

# Request for Proposals for Independent Auditor Services

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**Proposal Issuance Date:** March 3, 2015  
**Proposal Submission Deadline:** April 7, 2015

NEW YORK STATE HOUSING FINANCE AGENCY  
STATE OF NEW YORK MORTGAGE AGENCY  
NEW YORK STATE AFFORDABLE HOUSING CORPORATION  
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY  
TOBACCO SETTLEMENT FINANCING CORPORATION



641 Lexington Avenue | New York, New York 10022  
(212) 688-4000 | [www.nyshcr.org](http://www.nyshcr.org)

# Checklist

## CHECKLIST OF ITEMS TO BE COMPLETED AND RETURNED:

- Tab I - Application Coversheet
- Tab I - Cover Letter
  
- Tab 2 – Company Background (qualifications and capacity)
- Tab 2 – Experience and Performance
  
- Tab 3 -- Schedule I – Proposed Audit Contract Fee Structure

### Tab 4:

- [Lobbying Reform Law Form 1](#)
- [Lobbying Reform Law Form 2](#)
- [Non-Collusive Bidding Certification Form](#)
- [Contractor and/or Vendor Information Form](#)
- [Vendor Responsibility Questionnaire – For Profit Business Entity](#)
- [EEO Staffing Plan, PROC-1](#)
- [MWBE Utilization Form, PROC-2](#)
- Attachment 1 MWBE/EEO Policy Statement, PROC-4
- [Company Demographic Profile, PROC-7](#)
- [EEO Statement, PROC-8](#)
- Attachment 2, Diversity Practice Questionnaire, PROC-9
- Proof of Errors and Omissions Insurance

## *Application Coversheet*

*Attach this form to the top of your proposal.*

DATE OF APPLICATION:

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GENERAL INFORMATION ON FIRM:

Legal Name of Firm:

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Firm's Mailing Address:

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Firm's Website:

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Firm's Main Telephone Number (including area code):

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Federal Tax ID Number:

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SEC Registration Number:

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MWBE Registration Number (if applicable): \_\_\_\_\_

**MAIN CONTACT INFORMATION FOR THIS PROPOSAL:**

Please list the individual that will be the main contact *regarding this proposal*:

Contact Name:

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Contact Telephone Number (including area code):

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Contact E-mail Address:

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Contact Facsimile Number (including area code):

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**PARTNER IN CHARGE:**

Please list the primary staff person(s) who will provide services relating to the Agencies.

Attach additional sheets if necessary.

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2015 Independent Audit Services RFP

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Contact Name:

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Contact Telephone Number (including area code):

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Contact E-mail Address:

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Contact Facsimile Number (including area code):

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**ADDITIONAL CONTACTS (if applicable):**

Contact Name:

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Contact Telephone Number (including area code):

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Contact E-mail Address:

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Contact Facsimile Number (including area code):

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2015 Independent Audit Services RFP

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Contact Name:

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Contact Telephone Number (including area code):

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Contact E-mail Address:

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Contact Facsimile Number (including area code):

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**New York State Housing Finance Agency  
State of New York Mortgage Agency  
New York State Affordable Housing Corporation  
State of New York Municipal Bond Bank Agency  
Tobacco Settlement Financing Corporation**

**REQUEST FOR PROPOSALS**

**The Procurement Lobbying Law designated Contact Officer for this procurement is:**

Alejandro J. Valella, Vice President and Deputy Counsel  
New York State Homes & Community Renewal  
HFA. SONYMA. AHC. MBBA. TSFC  
641 Lexington Avenue  
New York, New York 10022  
[Alejandro.valella@nyshcr.org](mailto:Alejandro.valella@nyshcr.org)

**I. INTRODUCTION**

New York State Homes and Community Renewal (“HCR”) consists of all the major housing and community renewal agencies of the State of New York (“State”), including the New York State Housing Finance Agency, New York State Affordable Housing Corporation, State of New York Mortgage Agency, State of New York Municipal Bond Bank Agency, and the Tobacco Settlement Financing Corporation (the “Agencies”). HCR includes other State agencies not involved in this Request for Proposals.

The Agencies seek competitive proposals from qualified<sup>1</sup> certified public accountant firms (“Firms” or “Proposers”) registered to practice in the State for the provision of audit services for at least a consecutive five-year period.

**II. BACKGROUND INFORMATION**

The Agencies seek qualified competitive proposals from independent certified public accounting firms to conduct financial audits of the Agencies and perform other related audit functions as more fully described in Section VIII (“Scope of Work”) of this RFP.

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<sup>1</sup> See “Minimum Qualifications” in Section VII of this request for proposals (“RFP”). The successful Proposer must have a minimum of three years’ experience with audits of government housing finance agencies.

Audit services shall be provided for at least a consecutive five-year period, beginning with the fiscal year ending October 31, 2015 for HFA, SONYMA, MBBA and TSFC, and March 31, 2016 for AHC, subject to annual review by the Agencies' Boards.

Within 80 days of each Agency's fiscal year end, final draft audits must be completed in order to present the required reports to the respective Board Members/Directors of each Agency.

Within 90 days of each Agency's fiscal year end, financial and other reports must be filed on the New York State Public Authorities Reporting Information System ("PARIS").

The Agencies are co-located and co-administered from their New York City ("NYC") office. Currently, there are approximately 199 employees in the NYC office, six (6) employees in the Albany office, and three (3) employees in the Buffalo office. All audit work shall be performed from the NYC location.

In general, although each Agency's financial statements are included in the State's annual financial statements, the Agencies are largely self-supporting, using funds generated through their operations to fund their expenses. The mission and operation of each Agency is further described below.

### **New York State Housing Finance Agency**

The New York State Housing Finance Agency, created in 1960 by Article III of the New York State Private Housing Finance Law ("PVH"), is a public benefit corporation overseen by seven (7) Board Members. By statute, the Agency's purpose is to provide safe and sanitary housing accommodations, at rental rates, which families and persons of low income can afford and which the ordinary operations of private enterprise cannot provide.

HFA's core mission is to provide capital to promote primarily rental affordable housing opportunities for low- to moderate-income citizens of the State. To accomplish this mission, HFA issues bonds and notes to the investing public and uses the proceeds to fund mortgage loans for eligible projects. In furtherance of its mission, HFA is committed to the preservation of existing affordable rental housing while continuing to be a strong presence in the financing of affordable housing throughout the State. In 2014, HFA issued \$1.6 billion of bonds to finance over 5,161 affordable units.

In its 55 years of operation, HFA has achieved a strong record of success in its existing programs, and continues to pursue new, cost-effective financing vehicles to lower the cost of borrowing for multi-family housing developments.

HFA receives federal funds from the U.S. Department of Housing and Urban Development ("HUD") which are then distributed by HFA under the Section 8 and Section 236 Programs.

For further financial information, click on the following links to view [HFA's Statutory Report for Fiscal Year 2014](#), the [2013 Single Audit Report](#), and [2013 Supplementary Financial Information](#).

HFA's fiscal reporting year commences on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each fiscal year.

### **New York State Affordable Housing Corporation**

The New York State Affordable Housing Corporation is a public benefit corporation established pursuant to §45-b of the PVH as a subsidiary of HFA and overseen by seven (7) Board Members. AHC creates homeownership opportunities for low and moderate-income families by providing grants to governmental, not-for-profit and charitable organizations to help subsidize the cost of newly constructed houses and the renovation of existing housing.

AHC administers the Affordable Home Ownership Development Program ("AHOD Program") under PVH Article 19. Under the AHOD Program, AHC enters into contracts ("Grant Agreement(s)") with eligible applicants such as municipalities, not-for-profits, or charitable organizations ("Grantee(s)") for the purpose of distributing grants to certain projects ("Project(s)") for the acquisition, new construction, rehabilitation, or improvement of owner-occupied homes for low and moderate income persons.

The purpose of the AHOD Program is to promote homeownership by persons of low and moderate income, which, in turn, fosters the development, stabilization and preservation of neighborhoods and communities. To achieve these goals, the State appropriates funds in order for AHC to provide financial assistance in the form of grants, in conjunction with other private and public investments, for the construction, acquisition, rehabilitation and improvement of owner-occupied housing. AHC works with its parent agency, HFA, and its sister agency, SONYMA, to increase homeownership opportunities.

The AHOD Program has been funded since 1985 by appropriations. For the 2013 - 2014 fiscal year, AHC's AHOD Program appropriation is \$25 million. AHC has awarded funds for several hundred Projects throughout the State. To date, the AHOD Program has helped finance the acquisition, new construction, rehabilitation, or improvement of more than 50,000 dwelling units throughout the State.

For further financial information, click on the following link to view AHC's [2014 Financial Statements](#).

AHC's fiscal reporting year commences on April 1<sup>st</sup> and ends on March 31<sup>st</sup> of each fiscal year.

### **State of New York Mortgage Agency**

The State of New York Mortgage Agency was created in 1970 to increase the affordability of homeownership for low- to moderate-income residents of the State. The Agency is a corporate governmental agency constituting a public benefit corporation, created under the New York State Public Authorities Law (“PBA”), Title 17, Section 2400 et. Seq, which is overseen by nine (9) Board Directors.

The Agency’s powers, as authorized under its statute, primarily include the power to purchase and make commitments to purchase mortgage loans on single family (one to four unit) housing and home improvement loans from certain lenders. This is accomplished by the Agency’s issuance of taxable and tax-exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans.

SONYMA’s two primary lines of operations are its Single Family Operations and its Mortgage Insurance Fund Operations. In its 2009 fiscal year end, SONYMA issued its first and only series of bonds to finance Student Loans, and \$12.5 million remains outstanding.

#### **Single Family Operations**

SONYMA is the State’s issuer of single family housing bonds, and the nation’s largest issuer of single family housing bonds. SONYMA has approximately \$2.7 billion of bonds outstanding in three bond resolutions. The Agency issued \$420 million in bonds during the fiscal year ending October 31, 2014. Over the last year, SONYMA has launched reduced interest rate programs to increase homeownership opportunities for veterans and low income homebuyers. SONYMA continuously explores strategies to best accomplish its mission and meet its programmatic goals.

#### **Mortgage Insurance Funds Operations**

The Mortgage Insurance Fund (“the MIF”) has two lines of business. First, it provides insurance on multi-family housing projects, special needs facilities and other mortgage loans made by government entities and commercial lenders. Secondly, it also provides both pool and primary insurance on single family mortgages purchased by SONYMA.

As of October 31, 2014, the MIF had 231 project commitments for 8,106 units with a total loan amount of \$422 million. The MIF had outstanding mortgage insurance policies of approximately \$2.6 billion as of October 31, 2014.

#### **Student Loan Program**

On December 15, 2009, the Agency, doing business as the State of New York Higher Education Finance Authority, issued NYHELPS Education Loan Revenue Bonds, 2009 Series A, in the amount of \$97.7 million. The proceeds of these bonds were used to finance

credit-based, fixed rate education loans, to or for the benefit of undergraduate and graduate students who attend participating institutions in the State. Because of low demand, the program has been on hiatus since fiscal year 2012. There have not been any Student Loan purchases since May 1, 2012.

#### Federal Program

SONYMA distributes federal funds under the National Foreclosure Mitigation Counseling Program. The federal funds are received in accordance with a grant agreement with NeighborWorks America, acting as a HUD approved intermediary.

For further financial information, click on the following links to view [SONYMA's Financial Statements for Fiscal Year 2014](#) and the [2013 Single Audit Report](#).

SONYMA'S fiscal reporting year commences on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each fiscal year.

#### State of New York Municipal Bond Bank Agency

The State of New York Municipal Bond Bank Agency was created in 1972 pursuant to Article 8 of the PBA, as amended, as a corporate body constituting a public benefit corporation, which is overseen by seven (7) Board Directors. Its purpose is, in part: 1) to foster and promote the provision of adequate capital markets for, and to facilitate borrowings by, the State's municipalities for their public improvements or purposes; 2) to assist those municipalities in fulfilling their needs for improvements by the creation of indebtedness; and further, 3) to encourage continued investor interest in the purchase of bonds or notes of municipalities as sound and preferred securities for investment.

MBBA has the authority to issue bonds, on an as needed basis, and to use the proceeds to purchase bonds and notes issued by local governments to finance public improvements. The outstanding bonds as of October 31, 2014 amounted to approximately \$598 million.

For further financial information, click on the following link to view [MBBA's Financial Statement for Fiscal Year](#).

MBBA's fiscal reporting year commences on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each fiscal year.

#### Tobacco Settlement Financing Corporation

The Tobacco Settlement Financing Corporation is a public benefit corporation established in 2003 as a subsidiary of MBBA pursuant to the Tobacco Settlement Financing Corporation Act, Chapter 62 of the Laws of 2003 (the "Act"), which is overseen by seven (7) Board Members.

TSFC was established in order to securitize a portion of the tobacco settlement revenues received by New York State on or after January 1, 2004 pursuant to the terms of the Master Settlement Agreement (“MSA”) entered into in 1998 among New York State, other settling states and certain participating cigarette manufacturers in settlement of smoking-related litigation. Pursuant to the Act, TSFC was authorized to issue bonds in an aggregate principal amount not to exceed \$4,200,000,000 (excluding costs of issuance and refunding bonds). TSFC’s authority to issue bonds, other than refunding bonds, expired on June 30, 2004. TSFC, in 2003, used up its new money bond authority through bond issuances in 2003. Since then, it has issued refunding bonds in 2008, 2011, and 2013, respectively.

TSFC’s fiscal reporting year commences on November 1<sup>st</sup> and ends on October 31<sup>st</sup> of each fiscal year.

For further financial information, click on the following link to view [TSFC’s Financial Statements for Fiscal Year 2014](#).

### **Accounting Systems of the Agencies**

The Agencies’ accounting software is composed of Agency developed and maintained Microsoft Visual Foxpro programs. Visual Foxpro (“Foxpro”) is no longer supported by Microsoft. Additionally, Foxpro is an old technology which lacks the flexibility to meet the changing needs of the Agencies, in a timely and cost efficient manner. Therefore, the Agencies are focused on modernizing the majority of their existing back office financial management applications with commercial off-the-shelf technologies that will provide a scalable, extensible and maintainable platform going forward. This process may be a multi-year project. Vendors must be prepared and able to work with the current systems.

The components of the Foxpro system are the: (i) General Ledger, divided into 40 separate and distinct programs, each of which serves an Agency, an Agency program or set of projects; (ii) Expenditure Control System (“ECS”), customized for the Agencies' special needs with all checks drawn by the NYS Department of Taxation and Finance; (iii) Investment System; (iv) Mortgage Billing System; (v) Budget System; (vi) Tax and Insurance Escrow System; and (vii) AHC System.

The Expense Distribution function of ECS, which was internally developed, calculates the percentage of shared administrative expenses to be allocated to the various programs and Agencies.

The Agencies prepare three payrolls. The payroll function is currently serviced by Automatic Data Processing, Inc., an outside service vendor, but there are internal and State Systems that the Agencies rely on for benefits.

The Agencies prepare an annual budget for income and expenses and monitor the actual expenses with the prepared budget on a monthly basis.

### **Additional Accounting Systems for SONYMA**

Additional SONYMA accounting systems reside on network file servers running the Windows Server 2003 operating system.

These systems include the following components which are proprietary and belong to Emphasys Computer Solutions, Inc.: (i) Mortgage Loan Tracking; (ii) Mortgage Loan Portfolio; (iii) Foreclosure; (iv) Bond Debt Service; and (v) Lender Online.

The SONYMA MIF system, maintained by Agency staff and originally developed by outside consultants, is composed of Microsoft Visual Basic programs and a Microsoft SQL Server 2008 Data Base.

These systems process (a) mortgage reservations and track mortgage commitments and policies, (b) premiums due and paid, (c) mortgage claims, and (d) mortgage arrears.

Visit the Agencies' website at <http://www.nyshcr.org/> to learn more about each Agency's programs.

### **III. MINORITY AND/OR WOMEN OWNED BUSINESS ENTERPRISE PARTICIPATION**

The Agencies are committed to awarding contracts to firms that are dedicated to diversity and provide high-quality services. The Agencies strongly encourage firms that are certified by New York State as minority and/or women-owned business enterprises ("MWBEs"), as well as firms that are not yet certified, but have applied for certification, to submit responses to this RFP. All certified MWBE firms submitting proposals to this RFP should be registered as such with the New York State Department of Economic Development. For MWBE firms that are not certified but have applied for certification, please provide evidence of filing, including the filing date.

The Agencies are required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 ("**MWBE Regulations**") for all Agency contracts, as defined therein, with a value in excess of \$25,000. The Agencies strongly encourage joint ventures of MWBE firms with majority firms and MWBE firms with other MWBE firms. For assistance identifying MWBE partners, contact Ms. Lisa G. Pagnozzi, Contract Administrator, at [Lisa.Pagnozzi@nyshcr.org](mailto:Lisa.Pagnozzi@nyshcr.org) .

For purposes of this solicitation, the Agencies hereby establish an overall goal of 30% of total contract expenditures for MWBE participation, 15% for minority-owned business enterprises ("MBEs") and 15% for women-owned business enterprises ("WBEs").

**IV. ASSESSMENT OF DIVERSITY PRACTICES**

The Agencies have determined, pursuant to New York State Executive Law Article 15-A, that the assessment of the diversity practices of respondents to this RFP is practical, feasible, and appropriate. Accordingly, Proposers shall be required to include as part of their proposal to this RFP, as described in Sections III, XI.D., and XIV.B. herein, (i) [EEO Staffing Plan, PROC-1](#); (ii) [MWBE Utilization Form, PROC-2](#); (iii) [Company Demographic Profile PROC-7](#); (iv) [EEOC Statement, PROC-8](#), applicable to Proposers with 15 or more employees (PROC Forms (i) to (iv) hyperlinked herein); and (v) [MWBE/EEO Policy Statement, PROC-4](#) and Diversity Practice Questionnaire, PROC-9, attached hereto as Attachments 1 and 2, respectively.

**V. KEY EVENTS/DATES:**

<b>Event</b>	<b>Date</b>
Issuance of RFP	<b>March 3, 2015, EST</b>
<b>Deadline for RFP Questions</b>	<b>March 24, 2015, 12:00 pm, EDT</b>
Deadline for Responses to RFP Questions	March 31, 2015
<b>Proposal Submission Deadline</b>	<b>April 7, 2015, 3:00 pm, EDT</b>
Interview Notification (if needed)	Week of April 20, 2015
Interview for Selected Proposers	Week of April 27, 2015
Anticipated Selection Date	June 11, 2015
Anticipated Date for Execution of Contract	July 15, 2015

The Agencies reserve the right to modify this schedule at their discretion. The Agencies reserve the right to conduct interviews with Proposers for purposes of expanding or clarifying responses. Notification of changes in connection with this RFP will be made available to all interested parties via the Agencies' web page: <http://www.nyshcr.org/AboutUs/Procurement/DHCRindex.htm>.

## VI. QUESTIONS FROM PROPOSERS AND UPDATES TO THE RFP

Proposers may submit questions regarding this RFP by email to [Nyhomes.Proposal@nyshcr.org](mailto:Nyhomes.Proposal@nyshcr.org) no later than the deadline for questions set forth in the “KEY EVENTS/DATES” section of this RFP. The “Subject” line of the email should indicate “2015 Independent Audit Services RFP Questions.”

Proposers should note that all clarifications and exceptions are to be resolved prior to submission of the proposal.

Answers to all substantive questions will be posted in a timely manner on the [NYS HCR website “Procurement Opportunities” page](#). Questions submitted after the deadline will not receive a response.

The timeline and target dates for this RFP are subject to change. Proposers should check the [NYS HCR website “Procurement Opportunities” page](#) for updates to the RFP timeline and other important information.

An electronic version of this RFP will be posted on the [NYSHCR website](#) in addition to any subsequent changes, additions or deletions to the RFP. **Proposers are encouraged to check the [NYSHCR website](#) frequently for notices of any clarifications, changes, additions, or deletions to the RFP.**

## VII. MINIMUM QUALIFICATIONS

Qualified Proposers, as currently constituted, must have a minimum of three (3) years of experience with audits of government housing finance agencies and shall demonstrate familiarity with all relevant statutes, regulations, policies and industry standards affecting the Agencies’ funding, and New York State public benefit corporations in general, including, but not limited to, requirements related to federal subsidies (including Section 8, Section 236, HERA and ARRA), those promulgated by the PBA, PVH, United States Government Accounting Office, Governmental Accounting Standards Board (“GASB”), and the American Institute of Certified Public Accountants.

Additionally, the Proposer must submit documents that provide evidence of above requirements with its proposal response, in addition to the requirements outlined below.

- A. Proposer must be a current member of the American Institute of Certified Public Accountants (“AICPA”) for a minimum of five years as of proposal submission date;
- B. Proposer must employ certified public accountants properly licensed by the University of the State of New York and registered by the State Education Department or other applicable State’s regulatory agency;

- C. Proposer must meet all required independence standards, including GAO Standards for Audit of Governmental Organizations, Programs, Activities and Functions, the AICPA's Rules on Independence and those of any other applicable regulatory agencies;
- D. Proposer shall not have a record of substandard work;
- E. Proposer must have a national Audit and Assurance practice; and
- F. Proposer must have valid ID in order to certify statements in the HUD Real Estate Settlement Assessment Center ("REAC") system.

## **VIII. SCOPE OF WORK**

### **A. Audit Requirements**

The successful Proposer (referred to herein as "Auditor") shall audit the individual financial statements of each of the Agencies beginning with the fiscal year ending October 31, 2015 (March 31, 2016 for AHC) in accordance with the requirements and deliverables further outlined below.

The audit shall be conducted for the purpose of expressing an opinion on each Agency's basic financial statements in accordance with auditing standards generally accepted in the United States of America based on the audit. Audit procedures are to be applied to the management's discussion and analysis and any other supplementary information required by GASB and any supplemental information presented in any of the Agencies' Annual or Statutory Reports.

The Auditor shall perform Single Audits as required by any of the Agencies and issue the required reports thereon in compliance with Government Audit Standards issued by the Comptroller General of the United States and the Office of Management and Budget Circular A-133. An individual Single Audit of a HUD Moderate Rehabilitation Contract for which HFA acts as Contract Administrator is required. As part of the Single Audit, the Auditor is required to have a valid IAA ID to access the online HUD REAC, in order to indicate the Opinion rendered in that system.

The Auditor shall review each Agency's internal controls over financial reporting and perform such tests as are necessary to determine each Agency's compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, and shall issue reports thereon. The Auditor shall also issue individual reports to Agency management and to each Agency Board containing observations which the Auditor believes are of value to that Agency. The Auditor shall also perform those procedures required by the New York State Office of the State Comptroller ("OSC")

with respect to each Agency's investment practices and issue a separate report for each Agency thereon. Those procedures are designed to determine whether each Agency has complied with OSC's Investment Guidelines for Public Authorities.

**B. Audit Deliverables**

The Auditor shall provide the following reports:

The Auditor shall issue individual reports relating to each of the five Agency's financial statements, rendering opinions thereon. Within 80 days of each Agency's fiscal year end, final draft audits must be completed in order to present the required reports to the respective Board Members/Directors of each Agency. Within 90 days of each Agency's fiscal year end, the final financial and other reports (including the Independent Auditors' Reports) must be filed on PARIS.

The Auditor shall issue specific Single Audit reports, as required, for HFA and SONYMA, relating to the expenditure of federal funds within the time-frames required by HUD.

For each Agency, the Auditor is required to issue an investment report relating to "Investment Guidelines for Public Authorities" issued by the State, OSC and the investment guidelines established by the Agencies. The investment reports must be presented to each respective Board together with the Independent Auditor's Reports.

The Auditor shall issue a "Report to Management" covering each individual Agency which will contain observations that the Auditor believes are of value to the Agencies.

The Auditor shall issue a report on the supplementary financial information for HFA.

SONYMA's independent Auditor will be required, as part of its engagement with SONYMA, to provide "Agreed Upon Procedures" letters in connection with certain financial and programmatic information included in Preliminary and Final Official Statements issued by SONYMA in connection with its bond issues. Due to the uncertainty in the timing of these bond issues, a newly selected independent Auditor may be required to provide an Agreed Upon Procedures letter concerning financial information included in SONYMA's most recent audited financial statements, which financial statements may have been certified by a prior independent Auditor. Please confirm that you would, if selected as Independent Auditor, be able to provide such a letter.

The Auditor shall meet with the Agencies' Chairman and the respective Agency Audit Committees/Boards as necessary. The Auditor must be present at the annual January Board and Audit Committee meetings (June for AHC) in which the financial statements are presented to the Audit Committees for their approval, and at the audit

planning meeting in September. At those meetings, the Auditor will present any required communication. In addition, Auditor lead Board Training meetings will take place at least once per year.

The Auditor shall provide staff training relating to new GASB pronouncements.

C. Insurance Requirements

The Auditor shall carry errors and omissions insurance coverage with a minimum limit of liability in the amount of \$1,000,000 per occurrence. Additionally, the Auditor must carry and maintain professional liability, general commercial liability, workers compensation and NYS disability benefits insurance in the amount of \$1,000,000 per occurrence for the entire time work is being performed and at least three years after completion of the work with sufficient limits, as deemed appropriate by the Agencies.

D. Additional Auditor related Requirements

The Auditor will be required to send a senior representative of the firm to the Agencies' combined Board meetings to report on the audit.

**IX. TERM OF CONTRACT(S)**

The term of the contract(s) is at least five consecutive years, subject to approval by the Agencies' Boards. The Agencies, at their discretion, may exercise their option to extend the term of the engagement and revise any provision of the engagement, on an as needed basis, with the mutual written consent of contracting parties. Any contract that exceeds a five year period will require the affirmative concurrence of the Agencies' Boards to extend the contract(s) without undergoing a new solicitation process.

The successful Proposer will be required to execute a contract(s) with the Agencies that incorporates Appendix I [Standard Clauses for Contracts](#) (hyperlinked herein) and Appendix II relating to requirements and procedures for Participation by Minority Group Members and Women (refer to Section XII.B. herein).

**X. PROPOSAL SUBMISSION REQUIREMENTS**

Proposals must be complete and prepared in a format consistent with the instructions provided in this RFP. In all instances, the Agencies' determination regarding a proposal will be final. Proposals not organized in the manner prescribed in this RFP may be considered non-responsive at the Agency's sole discretion. Proposers should not refer to

other parts of the proposal, to information that may be publicly available elsewhere, or to the Proposer's or other websites in lieu of answering a specific question.

### Submission Instructions

Proposals must be delivered by email no later than 3:00 pm (EDT) on the proposal due date indicated in the Key Events/Dates section of this RFP.

Proposals must be submitted by email to [Nyhomes.proposal@nyshcr.org](mailto:Nyhomes.proposal@nyshcr.org) in searchable portable document format ("PDF") compatible with Adobe Reader XI. The Agencies will not accept discs, flash drives, or FTP file references that require the Agencies to download information from the Proposer's or a third party's site. If the file is large, it may be submitted in multiple email attachments, with the proper Part One or Part Two label (if applicable) and "1 of X", "2 of X", etc., and the last email as "X of X – Final" for each additional email.

The proposal must be bookmarked and divided into four parts: (i) Tab One: Application Cover Sheet and Cover Letter; (ii) Tab Two: Technical Proposal; (iii) Tab Three: Cost Proposal; and (iv) Tab Four: Required Forms and Documentation. Proposals must be sent in two emails and labeled as follows: (a) one email to include Tabs One and Two and the subject line of the email must be labeled: "2015 Independent Audit Services RFP: Tabs 1 and 2"; and (b) the other email must include Tabs Three and Four and the subject line of the email must be labeled "2015 Independent Audit Services RFP: Tabs 3 and 4".

Any proposal delivered after the date and time designated as the proposal submission deadline listed in the Key Events & Dates section of this RFP may be deemed ineligible. It is the Proposer's sole responsibility to ensure that all emails and attachments are delivered on time in a legible format. Proposers assume all risk for proposal delivery.

A proposal may be deemed to be non-responsive because it is materially incomplete. The Agencies reserve the right to seek clarification or request additional information.

The determination of whether any proposal is complete or was received on time is at the sole discretion of the Agencies.

All submitted proposals shall become the property of the Agencies.

## **XI. CONTENTS OF PROPOSALS**

Proposals should demonstrate that the Proposer is qualified to perform the Scope of Work based upon prior relevant professional experience, proposed work plan, methodology, timeline, staffing plan, MWBE participation, and budget. An Agency Review Committee will conduct a comprehensive review of each proposal to determine which Proposer will provide the "best value" by optimizing quality, cost, and efficiency.

Each Proposer is required to submit the information and documentation listed below in the order in which it is requested. A proposal that does not include all required information and completed forms may be subject to rejection.

The completed proposal will include Tabs One through Four, as described in the Proposal Submission Requirements section of this RFP. Each Tab must be electronically bookmarked as “Tab 1,” “Tab 2,” “Tab 3,” and “Tab 4” and must be presented in the exact order requested in this RFP. The content in Tabs 1 through 3 must be limited to ten (10) letter-size pages (single or double spaced, minimum 12 point font, and at least one inch margins). The 10 page limit does not include the Application Cover Sheet, resumes, references, organizational chart, insurance certificate(s) and other attachments required in Part 4.

**A. Tab 1: Application Coversheet and Cover Letter**

The Application Coversheet in the beginning of this RFP must be attached to the top of your proposal. The Proposer’s cover letter must not exceed three (3) pages and should include:

- (i) A summary of the Proposer’s organizational history and legal structure (e.g. individual practitioner, partnership, LLC, corporation, non-profit organization, MWBE, etc.)
- (ii) A summary of the Proposer’s qualifications that include the Minimum Qualifications as described in Section VII herein;
- (iii) The Proposer’s name, address, telephone number, fax number, email address and web site address, if applicable;
- (iv) The name, title, telephone number, fax number and email address of the individual within the Proposer’s organization who will be the Agency’s primary contact concerning the proposal;
- (v) The names of the primary staff who will provide services to the Agencies;
- (vi) The contact name, telephone number, fax number and email address for the firm(s), if any, with which the Proposer intends to partner in undertaking this audit engagement; and
- (vii) A written certification confirming that the information contained in the proposal is true and accurate and that the person signing the cover letter is authorized to submit the proposal on behalf of the Proposer.

**B. Tab 2: Technical Proposal**

1. COMPANY BACKGROUND

Please limit your response to 10 pages (excluding resumes). Briefly describe your Firm's qualifications and capacity to serve as the Auditor for the Agencies. Your response should include:

- (a) A brief description of your Firm and its organizational structure including Firm size and location of offices from which work will be performed;
- (b) A brief description of the range of activities performed by the Firm, including specific references to engagements similar in size and scope, especially with respect to the volume of transactions and comparable funding;
- (c) A profile of the audit staff for this engagement including detailed resumes with relevant experience of the partner(s), management staff and associates who would be assigned to manage and complete the engagement;
- (d) The Firm's participation in training and continuing professional education in auditing governmental programs;
- (e) A description of the Firm's quality control procedures, and review and supervisory procedures;
- (f) Discuss the results of your Firm's internal and independent quality control reviews, including information on peer review;
- (g) Specific experience, if any, with the Agencies' Accounting Systems' software or similar software, as described in Section II of this RFP, and provide contact information for references. Experience must be specific as to whether gained through clients, continuing education, seminars, or other sources;
- (h) The Firm's information technology capabilities and a description of how such capabilities will support the audit effort;
- (i) Discussion of your Firm's presence in New York State including any offices maintained in the State, the number of staff employed in the State and the number of staff covering the Agencies who are employed in the State;

- (j) Describe the Firm's corporate citizenship and commitment to New York State, including local procurement of goods and services, development or participation in internship programs or scholarships and corporate philanthropy;
- (k) Provide a list and description of any proceedings against your Firm, pending or contemplated by any governmental agencies or oversight body, such as the NYS Education Department – Office of the Professions, AICPA, IRS, Stockholders' Group, Trustee, or entity, including but not limited to, any pending or anticipated proceedings or rule or order relating to a violation or alleged violation by your Firm of any federal or state statute or regulation that could have an adverse material impact on the Firm's ability to successfully perform the audit. Provide a list of all sanctions and/or fines imposed on your Firm during the last 24 months in connection with any proceeding of the type described in the proceeding sentence. Also provide the Agencies with a list and description of any pending or anticipated proceedings by private parties against your Firm (individually or in the aggregate) that your Firm has determined may have a material adverse impact on the current financial status or operations of the Firm;
- (l) Disclose any existing or contemplated relationship with any other person or entity, including relationships with any parent, subsidiary or affiliated firm, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the Proposer or former officers and employees of the Agencies, in connection with your rendering services enumerated in this RFP. If a conflict does or might exist, please describe how your Firm would eliminate or prevent it. Indicate what procedures will be followed to detect, notify the Agencies of, and resolve any such conflicts; and
- (m) Disclose whether the Firm, or any of its members discussed in paragraph (l) above, has been the subject of any investigation or disciplinary action by the New York State Commission on Public Integrity or its predecessor State entities (collectively, "Commission"), and if so, a brief description must be included indicating how any matter before the Commission was resolved or whether it remains unresolved.

## 2. EXPERIENCE AND PERFORMANCE

Proposers must demonstrate the experience to perform the Scope of Services described in this RFP as outlined below.

- (a) Describe your Firm's experience and familiarity with all relevant statutes, regulations, policies and industry standards affecting the Agencies' funding, and New York State public benefit corporations in general, including, but not limited to, requirements related to federal subsidies (including Section 8, Section 236, HERA and ARRA), those promulgated by the PBA, PVH, United States Government Accounting Office, GASB, and the American Institute of Certified Public Accountants. References must be specific.
- (b) Describe your Firm's capacity to conduct audits of entities similar in magnitude to the Agencies, and its experience of at least three (3) years with audits of similar organizations. Include a list of clients for whom you currently provide and have previously provided similar auditing services as described in this RFP, especially multi-family finance agencies and State agencies along with a description of the type of engagements. Include references that may be contacted, with contact information, with respect to your work on these matters.
- (c) Describe your Firm's experience with governmental housing finance agencies, public authorities, or state tobacco finance agencies.
- (d) Describe your Firm's experience with federal single audits issued under OMB Circular-A133 and HUD REAC filings.
- (e) Describe your Firm's experience in providing Agreed Upon Procedures' Letters for tax-exempt bond issues. As discussed in Section VIII.B., confirm whether your Firm, if selected as the successful Proposer, would be able to provide an Agreed Upon Procedures letter for financial statements certified by a prior independent auditor.
- (f) The Firm must be able to demonstrate its experience and familiarity with the requirements of GASB No. 45 (Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions) requirements. Provide specific experience through engagements of the review of OPEB valuation reports for the purpose of meeting financial statement disclosure requirements.
- (g) The Auditor must demonstrate its experience conducting audits involving derivative instruments and its familiarity with GASB No. 53 (Accounting and Financial Reporting for Derivative Instruments).
- (h) The Auditor must be familiar with other current GASB requirements which may affect one or more of the Agencies, including GASB No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions) and GASB No. 68 (Accounting and Financial Reporting for Pensions).

- (i) Discuss a general outline of your auditing approach. Include any special expertise that your Firm will bring to this engagement. Your Firm must also demonstrate its ability to provide all of the deliverables within the timetable described herein, in accordance with your Firm's auditing approach.
- (j) If your Firm has served as an auditor for the Agency, discuss your Firm's audit performance. If your Firm has not served as an auditor for any of the Agencies, discuss your audit performance with respect to a similar governmental housing finance agency and public authority.
- (k) The Firm must state the nature and amount of assistance it expects from the Agencies for the timely completion of the audits, including availability of Agency staff during other than normal business hours, if any. The Agencies recognize their obligation to prepare the financial statements.
- (l) Provide a summary of comparable engagements, either as a lead or supporting firm, including a brief description of how three (3) of these experiences are relevant or complementary to the Scope of Work described in this RFP.
- (m) Describe the experience of key personnel, including lead and supporting staff, responsible for performing work under a contract(s) with the Agencies. Attach a copy of the proposed organizational chart together with resumes, titles and contact information for all key and supporting staff. The information required herein must also be provided for any subcontractors or partners.
- (n) Provide a minimum of three (3) references for the Proposer and at least two references for any subcontractors or partners. Each reference should include the name, title, telephone number, and email address for each contact person and each company. Attach a brief summary of the relationship between the reference and the Proposer.

Information provided by references may be used by the Agencies for the evaluation of proposals. The Agencies are not responsible for the degree of or lack of responsiveness of the references listed by a Proposer, subcontractor or partner. The Agencies are not required to alert Proposers about a reference's unresponsiveness during the evaluation of a proposal.

C. **Tab 3. Cost Proposal** (Excluded from 10 page limit)

Tab 3 is comprised of the Cost Proposal for this RFP. A Proposer must include in its proposal the below fee “Proposed Audit Contract Fee Structure.”

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**Response to Request for Proposals – 2015 - 2019  
Financial Audits of the Agencies**

**Proposed Audit Contract Fee Structure**

	Amount Not to Exceed		
	<u>2015 - 2017*</u>	<u>2018</u>	<u>2019</u>
<b><u>Financial Audits</u></b>			
Housing Finance Agency (HFA) (including the Supplemental Financial Information)	\$ _____	_____	_____
State of New York Mortgage Agency (SONYMA)	\$ _____	_____	_____
Municipal Bond Bank Agency (MBBA)	\$ _____	_____	_____
Affordable Housing Corporation (AHC)	\$ _____	_____	_____
Tobacco Settlement Financing Corporation (TSFC)	\$ _____	_____	_____
<b><u>Other Audits and Agreed Upon Procedures</u></b>			
HFA – Single Audit	\$ _____	_____	_____
SONYMA – Single Audit	\$ _____	_____	_____
HFA – REAC Filing (relating to Single Audit) – Moderate Rehabilitation Program	\$ _____	_____	_____
SONYMA- Due Diligence Procedures (cost per bond issuance)	\$ _____	_____	_____
<b>GRAND TOTAL</b>	<b>\$ _____</b>	<b>_____</b>	<b>_____</b>

\*The fee must remain the same for the first three years (2015 - 2017) of the audit engagement.

The financial audit of each Agency shall include the issuance of: (a) Independent Auditor’s Report, (b) a Management Letter, and (c) an Investment Guidelines for Public Authorities Compliance Report.

**D. Tab 4: Required Forms and Documentation**

Proposers are subject to the requirements described in the [Agencies' Standard Clauses and Requirements for Solicitations](#), hyperlinked herein as Exhibit A. Such requirements include, but are not limited to, submission of the following information and forms of the Agencies: (a) [Lobbying Procurement Law FORM 1](#) and [Lobbying Procurement Law FORM 2](#); (b) [Non-Collusive Bidding Certification FORM](#); (c) [Contractor and Vendor Information FORM](#); (d) [EEO Staffing Plan, PROC-1](#); (e) [MWBE Utilization Form, PROC-2](#); (f) [Company Demographic Profile PROC-7](#); (g) [EEOC Statement, PROC-8](#), applicable to Proposers with 15 or more employees (Forms (a) through (g), hyperlinked herein); and (h) [MWBE/EEO Policy Statement, PROC-4](#); and [Diversity Practice Questionnaire, PROC-9](#), attached hereto as Attachments 1 and 2, respectively.

Proposers must also provide the following information:

- (a) The Agencies are committed to increasing the utilization of MWBE firms. Please share any ideas you may have for joint venture partnerships which would meet the Agencies MWBE requirement;
- (b) If the Proposer is a State-certified MWBE firm, documentation evidencing registration. For MWBE firms that are not certified but have applied for certification, documentation evidencing the application with the Empire State Development Corporation, including the filing date;
- (c) If the Proposer is not a State certified MWBE firm, descriptions of the instances, if any, in which the Proposer has worked with MWBE firms on previous transactions by engaging in joint ventures or other partnering or subcontracting arrangements. Responses should include the nature of the engagement, how such arrangement was structured and a description of how the services and fees were allocated;
- (d) A statement by the Proposer indicating its willingness, to engage in MWBE partnering or mentoring arrangements with an MWBE firm selected by the Proposer. Such statement should include an explanation of how the Proposer would suggest structuring such an arrangement and allocating services and fees between the firms;
- (e) Provide proof of the liability insurance requirements in accordance with Section VIII.C. of this RFP. Describe your Firm's level of insurance as described in Section VIII.C. herein and provide name of company, scope of coverage for administration, as well as the name of a contact person.

- (f) Proposer's most recent two years of audited financial statement or federal tax returns.

## **XII. PERFORMANCE AND EVALUATION CRITERIA**

### **A. The Selection Process**

The selection process will begin with the review and evaluation of each of the written proposals. The purpose of the evaluation is two-fold: (1) to examine the responses for compliance with this RFP, and (2) to identify the Firm with the highest probability of satisfactorily performing the scope of services. The evaluation will be conducted in a comprehensive and impartial manner as set forth herein.

### **B. Preliminary Review**

All proposals will be reviewed to determine if they contain all required submittals specified in this RFP. Proposals that do not meet minimum requirements will not be reviewed. Incomplete proposals may be rejected.

### **C. Interviews**

The Agencies reserve the right to determine whether interviews will be necessary. If the Agencies deem interviews necessary, interviews will be held during the dates specified in the "Key Events/Dates" section of this RFP. The Auditor's primary partner, who would be responsible for the Agencies' relationship with the Firm, as well as other key personnel proposed to provide services, must be present and participate in the interview. The purpose of the interview is to further document the Proposer's ability to provide the required services, and to impart to the Committee an understanding of how specific services will be furnished. The interview will be evaluated on the basis of whether it substantiates the characteristics and attributes claimed by the Proposer in its written response to this RFP and any other information requested by the Committee prior to the interview.

## **XIII. SELECTION AND NOTIFICATION PROCESS**

The selected Proposer will be notified via U.S. mail or email. Proposers who are not selected will be notified of the Agencies' determination via U.S. mail or email.

## XIV. ADMINISTRATIVE INFORMATION

### A. Permissible Contacts

Pursuant to State Finance Law (“SFL”) §§139-j and 139-k, this RFP imposes certain restrictions on communications between the Agencies, including its Affiliates (any agency constituting HCR), and a potential Proposer during the procurement process. A Proposer is restricted from making contacts that a reasonable person may infer were intended to influence the selection of a firm to perform the proposed professional services in this RFP, from the date of publication of this RFP until the awarding of a contract(s) by the Agencies (the “Restricted Period”) with any person other than the designated staff member named below, unless it is a contact that is included among certain statutory exceptions set forth in SFL §139-j(3)(a). Employees of the Agencies, including any employees of the agencies that constitute HCR, are required to obtain certain information when contacted during the Restricted Period and make a determination of responsibility of the Proposer under the SFL. Findings of non-responsibility can result in rejection for contract award and in the event of two (2) findings within a four (4)-year period, the Proposer will be debarred from obtaining governmental contracts.

For more information, please refer to the following website:

<http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/Faq.htm>.

For all Lobbying Law Contacts, please contact:

Alejandro J. Valella, Vice President and Deputy Counsel  
New York State Homes & Community Renewal  
HFA. SONYMA. AHC. MBBA. TSFC  
641 Lexington Avenue, 4<sup>th</sup> Floor  
New York, New York 10022  
[Alejandro.Valella@nyshcr.org](mailto:Alejandro.Valella@nyshcr.org)

If you have inquiries regarding this RFP or would like to contact the Agency regarding issues not relating to Lobbying Law Contacts, please contact:

Lisa G. Pagnozzi, Contract Administrator  
New York State Homes & Community Renewal  
HFA. SONYMA. AHC. MBBA. TSFC  
641 Lexington Avenue, 4<sup>th</sup> Floor  
New York, New York 10022  
[Lisa.Pagnozzi@nyshcr.org](mailto:Lisa.Pagnozzi@nyshcr.org)

Other than the two contact persons identified above, prospective Proposers shall not approach Agency employees, or any employees of the agencies that constitute HCR, during the Restricted Period about any matters related to the RFP or any proposal(s) submitted pursuant thereto.

**B. Contractor Requirements and Procedures for Business Participation Opportunities for New York Certified Minority-and Women-Owned Business Enterprises and Equal Employment Opportunities for Minority Group Members and Women**

1. NEW YORK STATE LAW

Pursuant to New York State Executive Law Article 15-A and 5 NYCRR 140-145, the Agencies recognize their obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises and the employment of minority group members and women in the performance of Agency contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether MWBEs had a full and fair opportunity to participate in State contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" ("Disparity Study"). The report found evidence of statistically significant disparities between the level of participation of MWBEs in State procurement contracting versus the number of MWBEs that were ready, willing and able to participate in State procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the State-wide certified minority- and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among other things, that the Agencies establish goals for maximum feasible participation of New York State certified MWBEs and the employment of minority groups members and women in the performance of New York State contracts.

2. BUSINESS PARTICIPATION OPPORTUNITIES FOR MWBEs

For purposes of this solicitation, the Agencies hereby establish an overall goal of 30% for MWBE participation, 15% for New York State certified minority-owned business enterprises ("MBE") participation and 15% for New York State certified women-owned business enterprises ("WBE") participation (based on

the current availability of qualified MBEs and WBEs). A contractor (“Contractor”) on the subject contract (“Contract”) must document its good faith efforts to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the Contract and the Contractor agrees that the Agencies may withhold payment pending receipt of the required MWBE documentation. The directory of MWBEs can be viewed at: <https://ny.newnycontracts.com>. For guidance on how the Agencies will determine a Contractor’s “good faith efforts,” refer to 5 NYCRR §142.8.

In accordance with 5 NYCRR §142.13, the Contractor acknowledges that if it is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in the Contract, such finding constitutes a breach of Contract and the Agencies may withhold payment from the Contractor as liquidated damages.

Such liquidated damages shall be calculated as an amount equaling the difference between: (1) all sums identified for payment to MWBEs had the Contractor achieved the contractual MWBE goals; and (2) all sums actually paid to MWBEs for work performed or materials supplied under the Contract.

By submitting a proposal, a bidder on the Contract (“Bidder”) agrees to demonstrate its good faith efforts to achieve its goals for the utilization of MWBEs by submitting evidence thereof through the New York State Contract System (“NYSCS”), which can be viewed at <https://ny.newnycontracts.com>, provided, however, that a Bidder may arrange to provide such evidence via a non-electronic method by contacting Ms. Lisa G. Pagnozzi at [Lisa.Pagnozzi@nyshcr.org](mailto:Lisa.Pagnozzi@nyshcr.org). Please note that the NYSCS is a one stop solution for all of your MWBE and Article 15-A contract requirements. For additional information on the use of the NYSCS to meet Bidder’s MWBE requirements please click on the following hyperlinked MWBE guidance, “[Your MWBE Utilization and Reporting Responsibilities Under Article 15-A](#),” hyperlinked herein.

Additionally, a Bidder will be required to submit the following documents and information as evidence of compliance with the foregoing:

- (a) An [MWBE Utilization Plan](#) with their bid or proposal. Any modifications or changes to the MWBE Utilization Plan after the Contract award and during the term of the Contract must be reported on a revised MWBE Utilization Plan and submitted to the Agencies.

The Agencies will review the submitted MWBE Utilization Plan and advise the Bidder of the Agencies' acceptance or issue a notice of deficiency within 30 days of receipt.

- (b) If a notice of deficiency is issued, the Bidder will be required to respond to the notice of deficiency within seven (7) business days of receipt by submitting to the Agencies at 641 Lexington Avenue, 4<sup>th</sup> Floor, New York, NY 10022, Fax number 917-274-0393, a written remedy in response to the notice of deficiency. If the written remedy that is submitted is not timely or is found by the Agencies to be inadequate, the Agencies shall notify the Bidder and direct the Bidder to submit, within five (5) business days, a request for a partial or total waiver of MWBE participation goals. Failure to file the waiver form in a timely manner may be grounds for disqualification of the bid or proposal.

The Agencies may disqualify a Bidder as being non-responsive under the following circumstances:

- i) If a Bidder fails to submit a MWBE Utilization Plan;
- ii) If a Bidder fails to submit a written remedy to a notice of deficiency;
- iii) If a Bidder fails to submit a request for waiver; or
- iv) If the Agencies determine that the Bidder has failed to document good faith efforts.

The Contractor will be required to attempt to utilize, in good faith, any MBE or WBE identified within its MWBE Utilization Plan, during the performance of the Contract. Requests for a partial or total waiver of established goal requirements made subsequent to Contract Award may be made at any time during the term of the Contract to the Agencies, but must be made no later than prior to the submission of a request for final payment on the Contract.

The Contractor will be required to submit a [Contractor's Quarterly M/WBE Contractor Compliance & Payment Report](#) to the Agencies, by the 10<sup>th</sup> day following each end of quarter over the term of the Contract documenting the progress made toward achievement of the MWBE goals of the Contract.

3. EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS

By submission of a bid or proposal in response to this solicitation, the Bidder/Contractor agrees with all of the terms and conditions of [Appendix I – Standard Clauses for All New York State Contracts including Clause 7 - Equal Employment Opportunities for Minorities and Women](#). The Contractor is required to ensure that it and any subcontractors awarded a subcontract over \$25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work"), except where the Work is for the beneficial use of the Contractor, undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

The Bidder will be required to submit a *Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement, PROC-4 Form*, attached hereto as Attachment 1, to the Agencies with their bid or proposal.

To ensure compliance with this Section, the Bidder will be required to submit with the bid or proposal an [Equal Employment Opportunity Staffing Plan PROC-1 Form](#), identifying the anticipated work force to be utilized on the Contract and if awarded a Contract, will, upon request, submit an [Equal Employment Opportunity Workforce Employment Utilization Compliance Report](#) identifying the workforce actually utilized on the Contract, if known, through the New York State Contract System; provided, however, that a Bidder may arrange to provide such report via a non-electronic method by contacting Ms. Lisa G. Pagnozzi at [Lisa.Pagnozzi@nyshcr.org](mailto:Lisa.Pagnozzi@nyshcr.org) .

Further, pursuant to Article 15 of the Executive Law (the "Human Rights Law"), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or

domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.

### **C. The Use of New York State Businesses in Contract Performance**

The Agencies are committed to awarding a contract to a firm that will provide high-quality services at a reasonable and competitive cost and will substantially perform the Scope of Work, as described in this RFP, from an office(s) or location(s) within New York State.

New York State businesses have a substantial presence in State contracts and strongly contribute to the economics of the State and the nation. In recognition of their economic activity and leadership in doing business in New York State, Proposers for this Agency procurement are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the Agency awarded contract. Such partnering may be as subcontractors, suppliers, protégés, providers of office and work space, and/or other supporting roles.

Proposers need to be aware that all authorized users of the awarded contract will be strongly encouraged, to the maximum extent practical and consistent with legal requirements, to use responsive New York State businesses in purchasing commodities that are of equal quality and functionality and in utilizing services and technology. Furthermore, Proposers are reminded that they must continue to utilize small, minority and women-owned businesses, consistent with current State law.

Utilizing New York State businesses in Agency contracts will help create more private sector jobs, rebuild New York's infrastructure, and maximize economic activity to the mutual benefit of the contractor and its New York State business partners. New York State businesses will promote the contractor's optimal performance under the contract award, thereby benefiting the public sector programs that are supported by associated procurements.

Public procurements can drive and improve the State's economic engine through promotion of the use of New York businesses by its contractors. The Agencies therefore expect the successful Proposer to provide maximum assistance to New York businesses in its use of the awarded contract. The potential participation of all kinds of New York businesses will deliver great value to the State and its taxpayers.

**ATTACHMENT 1 – MWBE and EEO Policy Statement, PROC-4**  
(Attachment 1 to follow this page)

**MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES – EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

**M/WBE AND EEO POLICY STATEMENT**

I, \_\_\_\_\_, the (awardee/contractor) \_\_\_\_\_ agree to adopt the following policies with respect to the project being developed or services rendered for (name agency/ies or project location)

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**MWBE**

This organization will and will cause its contractors and subcontractors to take good faith actions to achieve the M/WBE contract participations goals set by the State for that area in which the State-funded project is located, by taking the following steps:

- (1) Actively and affirmatively solicit bids for contracts and subcontracts from qualified State certified MBEs or WBEs, including solicitations to M/WBE contractor associations.
- (2) Request a list of State-certified M/WBEs from Agency(ies) and solicit bids from them directly.
- (3) Ensure that plans, specifications, request for proposals and other documents used to secure bids will be made available in sufficient time for review by prospective M/WBEs.
- (4) Where feasible, divide the work into smaller portions to enhanced participations by M/WBEs and encourage the formation of joint venture and other partnerships among M/WBE contractors to enhance their participation.
- (5) Document and maintain records of bid solicitation, including those to M/WBEs and the results thereof. Contractor will also maintain records of actions that its subcontractors have taken toward meeting M/WBE contract participation goals.
- (6) Ensure that progress payments to M/WBEs are made on a timely basis so that undue financial hardship is avoided, and that bonding and other credit requirements are waived or appropriate alternatives developed to encourage M/WBE participation.

**EEO**

(a) This organization will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts.

(b) This organization shall state in all solicitation or advertisements for employees that in the performance of the State contract all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex disability or marital status.

(c) At the request of the contracting agency, this organization shall request each employment agency, labor union, or authorized representative for a statement that it will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of this organization's obligations herein.

(d) Contractor shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

(e) This organization will include the provisions of sections (a) through (d) of this agreement in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the State contract.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 2\_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_ is designated as the Minority Business Enterprise Liaison

He/she is responsible for administering the Minority and Women-Owned Business Enterprises-Equal Employment Opportunity (M/WBE-EEO) program.

**M/WBE Contract Goals**

30% Minority and Women's Business Enterprise Participation

15% Minority Business Enterprise Participation

15% Women's Business Enterprise Participation

**EEO Contract Goals**

\_\_\_\_\_% Minority Labor Force Participation

\_\_\_\_\_% Female Labor Force Participation

**ATTACHMENT 2 – DIVERSITY PRACTICES QUESTIONAIRE**  
(Attachment 2 to follow this page)

**Diversity Practices Questionnaire**

I, \_\_\_\_\_, as \_\_\_\_\_ (title)  
of \_\_\_\_\_ firm or company (hereafter referred to  
as the company), swear and/or affirm under penalty of perjury that the answers submitted to  
the following questions are complete and accurate to the best of my knowledge:

1. Does your company have a Chief Diversity Officer or other individual who is tasked with  
supplier diversity initiatives? Yes or No

If Yes, provide the name, title, description of duties assigned to the position and evidence of  
initiatives performed by this individual or individuals.

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2. What percentage of your company's gross revenues (from your prior fiscal year) was paid to  
New York State certified minority and/or women-owned business enterprises as subcontractors,  
suppliers, joint-venturers, partners or other similar arrangement for the provision of goods or  
services to your company's clients or customers? \_\_\_\_\_%

3. What percentage of your company's overhead (i.e. those expenditures that are not directly  
related to the provision of goods or services to your company's clients or customers) or non-  
contract-related expenses (from your prior fiscal year) was paid to New York State certified  
minority- and women-owned business enterprises as suppliers/contractors?<sup>1</sup> \_\_\_\_\_%

4. Does your company provide technical training<sup>2</sup> to minority- and women-owned business  
enterprises? Yes or No

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1 Do not include onsite project overhead.

2 Technical training is the process of teaching employees how to more accurately and thoroughly perform the technical components of their jobs. Training can include technology applications, products, sales and service tactics, and more. Technical skills are job-specific as opposed to soft skills, which are transferable.

If Yes, provide a description of such training which should include, but not be limited to, the date the program was initiated, the names and the number of minority- and women-owned business enterprises participating in such training, the number of years and such training has been offered and the number of hours per year for which such training occurs.

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5. Is your company participating in a government approved minority- and women-owned business enterprises focused mentor protégé program? Yes or No

If Yes, identify the governmental mentoring program in which your company participates and provide evidence demonstrating the extent of your company's commitment to the governmental mentoring program.

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6. Does your company include specific quantitative goals for the utilization of minority- and women-owned business enterprises in its non-government procurements? Yes or No

If Yes, provide a description of such non-government procurements (including time period, goal, scope and dollar amount) and indicate the percentage of the goals that were attained.

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**Diversity Questionnaire**

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 201\_, before me, the undersigned, a Notary Public in and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to this certification and said person executed this instrument.

\_\_\_\_\_

Notary Public