

WATERFRONT COMMISSION OF NEW YORK HARBOR

An Instrumentality of the States of New York and New Jersey

Request for Proposal

Group 79037 Audit Services

Classification Code(s): 84-Financial and Financial Related

Award Number: 00939

October 27, 2010

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Introduction, Background, and Objectives

The Waterfront Commission of New York Harbor (“Commission”) is an instrumentality of the States of New York and New Jersey, created by the Waterfront Commission Act in 1953. The statutory mandate of the Commission is to investigate, deter, combat and remedy criminal activity and influence in the Port of New York-New Jersey, and to ensure fair hiring and employment practices, so that the Port and region can grow and prosper.

The Commission consists of two Commissioners, each appointed by the Governors of New York and New Jersey, respectively, with the advice and consent of the Senate. In addition to the Commissioners, there is an Executive Director, General Counsel, Secretary and six (6) Directors. The Directors oversee the Divisions of Police, Intelligence, Administration and Audit, Comptroller, Information Technology and Law & Licensing/EIC.

The Commission’s annual revenues are approximately \$11 million per year, and the Commission currently employs 90 people in New York and New Jersey. The Commission is required by statute to file an annual report with the Governors and Legislatures of both states and to have its accounts, books and records audited.

The Commission is seeking proposals for auditing services from professional, qualified auditing firms authorized to conduct business in the states of New York and New Jersey.

General Instructions

Firms wishing to submit proposals do so entirely at their own risk. There is no express or implied obligation for the Commission to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The Commission shall only be obligated in accordance with the terms of a duly executed contract.

To be considered, five (5) copies of a proposal must be placed in a sealed envelope labeled: “Audit Services RFP” and hand delivered or sent *via* certified mail no later than 5:00pm EST on **Wednesday, December 1, 2010** to:

<p><i>Waterfront Commission of New York Harbor 39 Broadway – 4th Floor New York, NY 10006 Attention: Adam Cheung, Comptroller</i></p>

Applicant Firms are responsible for the timely delivery of their proposals. Proposals received after that time will not be accepted.

Conflict of Interest

If the Applicant Firm or any employee or agent of the Applicant Firm may have, or may give the appearance of a possible conflict of interest, the Applicant Firm shall include in its Proposal a statement indicating the nature of the conflict. The Commission reserves the right to disqualify the Applicant Firm if, in its sole discretion, any interest disclosed from any source could create, or give the appearance of, a conflict of interest. The Commission's determination regarding any question(s) of conflict of interest shall be final.

If additional information is necessary to clarify the intent of the RFP, contact:

Adam E. Cheung
Comptroller
Waterfront Commission of New York Harbor
Fax: (212) 742-7827
acheung@wcnyh.org

Questions concerning the content of this Request for Proposal must be submitted in writing and must be received by **Wednesday, November 24, 2010**. Inquiries received after this date will not be acknowledged. Questions must be submitted via fax (212) 742-7827 or electronically at acheung@wcnyh.org. An official written reply to all questions will be prepared and those questions and answers will be available on the Commission website.

Proposals submitted will be evaluated by Commission staff and such advisors and consultants as it deems necessary. During the evaluation process, the Commission may request additional information from prospective firms.

Oral Presentations

After review of all proposal submissions, an oral presentation may be requested. It should be noted that firms selected to make presentations may be given short advance notice. Presentations should be limited to thirty (30) minutes. The presentation may be followed by questions by the Commission. The firm's presentation shall be led by the proposed personnel to be assigned to the account.

Response to RFP

The Commission requests that in your response to this RFP, you:

1. Provide a profile of your organization, including the number of employees and your office locations.
2. Detail your firm's experience in providing auditing service to state agencies, as well as multi-state instrumentalities of a comparable size to the Commission.
3. Provide information on whether you provide services to any related state agencies.
4. Discuss the firm's independence with respect to the Commission.
5. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
6. Identify the partner, manager, and in-charge accountant who will be assigned to the Commission's account if you are successful in your bid, and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. Describe how your firm will approach the audit of the Commission, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit process. Finally, discuss the communication process which your firm will use to discuss issues with the Commission.
8. Set forth your fee proposal for the 2008, 2009 and 2010 audits, both respectively and collectively, including your guarantees regarding increases in future years.
9. Furnish standard billing rates for classes of professional personnel for each of the last three years.
10. Provide the names and contact information for other, similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
11. Describe how and why your firm is different from other firms being considered, and why the Commission should select your firm as our independent auditor.
12. Include a copy of your firm's most recent peer review report, the related letter of comments and the firm's response to the letter of comments.

Scope of Work and Objectives

The intent of this RFP is to identify and engage an Audit Firm to prepare an annual audit for fiscal years ending June 30, 2008, 2009 and 2010 to be completed in compliance with the Commission's statutory requirements. By statute, the accounts, books and records of the Commission, including its receipts, disbursements, contracts, leases, investments and any other matters relating to its financial standing must be examined.

The Audit Firm shall determine whether:

- The financial statements of the Commission, prepared on the basis of cash receipts and disbursements, present fairly its financial position and the results of its financial operations.
- The Commission has an internal control structure and other control systems to provide reasonable assurance that it is managing federal funds in compliance with applicable laws, regulations, and grant documents that may have a material impact on the financial statements.
- The Commission has complied with applicable laws, regulations, and grant documents that may have a material impact on the financial statements.
- The Commission has established and adhered to an appropriate system for the procurement, award, and oversight of contracts with contractors and/or vendors which contain acceptable standards for ensuring accountability.
- The Commission has entered into written contracts with contractors and/or vendors which establish clear goals and obligations in unambiguous terms.
- The Commission has established (where appropriate) and adhered to policies on cost limitations, cost allocations, allowance of costs, reasonableness of costs and adequacy of meeting the matching fund requirements and reporting thereon.

The Proposal must contain a detailed scope of services that meets the minimum technical requirements defined within this section.

It is the Commission's intent to solicit bids for audit services every year. This RFP is for an annual audit with the option to renew, based upon satisfactory performance and comparable costs. There will be a full review of the Audit Firm's performance by the Commission's Selection Committee, or its designee, to determine whether to engage the same firm for the next year. Unsatisfactory performance will result in the recommendation to the Commission that new proposals be solicited.

Selection Criteria

In selecting its Audit Firm, the Commission selection committee will evaluate proposals on a qualitative basis and will evaluate the following:

- Timeliness and responsiveness to the RFP and to the purpose and scope of the project;
- Overall organization and presentation of the proposal for services;
- Adherence to the conditions and requirements of the RFP;
- Relevant experience;
- Reputation of the Audit Firm;
- Interviews with senior engagement personnel and professional qualifications of the personnel assigned to the project;
- Review of the firm's peer review reports and related materials;
- References from other clients;
- Service capacity and capabilities; and
- Proposed compensation.

Disclaimers

The Commission reserves the right to reject any and all proposals, to interview respondents it deems qualified, to seek additional information and to enter into any agreement deemed to be in its best interest. It is understood that no compensation will be paid to any respondent of this RFP for their proposal or the preparation thereof. The Commission is seeking to foster a long-term, mutually respectful business relationship.

If deemed necessary, the Commission shall:

- Conduct quality reviews of the audit work;
- Require auditors to submit revised reports, at no additional cost, when findings or recommendations are unclear;
- Take prompt and appropriate action to remedy deficient audit contractor performance;
- Make alternative arrangements or follow-ups if auditors find records to be non-auditable.

Cost of Services

The Applicant Firm shall describe its fee basis, indicating how charges are made and when billings are issued and due. Please state hourly rates/fees for professional time and time of others, including any minimum, maximum, or flat fees, and the types of expenses that are charged. Indicate whether there are any charges for travel, communications, expendable supplies and the basis for such.

No additional commissions or fees other than those described above shall be permitted without the Commission's prior approval.

Confidentiality

As part of its proposal, the Applicant Firm shall certify that all information it may receive in the course of conducting its work shall be treated as confidential and proprietary. The Applicant Firm, its directors, officers, agents or employees shall not, either prior to, during or after the termination of its services hereunder make any disclosure, statements or release to any third party any of the aforementioned information or records without the prior written approval of the Commission.

Records Retention

The Audit Firm shall establish and maintain records associated with the account. All such records are to be retained no less than six (6) years after completion of auditing services.

Subcontractors

The Audit Firm will be responsible for contract performance. Subcontractors may only be utilized with the Commission's prior written approval.