carrier does not offer the C218m form but will comply by providing the Acord form. Is that acceptable?

**ANSWER 15:** Submission of the ACORD form does not comply with NYSDOT’s direction. As written on page 46 Article 11 A. 3.a. of the draft terms and conditions (included in the RFP as Attachment 1) “the ACORD form Certificate of Insurance is not acceptable.”

**QUESTION 16:** If my firm currently documents work papers and audit results in a software different from TeamMate, can I continue to use that software but import relevant records into TeamMate to meet NYSDOT requirements?

**ANSWER 16:** NYSDOT prefers that TeamMate be the original source for documenting work papers and audit results. However, NYSDOT will allow firms to use other software (e.g. software the firm uses for non-NYSDOT assignments) to be used as the original source for this information – an option currently being practiced by a firm under contract.