

# Attachment C: Cost sheet

## Ernst & Young's estimated fees

We are pleased to present the following fee estimates for the annual financial statement audits of the State of West Virginia. Our fee estimates are based upon our understanding of your service needs as communicated by you to the prospective auditors during the CRFP process and as outlined in our Technical Response to your CRFP. Our fee estimates are based upon the quality inherent in our streamlined audit process, experienced professionals and quality control checks and safeguards we have in place. We feel such quality is an attribute that management should cultivate from its auditor, particularly in the current business environment. Such quality is our commitment to all of our clients and would be a central aspect of our continued working relationship with the State.

<b>Cost Proposal for Fiscal Year 2018 (each item is an All-Inclusive Cost):</b>	
CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 75, 85, and 86	\$400,500
Single Audit cost should reflect work for 40 audit findings	525,000
wvOASIS SSAE 16 Service Organization Control 1 Report	55,000
State Rail (separately published audit)	29,000
<b>Total</b>	<b>\$1,009,500</b>
<b>Cost Proposal for Fiscal Year 2019 (each item is an All-Inclusive Cost):</b>	
CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 83 and 84	\$382,800
Single Audit cost should reflect work for 40 audit findings	525,000
wvOASIS SSAE 16 Service Organization Control 1 Report	55,000
State Rail (separately published audit)	29,000
<b>Total</b>	<b>\$991,800</b>
<b>Cost Proposal for Fiscal Year 2020 (each item is an All-Inclusive Cost):</b>	
CAFR cost should reflect any work necessary to audit the implementation of any new GASB's including but not limited to GASB 87	\$384,200
Single Audit cost should reflect work for 40 audit findings	525,000
wvOASIS SSAE 16 Service Organization Control 1 Report	55,000
State Rail (separately published audit)	29,000
<b>Total</b>	<b>\$993,200</b>
<b>Cost Proposal for Fiscal Year 2021 (each item is an All-Inclusive Cost):</b>	
CAFR cost should reflect any work necessary to audit the implementation of any new GASB's	\$375,000
Single Audit cost should reflect work for 40 audit findings	525,000
wvOASIS SSAE 16 Service Organization Control 1 Report	55,000
State Rail (separately published audit)	29,000
<b>Total</b>	<b>\$984,000</b>
<b>Grand Total of Cost Proposal for Fiscal Years 2018, 2019, 2020 and 2021</b>	<b>\$3,978,500</b>

Note: We will absorb out-of-pocket expenses incurred conducting the audit.

Should it become necessary for the State to request Ernst & Young LLP to render any additional services either to supplement the services requested in your RFP or to perform additional work unforeseen at the issuance of the RFP, but necessary to fulfill results required in the RFP, we will provide a written addendum to the contract between the State and Ernst & Young LLP. Any such additional work agreed to between the State and Ernst & Young LLP will be performed at the hourly rates for FY 2018 through FY 2021 according to the schedule below:

Personnel	FY 2018 hourly rate	FY 2019 hourly rate	FY 2020 hourly rate	FY 2021 hourly rate
<b>Partner/Member</b>	\$495	\$505	\$515	\$525
<b>Executive Director</b>	465	474	484	493
<b>Senior Manager</b>	405	413	421	429
<b>Manager</b>	350	357	365	372
<b>Senior</b>	248	253	258	264
<b>Supervisory Staff</b>	196	199	203	208
<b>Staff</b>	152	155	158	161
<b>FAIT Executive Director</b>	475	485	494	504
<b>FAIT Senior Manager</b>	460	469	479	488
<b>FAIT Manager</b>	396	404	412	420
<b>FAIT Senior</b>	248	253	258	264
<b>FAIT Supervisory Staff</b>	196	199	203	208
<b>FAIT Staff</b>	170	173	177	180
<b>Actuary</b>	460	469	479	488

# State of West Virginia

## VENDOR PREFERENCE CERTIFICATE

Certification and application is hereby made for Preference in accordance with *West Virginia Code*, §5A-3-37. (Does not apply to construction contracts). *West Virginia Code*, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Vendor Preference, if applicable.

1.  **Application is made for 2.5% vendor preference for the reason checked:**

Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,

Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or,

Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,

2.  **Application is made for 2.5% vendor preference for the reason checked:**

Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

3.  **Application is made for 2.5% vendor preference for the reason checked:**

Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,

4.  **Application is made for 5% vendor preference for the reason checked:**

Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,

5.  **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**

Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,

6.  **Application is made for 3.5% vendor preference who is a veteran for the reason checked:**

Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

7.  **Application is made for preference as a non-resident small, women- and minority-owned business, in accordance with *West Virginia Code* §5A-3-59 and *West Virginia Code of State Rules*.**

Bidder has been or expects to be approved prior to contract award by the Purchasing Division as a certified small, women- and minority-owned business.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (*West Virginia Code*, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: Ernst & Young LLP / Suttle & Stalnaker, PLLC / Dearlen & Company, A.C.

Signed: 

Date: April 17, 2018

Title: Partner / Member / Owner

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

**CONSTRUCTION CONTRACTS:** Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

**ALL OTHER CONTRACTS:** Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

**EXCEPTION:** The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

**DEFINITIONS:**

**"Debt"** means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

**"Employer default"** means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

**"Related party"** means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

**AFFIRMATION:** By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (W. Va. Code §61-5-3) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Ernst & Young LLP

Authorized Signature: *[Signature]* Date: 04/17/2018

State of West Virginia

County of Kanawha, to-wit:

Taken, subscribed, and sworn to before me this 17 day of April, 2018.

My Commission expires November 18, 2019.

AFFIX SEAL HERE



NOTARY PUBLIC

*[Signature]*

STATE OF WEST VIRGINIA  
Purchasing Division

**PURCHASING AFFIDAVIT**

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"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

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**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Suttle & Stainaker, PLLC

Authorized Signature: [Signature] Date: 04/17/2018

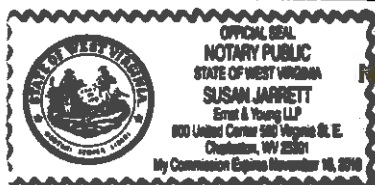
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[Signature]

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**WITNESS THE FOLLOWING SIGNATURE:**

Vendor's Name: Dearien & Company, A.C.

Authorized Signature: *[Signature]* Date: 04/17/2018

State of West Virginia

County of Kanawha, to-wit:

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