

**PROFESSIONAL SERVICE AGREEMENT
BETWEEN
THE COUNTY OF ALBANY
AND
SAXBST., LLP
Resolution No. 507, adopted December 7, 2015**

THIS AGREEMENT by and between Albany County, Albany County Office Building, 112 State Street, Albany, New York, 12207 (hereinafter called the "COUNTY") and SAXBST, LLP, 26 Computer Drive West, Albany, New York 12205, (hereinafter called the "CONSULTANT").

WITNESSETH:

WHEREAS, the COUNTY, on behalf of the Office of Audit and Control, Albany County Comptroller, has issued a Request for Proposals (RFP-2015-095 and Addendum No. 1 thereof) entitled "Auditing Services" for the professional services of qualified certified public accountants to audit the financial statements of Albany County, for fiscal years, 2015, 2016 and 2017, and,

WHEREAS, the CONSULTANT has heretofore submitted a proposal to perform said professional accounting services, and

WHEREAS, the COUNTY upon reviewing the proposal of the CONSULTANT finds said proposal satisfactory and has accepted same.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY COVENANT AND AGREE AS FOLLOWS:

ARTICLE I. SCOPE OF SERVICES TO BE PERFORMED

The COUNTY agrees to and hereby does retain and employ the CONSULTANT to audit the financial statements of Albany County for the Fiscal Years 2015, 2016 and 2017, for all funds and account groups, and, further, to perform a separate audit for the Albany County Health Department, Mental Health Department, Times Union Center, and Albany County Nursing Home for fiscal years ending December 31, 2015, December 31, 2016 and December 31, 2017.

The audit of the COUNTY shall include an examination of the COUNTY'S general purpose financial statements for all funds and account groups.

A separate audit of the Albany County Health Department shall be for the Annual Report of the Diagnostic and Treatment Centers.

A separate audit shall be conducted of the Consolidated Fiscal Report in conformance with the guidelines provided by the NYS Office for People with Developmental Disabilities, NYS Office of Mental Health and NYS Office of Alcoholism and Substance Abuse.

A separate audit shall be conducted of the Consolidated Fiscal Report in conformance with the guidelines provided by the NYS Office of Mental Hygiene.

The audit of the Times Union Center, managed by SMG, a Pennsylvania General Partnership, shall be for the purpose of complying with the terms of the Development and Operations Agreement with the NYS Urban Development Corporation. In addition, an audit of the records of Aramark, Inc., "Albany Project Income" and "other site Development Income" as defined in the repayment agreement with the Director of the Budget of the State of New York shall be completed. Management advisory services shall be provided, including, but not limited to, consultations regarding accounting principles and method of application and suggestions for improving internal control.

The audit of the Albany County Nursing Home, a 250 bed nursing facility, and a separate enterprise fund shall consist of an audit of the Facility's financial statements and Medicaid report for the purpose of expressing an opinion thereon. Observations and recommendations shall be made as to internal control at the Facility. Field work on this audit shall begin April 15 of each year with draft financial statements completed and delivered to the County no later than May 5. Final financial statements shall be completed by May 20 of 2015, 2016 and 2017.

The audits to be performed by consultant shall be performed in accordance with Generally Accepted Auditing Standards, the standards set forth for financial audits in the General Accounting Office's Government Auditing Standards (1988), the provisions of the Federal Single Audit Act of 1984, US Office Management and Budget (OMB) Circular A 128 Audits of State and Local Government, the NYS Uniform System of Accounts for Counties, Governmental Accounting, Auditing and Financial Reporting (GAAFR) standards issued by the Government Finance Officer's Association, and Statements on Auditing Standards (SAS) issued by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).

The Consultant shall present the County's Audited Financial Statements in GASB 34 compliant format.

Work papers that are developed in conjunction with these audits shall be retained by the CONSULTANT for a period of no less than six years and shall be available upon request for examination by County, State and Federal Agencies.

The CONSULTANT shall perform management consulting services on an as needed basis as requested by the COUNTY Comptroller. Such services may include, but will not be limited to consultations regarding accounting principles and method of application and suggestions for improving internal control.

The parties hereto specifically acknowledge and agree that the terms of the Request for Proposals, RFP-2015-095 Auditing Services and CONSULTANT'S proposal are all incorporated herein, although not specifically attached hereto. In the event of any discrepancy, disagreement or ambiguity among the Agreement and the above incorporated documents, the documents shall be given preference in the following order to interpret and to resolve such discrepancy, disagreement or ambiguity: 1) the Agreement; 2) the RFP with Addendum; (3) The CONSULTANT'S proposal.

ARTICLE II. FEES

In consideration of the terms of this AGREEMENT, the COUNTY agrees to pay and the CONSULTANT agrees to accept the fees per services set forth in CONSULTANT'S cost proposal attached hereto as Exhibit "A". The total of said fees per fiscal year shall not exceed the fees set forth below:

Audit of 2015 records:	\$134,000
Audit of 2016 records:	\$136,500
Audit of 2017 records:	\$139,000

Any additional as needed management consulting services shall be based upon Consultant's hourly rate proposal as set forth in their proposal attached hereto.

Payment for services rendered shall be made at intervals to be agreed upon by the parties hereto, upon CONSULTANT'S submission of an Albany County Claim Form determining services rendered, including dates and times. All disbursements shall be specifically outlined. Upon acceptance of CONSULTANT'S Claim Form, payment shall be rendered.

ARTICLE III. AVAILABLE DATA

All data relative to the work in the possession of the COUNTY or in the possession of the CONSULTANT shall be made available to the other party to this AGREEMENT without expense to the other party.

ARTICLE IV. COOPERATION

The CONSULTANT shall cooperate with representatives, agents and employees of the COUNTY and the COUNTY shall cooperate with the CONSULTANT to the end that work may proceed expeditiously and economically.

ARTICLE V. EXTRA WORK

If the CONSULTANT is of the opinion that any work the CONSULTANT has been directed to perform is beyond the scope of this AGREEMENT and constitutes Extra Work, the CONSULTANT shall promptly notify the COUNTY of the fact. The COUNTY shall be the sole judge as to whether or not such work is in fact beyond the scope of this AGREEMENT and whether or not it constitutes Extra Work. In the event that the COUNTY determines that such work does constitute Extra Work, it shall provide extra compensation to the CONSULTANT on a negotiated basis.

ARTICLE VI. ACCOUNTING RECORDS

Proper and full accounting records shall be maintained by the CONSULTANT which records shall clearly identify the costs of the work performed under this AGREEMENT. Such records shall be subject to periodic and final audit by the COUNTY upon request. Such records shall be accessible to the COUNTY for a period of six (6) years following the date of final payment by the COUNTY to the CONSULTANT for the performance of the work contemplated herein.

ARTICLE VII. ASSIGNMENTS

The CONSULTANT specifically agrees as required by Section 109 of the New York General Municipal Law that CONSULTANT is prohibited from assigning, transferring, conveying, subcontracting, or otherwise disposing of this AGREEMENT, or of CONSULTANT'S right, title or interest therein without the previous consent in writing of the COUNTY.

ARTICLE VIII. RELATIONSHIP

The CONSULTANT is, and will function as, an independent contractor under the terms of this AGREEMENT and shall not be considered an agent or employee of the COUNTY for any purpose, and the employees of the CONSULTANT shall not in any manner be or be held out to be, an agent or employee of the COUNTY.

ARTICLE IX. INDEMNIFICATION

The CONSULTANT shall defend, indemnify and save harmless the COUNTY, its employees and agents, from and against all claims, damages, losses and expenses (including, without limitation, reasonable attorney's fees) arising out of, or in consequence of, any negligent or intentional act or omission of the CONSULTANT, to the extent of their responsibility for such claims, damages, losses and expenses.

ARTICLE X. INSURANCE

The CONSULTANT agrees to procure and maintain without additional expense to the COUNTY, until final acceptance by the COUNTY, of the services covered by this AGREEMENT, insurance of the kinds and in the amounts provided under Schedule "A" attached hereto. Before commencing work, the CONSULTANT shall furnish to the COUNTY a Certificate(s) showing that the requirements of this Article are met and the Certificate(s) shall provide that the policy shall not be changed or canceled until thirty (30) days prior written notice had been given to the COUNTY, and naming the COUNTY OF ALBANY as an additional insured.

ARTICLE XI. TERMINATION OF CONTRACT

The responsibilities under this AGREEMENT shall commence upon full execution of this AGREEMENT by the parties hereto, and shall be for a period of three (3) years ending with the completion of the 2017 audit. This AGREEMENT may be renewed for two (2) additional one (1) year periods.

The COUNTY shall have the right at any time to terminate the work required of the CONSULTANT by this AGREEMENT, by written notice of such termination provided to the CONSULTANT by the COUNTY, and, in the event of such termination of this AGREEMENT, the CONSULTANT shall be entitled to compensation for all work heretofore authorized and performed, pursuant to this AGREEMENT, such compensation to be in accordance with Article II - Fees of this AGREEMENT.

ARTICLE XII. DELIVERY OF RECORDS

In the event of the termination of this AGREEMENT, as provided in Article XI, hereof, all data and records pertaining to the AGREEMENT shall be delivered within twenty (20) days to the COUNTY or its duly authorized representative. In case of failure of the CONSULTANT to make such delivery on demand, then and in that event, the CONSULTANT shall be liable to the COUNTY for any damages it may sustain by reason thereof.

ARTICLE XIII. REPORTING DUTIES

While providing specific services under this AGREEMENT, the CONSULTANT shall report regularly to the COUNTY, its agents and officials, as directed.

ARTICLE XIV. DISSOLUTION

In the event of dissolution of the CONSULTANT as a corporation or partnership during the existence of this AGREEMENT, the CONSULTANT shall give thirty (30) days notice in writing to the COUNTY in advance of such dissolution.

ARTICLE XV. LICENSES

The CONSULTANT shall at all times obtain and maintain all licenses required by the New York State to perform the CPA auditing services required under this AGREEMENT.

ARTICLE XVI. NON-DISCRIMINATION REQUIREMENT

The CONSULTANT shall not discriminate against any resident or employee of the COUNTY on the basis of race, color, creed, national origin, gender, handicap or source of payment.

ARTICLE XVII. NON-APPROPRIATIONS CLAUSE

Notwithstanding anything contained herein to the contrary, no default shall be deemed to occur in the event no funds or insufficient funds are appropriated and budgeted by or are otherwise unavailable to the COUNTY for payment, the COUNTY will immediately notify the CONSULTANT of such occurrence and this AGREEMENT shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to the COUNTY of any kind whatsoever, except as

to those portions herein agreed upon for which funds shall have been appropriated and budgeted.

ARTICLE XVIII. APPLICABLE LAW

This AGREEMENT shall be construed for all purposes under the laws of the State of New York.

ARTICLE XIX. MACBRIDE PRINCIPLES

The CONSULTANT hereby represents that said CONSULTANT is in compliance with the MacBride Principles of Fair Employment as set forth in Albany County Local Law No. 3 for 1993, in that said CONSULTANT either (a) has no business operations in Northern Ireland or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Principles, and shall permit independent monitoring of their compliance with such principles. In the event of a violation of this stipulation, the COUNTY reserves all rights to take remedial measures as authorized under Section 4 of Local Law No. 3 for 1993, including, but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the CONSULTANT in default and/or seeking debarment or suspension of the CONSULTANT.

ARTICLE XX. REMEDY FOR BREACH

In the event of a breach by CONSULTANT, CONSULTANT shall pay to the COUNTY all direct and consequential damages caused by such breach, including, but not limited to, all sums expended by the COUNTY to procure a substitute contractor to satisfactorily complete the contract work, together with the COUNTY'S own costs incurred in procuring a substitute contractor.

ARTICLE XXI. INVALID PROVISIONS

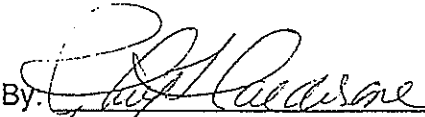
It is further expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid by any court or competent jurisdiction, the invalidity of such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either COUNTY or CONSULTANT in their respective rights and obligations contained in the valid covenants, conditions or provisions in this AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this

AGREEMENT to be executed on the date and year opposite their respective names.

COUNTY OF ALBANY

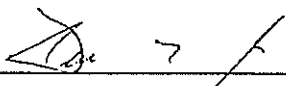
Dated: 3/2/16

By: 
Daniel P. McCoy
Albany County Executive

Philip F. Calderone
Deputy County Executive

SAXBST, LLP

Dated: 2/22/16

By: 
Paul L. Goetz
Sax BST

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the ____ day of _____, 2016, before me, the undersigned, personally appeared Daniel P. McCoy, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the 2nd day of March, 2016, before me, the undersigned, personally appeared Philip F. Calderone, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Michael A. Lalli
NOTARY PUBLIC

STATE OF NEW YORK)
COUNTY OF _____) SS.:

MICHAEL A. LALLI
NOTARY PUBLIC - STATE OF NEW YORK
No. 01LA8322012
Qualified in Albany County
My Commission Expires March 30, 2019

On the 22 day of February, 2016, before me, the undersigned, personally appeared Paul L. Goetz personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Ruth A. Commerford
NOTARY PUBLIC

RUTH A. COMMERFORD
Notary Public-State of New York
01CO6064910
Qualified in Albany County
Commission Expires 10-01-2017

SCHEDULE "A"

INSURANCE COVERAGE

The kinds and amounts of insurance to be provided are as follows:

Worker's Compensation and Employers Liability Insurance: A policy or policies providing protection for employees in the event of job-related injuries.

Automobile Liability Insurance: A policy or policies with limits of not less than \$1,000,000 combined for each accident because of bodily injury, sickness or disease, sustained by any person, caused by accident, and arising out of the ownership, maintenance or use of any automobile for damage because of injury to or destruction of property, including the loss of use thereof, caused by accident and arising out of the ownership, maintenance or use of any automobile.

General Liability Insurance: A policy or policies of comprehensive all-risk insurance with limits of not less than:

Liability For:	Limit:
Bodily Injury	\$1,000,000
Personal Injury	\$1,000,000
Property Damage	\$1,000,000

Professional Liability Insurance: A policy or policies of insurance with limits of not less than \$1,000,000.

EXHIBIT "A"
Consultant's Cost Proposal



Section V - Cost Proposal

Our rate structure is comparable to that of other CPA firms our size. We believe that our approach, however, is more efficient than that of other firms, and allows us to provide the highest quality of service at a reasonable cost. *Our fees will not increase from those quoted, unless there are significant changes in the scope of your operations or in the scope of the work we are asked to perform and as authorized by you in writing.* Our policy is not to surprise you. We will discuss with you, in detail, your requests for any additional professional services and provide you with an estimate of our fees before commencing any additional work.

2015 Hourly Rates

Partner	\$275 - 375
Senior Manager	\$210 - 270
Manager	\$180 - 200
Senior Associate (In-Charge)	\$125 - 160
Associate	\$115 - 125
Support Staff	\$100 - 125

Firm Not-to-Exceed Fees Proposed for Services Provided

Service Description	2015	2016	2017
County financial statement audit	\$ 74,500	\$ 75,500	\$ 76,500
County Single Audit and NYSDOT audit	12,500	12,500	12,500
County Health Department audit	4,000	4,000	4,000
Audit of the Consolidated Fiscal Report in conformance with the guidelines provided by the NYS Office for People with Developmental Disabilities, NYS Office of Mental Health, and NYS Office of Alcoholism and Substance Abuse.	3,000	3,000	3,000
Audit of the Consolidated Fiscal Report in conformance with the guidelines provided by the NYS Office of Mental Health.	3,000	3,000	3,000
Audit of the Times Union Center	14,000	14,500	15,000
Audit of the County Nursing Home	<u>23,000</u>	<u>24,000</u>	<u>25,000</u>
Total service fees	<u>\$134,000</u>	<u>\$136,500</u>	<u>\$139,000</u>
Management letter	--Included in above--		
On-Call Accounting and Reporting Assistance	--Hourly Rates--		

Brief inquiries that do not require significant time and effort do not result in charges. Should we believe that a matter may require significant time and effort, we will discuss the potential cost with you prior to incurring time and/or expense.

"Not-to-Exceed Fees" *What does this mean to the County?* It means the County has a guarantee and an opportunity. The guarantee is the maximum fee SaxBST will charge for our services. The opportunity is for the County to share in the savings if our actual standard charges are less than these proposed fees. If through your preparedness, your cooperation or our efficiencies, etc., our standard charges are less than the total fees proposed here, we will pass those savings on to you.