



REQUEST FOR PROPOSAL (RFP) FOR INDEPENDENT EXTERNAL AUDIT SERVICES RFP2019-1

RFP Response Due Date and Time:
Wednesday April 10, 2019, at 4:00 p.m. EST

Number of Pages
(Including Cover): 20

Issue Date: March 18, 2019

ISSUING AGENCY INFORMATION

Akwasasne Mohawk Casino Resort
Mohawk Gaming Enterprises
873 State Route 37, Hogansburg, NY 13655

Single Point of Contact (SPOC): Ashley Brown: (518) 358-2222 ext. 2415, abrown@mohawkcasino.com

Website: <http://mohawkcasino.com/resources/business-opportunities>

INSTRUCTIONS TO FIRMS

Mail Sealed Proposal to:

Ashley Brown
Akwasasne Mohawk Casino Resort
873 State Route 37
Hogansburg, NY 13655
Mark Face of Envelope/Package with: RFP2019-1

If hand-delivering Sealed Proposal, return to:

Ashley Brown
891 State Route 37
Casino Administration Bldg - Speedway Plaza
Hogansburg, NY 13655
Mark Face of Envelope/Package with: RFP2019-1

FIRMS MUST COMPLETE THE FOLLOWING AND RETURN WITH BID PROPOSAL

Firm Name/Address:

Email Address:

Phone Number:

Fax Number:

Addendums received (if any):

(Name/Title)

(Signature)

My signature certifies that the, bid as submitted, complies with all Terms and Conditions as set forth in **RFP2019-1**. My signature also certifies that the accompanying bid is not the result of, or affected by, any unlawful act of collusion with another person or company engaged in the same line of business or commerce.

****FIRMS MUST RETURN THIS COVER SHEET WITH RFP RESPONSES****

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1 Purpose and Key Objectives

1.1 Purpose

The Mohawk Gaming Enterprises, LLC dba: Akwesasne Mohawk Casino Resort, herein referred to as “MGE”, is requesting bids from qualified independent certified public account firms having sufficient Casino Gaming accounting and auditing experience to audit financial statements for the property.

1.2 Background Information

The Akwesasne Mohawk Casino Resort is located in Upstate New York situated along the St. Lawrence River and bordering Canada in two provinces both Ontario and Quebec. The Akwesasne Mohawk Casino Resort opened its doors in April of 1999, owned and operated by the Saint Regis Mohawk Tribe (SRMT) and is the number one entertainment venue in the North Country. The casino currently has 1,518 Class III and Class II Vegas style slot machines with 132 Class III machines accepting Canadian currency, 28 table games, Poker room, and bingo hall which holds 500 guests. Restaurant venues include an all you can eat Native Harvest Buffet featuring prime rib and seafood, Sticks Sports Bar that can service up to 160 guests, Rapids Food Court which currently hosts a grill, pizzeria, and a quick serve station, The Maple Steak and Ale; a fine dining restaurant that serves up to 80 guests, as well as Cedars Coffee shop which features Starbucks® beverages. Reflections Gift Shop which sells casino souvenirs, jewelry, locally made artwork and more. Most recently, we opened Maple Brewery, a micro-brewery where the beer is brewed fresh on site. Current Beer flavors are Light Lager, Belgian Witbier, Winter Ale and Double IPA. The Akwesasne Mohawk Casino Resort welcomes over 1.2 million visitors annually both nationally and internationally with a good portion of our customer base coming from Canada. The casino has recently expanded to include 20,000 square feet of additional gaming space, Cascades Lounge, a 150 room hotel with banquet facilities, pool, and spa.

The goal of the Akwesasne Mohawk Casino is to be the first choice for the customer’s casino and gambling entertainment. Based on this goal the Akwesasne Mohawk Casino is focusing on building loyalty and real value for our customers. This is accomplished by being a service-oriented entertainment company who offers attractive benefits and rewards to its customers. MGE is unique among gaming facilities in that we achieve over eighty percent of rated play, exceeding industry standards, therefore, enabling us to truly capitalize on our player database. As we continue to understand our rapidly growing markets, we are looking to partner with a company that is in line with MGE’s goals as a customer service oriented provider.

2 Proposal Preparation Instructions

2.1 Firm’s Understanding of the RFP

In responding to this RFP, the firm accepts the responsibility fully to understand the RFP in its entirety, and in detail, including making any inquiries to MGE as necessary to gain such understanding. MGE reserves the right to disqualify any firm who demonstrates less than such understanding. Further, MGE reserves the right to determine, at its sole discretion, whether the firm has demonstrated such understanding. That right extends to cancellation of award if award has been made. Such disqualification and/or cancellation shall be at no fault, cost, or liability whatsoever to MGE.

Proponents are solely responsible for their own expenses in preparing, presenting or delivering a proposal.

2.2 Good Faith Statement

While MGE has made considerable efforts to ensure an accurate representation of information in this RFP, the information contained in this RFP is supplied solely as a guideline for proponents. The information is not guaranteed or warranted to be absolutely accurate by Mohawk Gaming Enterprise, nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve proponents from forming their own opinions and conclusions with respect to the matters addressed in this RFP.

This document or any portion thereof may not be used for any purpose other than the submission of proposals.

Proponent responses must be signed by an authorized officer of the firm.

Information pertaining to this RFP or any material obtained by the proponent as a result of participation in this proposal is confidential and must not be disclosed without written authorization from MGE.

2.3 Notice of Intent to Participate

The Akwesasne Mohawk Casino respectfully requests that all organizations that have received this RFP to declare their intention to either submit a proposal or decline to submit a proposal by sending a Notice of Intent to Participate to abrown@mohawkcasino.com, no later than 4:00 pm EST on April 2, 2019. The e-mail should contain:

- The Bidder's name;
- Contact information for the bidder's representative;
- An indication of whether or not the bidder intends to submit a proposal by deadline specified in Section 2.7 and
- An explanation if the bidder is opting to decline the opportunity to submit a proposal

2.4 Proposal Submissions

Proposals must be **sealed** and delivered to the Mohawk Gaming Enterprise purchasing department, prior to the closing of 4:00 p.m. on April 11, 2019. Please indicate the Reference Number on your document and envelope.

Mailing Address:
Attn: Ashley Brown – Purchasing Department
Mohawk Gaming Enterprise – ADMIN BLDG
PO BOX 1179
873 State Route 37
Akwesasne, NY 13655

Late proposals received after the closing date and time will be disqualified from competition and returned to the respondent unopened.

Firms are to submit one (1) original copy of proposal marked "Original" and five (5), marked "Copy." Each original and copy must be individually bound.

2.5 Communication

Verbal communication shall not be effective unless formally confirmed in writing by specified procurement official in charge of managing this RFP process. In no case shall verbal communication govern over written communication.

Respondents wishing to amend an already submitted proposal must submit the amendment in writing before the designated closing date/time provided they are properly identified by company name, RFP number and due date.

Firms' inquiries, questions, and requests for clarification related to this RFP are to be directed in writing to:

Mohawk Gaming Enterprise, LLC.
Purchasing Department
PO BOX 1179
Hogansburg, NY 13655
Attention: Ashley Brown
Telephone: (518)358-2222 x2415
Fax: (518)935-9305
E-mail: abrown@mohawkcasino.com

Applicable terms and conditions herein shall govern communications and inquiries between MGE and firms as they relate to this RFP.

Informal Communications shall include, but are not limited to: requests from/to firms or firms' representatives in any kind of capacity, to/from any MGE employee or representative of any kind or capacity **with the exception of Ashley Brown** for information, comments, speculation, etc. Inquiries for clarifications and information that will not require addenda may be submitted verbally to the named above at any time.

Formal Communications shall include, but are not limited to:

- Questions concerning this RFP must be submitted in writing and be received prior to April 2, 2019 via fax 518-935-9305 or e-mail abrown@mohawkcasino.com.
- Errors and omissions in this RFP and enhancements: Firms shall bring to MGE any discrepancies, errors, or omissions that may exist within this RFP. With respect to this RFP, firms shall recommend to MGE any enhancements, which might be in MGE best interests. These must be submitted in writing and be received prior to April 2, 2019.
- Inquiries about technical interpretations must be submitted in writing and be received prior April 2, 2019
- Inquiries for clarifications/information that will not require addenda may be submitted verbally to the Buyer Ashley Brown 518-358-2222 ext. 2415 or via e-mail abrown@mohawkcasino.com at any time during this process.
- Verbal and/or written presentations and pre-award negotiations under this RFP.
- Addenda to this RFP.

Addenda: MGE will make a good-faith effort to provide a written response to each question or request for clarification that requires addenda within three (3) business days.

MGE will not respond to any questions/requests for clarification that require addenda, if received by MGE after April 2, 2019.

2.6 Method of Award

The evaluation of each response to this RFP will be based on its demonstrated competence, compliance, format, and organization. The purpose of this RFP is to identify those firms that have the interest, capability, and financial strength to supply MGE with auditing services as define in the Scope of Work.

All submissions are subject to evaluation after opening and before award of contract. Submissions may be evaluated not only on the submitted price, but also on quality and quantity of services provided and the capacity of the respondent to meet the requirements of the procurement in accordance with the criteria stated in this RFP document. All buying activity will attempt to seek out best value, which maximizes the effectiveness and profitability to Mohawk Gaming Enterprise, LLC.

The Mohawk Gaming Enterprise is not obligated to award the lowest proposal and reserves the right to readdress the requirement should there be reasonable doubt that prices received are not competitive. This RFP implies no obligation on Mohawk Gaming Enterprise, LLC. To accept this response or any response submitted.

The Mohawk Gaming Enterprise reserves the right to award this contract to a single overall bidder for all services further defined in Section (6) Scope of Work and Services of this RFP, or to make awards on the basis of individual services or group of services, whichever shall be considered by the casino to be most advantageous or to constitute its best interest.

2.7 Schedule of Events

The following is a tentative schedule that will apply to this RFP, but may change in accordance with the organization's needs or unforeseen circumstances.

Issuance of RFP	March 18, 2019
Technical Questions/Inquiries/Notice of Intent due	April 1, 2019
RFP Closes	April 10, 2019 (4:00 pm)
Complete Evaluation	April 17, 2019
Final Award Notification	April 24, 2019
Contract to Commence	May 1, 2019

2.8 Selection and Notification

The process MGE is using to select its preferred provider involves evaluating all proposals according to the evaluation criteria defined in Section (3) of this document.

A selection committee representing various business units within MGE will review all proposals and score firms based upon the points set out in Section (3).

From this evaluation, a short list of firms will be selected and may be asked to present and respond to questions from the selection committee designed to evaluate the firms understanding of the MGE.

2.9 Contract Award

The Evaluation Committee will make a final recommendation for the award to the Saint Regis Mohawk Tribal Council. Upon award, the successful Proposer(s) will be required to execute an Engagement Letter in accordance with the Scope of Work and provide a certificate of insurance in conformance with the requirements set forth in the request for proposal within fifteen (15) business days of award. ***No awards are final until signed by the Saint Regis Mohawk Tribal Council.***

3 Proposal Content and Evaluation Criteria

The following represents the principal selections criteria which will be considered during the evaluation process:

3.1 Mandatory Elements

- 3.1.1 The Audit firm is Independent and licensed to practice in New York State
- 3.1.2 The Audit firm's professional personnel have received adequate continuing professional education within the preceding two years
- 3.1.3 The firm has no conflict of interest with regard to any other work performed by the firm for the Saint Regis Mohawk Tribe and its entities
- 3.1.4 The firm adheres to the instructions in this RFP on preparing and submitting the proposal

3.2 Technical Qualifications (Maximum Points 40)

- 3.2.1 The qualifications of the firm's professional personnel to be assigned to the engagement of the firm's management support personnel to be available for technical consultation
- 3.2.2 The firm's past experience and performance on comparable engagements
- 3.2.3 Peer Review Report

3.3 Audit Approach (Maximum Points 40)

- 3.3.1 Adequacy of proposed staffing plan for various segments of the engagement
- 3.3.2 Adequacy of sampling techniques

3.4 All-Inclusive Fees (Maximum 20 points)

- 3.4.1 The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

Please provide any additional offerings or information that would be relevant to this RFP and your capabilities to provide the services requested.

4 Instructions for Completing Proposal Response

4.1 Proposal Document Format

Proposals must conform to the prescribed format described below. Any proposal that deviates from this format may be rejected without review at the MGE's sole discretion. It is requested that proposals be limited to no more than 75 pages, excluding any sample documents and appendices.

Proposal shall contain at a minimum the following items with clearly marked tabs with Table of Contents:

- A. Completed and Signed Request for Proposal Cover Sheet
- B. Transmittal Letter – A signed letter briefly stating the proposer's understanding of the work to be done; the commitment to perform the engagement, and statement that the proposal is firm and irrevocable for 45 days
- C. Technical Proposal – The proposal should follow the order set forth in Section (5) of this request for proposals
- D. Fee Schedule (Appendix A)
- E. Vendor Certification (Appendix B)
- F. Proposed Contract Terms and Conditions – in addition to terms outlined in Section (7)

5 Technical Proposal

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to under-take an independent audit of the MGE in conformity with the requirements of this RFP. The technical proposal should demonstrate the qualification of the firm and/or particular staff assigned to this engagement. Please address all points outlined in the RFP and prepare the proposal simply and economically providing a straightforward, concise description of the proposer's capability to satisfy the requirements of the RFP.

5.1 Independence – Provide an affirmative statement that is independent of the SRMT and it's entities to be audited

5.2 Licensed to Practice – Provide an affirmative statement that indicates that the firm is licensed to practice in the state of New York and all assigned key professional staff are properly registered/licensed and qualified to perform services described in the RFP.

5.3 Firm Qualifications and Experience – Please include at minimum the following in your proposal; state size of the firm, size of the firm's government, tribal, and gaming audit staff, the number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be employed on a part-time basis.

The firm shall also provide information on the results of any federal or state desk reviews or filed reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

Partner, Supervisory, and Staff Qualifications and Experience – Please identify the principal supervisory and management staff and other supervisors and specialist who would be assigned to the engagement and indicate whether each person is registered/licensed to practice as a Certified Public Accountant in New York. The firm also should provide information on the gaming auditing experience each person including relevant continuing professional education. Please also indicate how the quality of staff over the term of the agreement will be assured.

5.4 Prior Engagements – The firm should list separately engagements within the last five (5) years (not to exceed 10), ranked on the basis of total staff hours, by type of engagement (i.e audit, management, advisory services or other.) For each engagement, the firm should indicate the scope of work, date, engagement partners, total hours, the locations of the firm's office from which the engagement was performed, and the name and contact information of the principal client contact.

5.5 Gaming Engagements – For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name an contact information of the principle client contact.

5.6 Peer Review Report – Please include a copy of the most recent Peer Review Report of the accounting firm.

5.7 Specific Audit Approach – Please include a proposed work plan, including an explanation of the audit methodology to be followed to perform the services required. Please reference the sources of information in the work plan. Proposers will be required to provide the following information in their audit approach:

5.7.1 Proposed segmentation

5.7.2 Level of staff and number of hours to be assigned to each proposed segment

5.7.3 Type and extent of sampling techniques to be used

5.8 Report Format – Please include sample formats of required reports.

6 Dollar Cost Bid

The dollar cost bid should contain all pricing information relative to performing the audit engagement as described in the RFP. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs, **EXCLUDING** out-of-pocket expenses. In an instance of a tie on the maximum all-inclusive bid price out-of-pocket expenses will be considered for the tie breaker.

MGE will not be responsible for expenses incurred in preparing and submitting the technical proposal or the dollar cost bid. Such costs should not be included in the proposal. Firms will be required to include:

6.1 Total All-Inclusive Maximum Price - The first page of the dollar cost bid should include the following:

6.1.1 Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with MGE

6.1.2 A total all-inclusive maximum price for the three (3) year engagement

6.1.3 Estimated out-of-pocket expenses

6.2 Rates by Partner, Specialist, Supervisory and Staff levels – The second page of the dollar cost bid should include a schedule of professional fees and expenses by work segment presented in the format provided in Exhibit A that supports the total all-inclusive maximum price. **Please note because of the possibility of this bid being awarded based on individual services or group of services to multiple firms, the rates quoted should not be presented as general percentage of the standard hourly rate or as a gross deduction from the total all-inclusive maximum price. Each firm must provide a cost estimated based on individual scope item identified in the bid.**

6.3 Out-of Pocket Expenses – All estimated out-of-pocket expenses to be reimbursed should be presented in the dollar cost bid in the format provided and totaled separate. All Travel and Expense reimbursements will be charged against each individual project scope item and the sum of all shall not exceed the total of all maximum out-of-pocket expenses submitted by the firm.

6.4 Rates and Additional Professional Services – If it should become necessary for MGE to request the auditor to render any additional services, to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued, then such additional work shall be performed only if set forth in an addendum to the contract between MGE and the firm. Any such additional work agreed to shall be performed at the same rates set forth in the schedule of fees and expenses included in the dollar cost bid.

7 Contract Provisions

7.1 Original RFP Document

This RFP should not be construed as a contract to purchase goods or services. MGE will not be obligated in any manner to any proponent whatsoever until a written contract has been duly executed relating to an accepted proposal. The successful firm will be required to sign a contract upon award.

7.2 Contract Approval

This **RFP2019-1** does not, by itself, obligate the MGE or any of its departments to the use of any of proposed services until a valid written contract is awarded and approved by the appropriate authorities. Upon written notice to the firm, the MGE may set a different starting date for the contract. The MGE will not be responsible for any work completed by the firm, even work done in good faith, if it occurs prior to the contract start date set by the MGE.

7.3 Proposal as Part of the Contract

All of this **RFP2019-1** and the successful proposal shall be considered to be incorporated into the contract. MGE shall retain the RFP, and all related terms and conditions, exhibits and other attachments, in original form in an archival copy. Any modification of these, in the firm's submission, is grounds for immediate disqualification.

7.4 Electronic Means

This **RFP2019-1** is being made available by electronic means. If accepted by such means, the bidder acknowledges and accepts full responsibility to ensure that no changes are made to this **RFP2019-1**. In the event of conflict between a version of the **RFP2019-1** in the bidder's possession and the version maintained by MGE, the version maintained by MGE shall govern.

7.5 Tax Exempt

MGE is not responsible for and will not pay local, State, or Federal taxes. Our New York State tax exemption number is #EX-152433.

7.6 Replacement of Personnel

- 7.6.1** When specific persons have been named in the Contract as the persons who must perform the Work, the Firm shall provide the services of the persons so named unless the Firm is unable to do so for reasons beyond its Control.
- 7.6.2** If at any time the Firm is unable to provide the services of any specific person named in the Engagement Letter, it shall provide a replacement person with similar qualifications and experience.

7.6.3 The Firm shall provide notice, at least thirty (30) days in advance, where possible, upon which a replacement person is to commence work. Please include at minimum the reason for the removal of the named person from the Work and the name, qualifications and experience of the proposed replacement person.

7.6.3.1 MGE shall have fifteen (15) calendar days after receipt of the notice to review the proposed replacement person for purchases of acceptance. If the Firm is not notified within this 15-day period, the proposal shall be considered as having been accepted.

7.6.4 In no event shall the Firm allow performance of the Work be performed by an unauthorized replacement person and acceptance of a replacement person by MGE shall not relieve the Firm from responsibility to meet the requirements of the Engagement Letter.

7.6.5 MGE may order the removal of any such replacement person and the Firm shall immediately remove the person from the Work and secure a further replacement in accordance with the above subsections.

7.6.5.1 The fact that MGE may order the removal of a replacement person from the Work shall not relieve the Firm from its responsibility to meet the requirements of the Engagement letter.

7.7 Outside Consultants

MGE shall reserve the right to approve or disapprove the use of particular Subcontractors.

7.8 Termination

The parties agree that either the MGE or Firm through written notice may terminate Firm's engagement under this Agreement at any time with or without cause upon giving written notice to the other party. The MGE shall pay Firm for all services performed by Firm through the date of termination and shall not affect any rights or obligations which have accrued prior thereto or in connection therewith.

7.9 Consulting Fee

MGE shall pay to the Firm, as compensation for the services to be rendered, a total all-inclusive fee and shall not exceed to sum of \$___ as compensation for the services to be rendered **excluding** travel related expenses.

During the duration of this Agreement, Firm will perform the services described in the Scope of Services. Any services that are not specifically set forth in the Agreement shall be considered out of the Scope of Services. Charges for services provided by the Firm for MGE's benefit, which are outside the Scope of Services, **must** be approved in advance by MGE, and will be billed at the negotiated hourly rate. Firm warrants that such hourly rate is no higher than the Firm's current hourly rate for services similar in nature covered by this Agreement.

7.10 Firm Cost and Expenses

The Firm shall be responsible for all costs and expenses incurred relative to the Firm, personnel of the Firm and subcontractors of the Firm, in connection with the performance of the services, including without limitation, payment of salaries, fringe benefits contributions, payroll taxes, withholding taxes and other taxes and other taxes or levies, office overhead expenses, telephone and other telecommunications expense, and document reproduction expenses.

Cost for transportations, lodging, meals and incidental expenses incurred by Firm personnel on official company business are allowable and billed as incurred at cost, subject to the limitations contained in this subsection:

- 7.10.1** Cost incurred for lodging, meals, and incidental expenses shall be considered to be reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rate as follows:
 - 7.10.1.1** Maximum lodging per day/per person not to exceed one hundred twenty dollars (**\$120.00**)
 - 7.10.1.2** Cost for transportation shall be considered to be reasonable and allowable only to the extent that it does not exceed:
 - 7.10.1.2.1** The standard mileage rate published by the IRS for use of personal vehicles for business purposes(<http://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates>)
 - 7.10.1.2.2** Rental vehicles going rate at time of travel for a Standard classification (intermediate medium to full size)
 - 7.10.1.3** Airfare going rate at time of travel for business class
- 7.10.2** On property hotel rooms are available at a discounted rate upon request. Notify Purchasing via e-mail (purchasing@mohawkasino.com) the booking dates, number of rooms, and guest name to ensure you receive the discounted rate prior to making reservations with hotel front desk.

7.11 Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the agreement and out-of-pocket expenses billed as incurred in accordance with the guidelines set in this RFP. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld pending delivery of the firm's final reports.

Each invoice(s) shall be itemized by Scope item and project milestone, identify the Purchase order number, indicate the balance left on the contract per project based on firm's dollar cost bid proposal, and include the dates of work performed. Any travel related expenses must be presented itemized by travel dates and show unit price or per diem rates charged for that billing cycle.

7.12 Insurance

The Firm, at its sole cost and expense, shall provide proof of insurance, upon execution of this Agreement by submitting a Certificate of Liability Insurance to MGE. As a minimum, the Firm shall provide and maintain the following coverage and limits and identify MGE as an additional insured on such Certificate:

- 7.12.1 Worker's Compensation:** The Firm shall provide and maintain statutory Worker's Compensation Insurance and Employers' Liability coverage for all of its employees who will be engaged in the performance of this Agreement, including special coverage extensions where applicable, as required by the laws of New York. Employers' Liability limits of \$1,000,000.00 each accident or occupational sickness or disease shall be required.

7.12.2 Commercial General Liability: The Firm shall provide and maintain Commercial General Liability Insurance on an “Occurrence Basis” with limits of liability not less than \$1,000,000.00 per occurrence and/or aggregate combined single limit,

7.12.3 Automobile Liability: The Firm shall provide and maintain Automobile Liability Insurance with limits of liability of not less than \$1,000,000.00 per occurrence combined single limit Bodily Injury and Property Damage. Coverage shall include all owned, non-owned and all hired vehicles.

7.12.4 Requirements: Providing and maintaining adequate insurance coverage is a material obligation of the Firm and is of the essence of this Agreement. All such insurance shall comply with laws of New York State. Insurance shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in New York State. The Firm shall comply, at all times, with the terms of such insurance policy(s) and all requirements of the insurer under such insurance policy(s), except as they may conflict with the laws of New York State or this Agreement. The prescribed limits of coverage within each insurance policy(s) maintained by the Firm shall not be interpreted as limiting the Firm’s liability and contractual obligations under this Agreement.

7.13 Indemnification and Hold Harmless

The Firm agrees to indemnify, defend and hold MGE, its officers, directors, agents, employees and other related parties harmless from and against any and all liabilities, damages, losses, expenses, claims, demands, suits, fines or judgments that include reasonable attorney’s fees, costs and expenses, incidental thereto, which may be suffered by, accrued against, charges to or recoverable from any MGE indemnities, by reason of any claim arising out of or relating to any act or error or omission, or misconduct of the Firm, its officers, directors, agents, employees or subcontractors.

7.14 Independent Contractor

The Firm shall at all times be deemed an independent contractor wholly responsible for the manner in which it performs the services, and fully liable for the acts and omissions of its employees, sub consultants and agents. Under no circumstances shall this Agreement be construed as creating an employment, agency, joint venture or partnership relationship between MGE and the Firm, and no such relationship shall be implied from performance of this Agreement.

7.15 Warranty

As an inducement for MGE to enter into this Agreement, the Firm represents and warrants to MGE that all services, work and deliverables to be performed hereunder shall be performed by the Firm in a professional and workmanlike manner, in accordance with the highest industry standards.

7.16 Force Majeure

Neither party shall be liable for any failure to perform its obligations under this Agreement if prevented from doing so by a cause(s) beyond its control. Without limiting the generality of the foregoing, such cause(s) include Acts of God, or the public enemy, fires, floods, storms, earthquakes, riots, strikes, lockouts, wars or war operations, restraints of government or other cause(s) which could not with reasonable diligence be controlled or prevented by the party.

7.17 Confidentiality Statement

This document contains information (and the Firm may have access to) confidential information of the MGE, including, but not limited to; organization, financial, patron data, marketing information, business operations, intellectual property, plans, collectively the “Confidential Information”. The Firm is authorized to use the Confidential Information solely in connection with the preparation of a response to a RFP, and fulfillment of any resulting purchase order or contract award. The Firm will not directly or indirectly use the Confidential Information beyond the scope of the authority granted by MGE or disseminate, disclose or in any way reveal the Confidential Information or any part thereof, except upon the express written approval of MGE. Reproduction of any section of this document must include this legend. The Firm’s obligations (including its current and future officers) under this proposal and any resulting purchase order or contract award, shall survive the termination or expiration of such.

7.18 Compliance with Law

The Firm shall comply with all applicable federal, New York State, Tribal laws, regulations and local ordinances in the performance of this Agreement.

7.19 Governing Law

All questions with respect to the interpretation of this Agreement and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the Saint Regis Mohawk Tribal law and Contractor consents to the jurisdiction of the Saint Regis Mohawk Tribal Court. If there is no applicable Tribal law, then Federal law shall be applied and if there is no applicable Federal law then New York State law shall apply.

7.20 Entire and Binding Agreement

This Agreement shall constitute the entire agreement between the parties and may not be modified, amended or changed except by a writing signed by all parties to this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto, provided that this Agreement shall not be assigned by either party without prior written consent of the other party.

8 Financial Overview

8.1 MGE 401(k) Plan

The MGE plan is a defined contributing plan covering all employees of the MGE and is subject to provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). MGE is the Plan's sponsor and serve as the plan administrator. The plan is considered a Pension Trust Fund of the Te Wa' tha ho'n:ni Corporation. Employees of the MGE are eligible to participate in the Plan after completing three (3) months of service in which at least one (1) hour is worked. Participants must complete at least one (1) year of service during which the employee has worked a minimum of 1,000 hours of service ,and be employed as of the last day of the Plan year, to be eligible to receive employer contribution. Participants may contribute up to the maximum amount allowed by section 402(g) of the Internal Revenue Code during any taxable year. The MGE, at its discretion may make matching contributions to the Plan on behalf of each employee who makes contributions. The amount, if any, shall be based on a uniform percentage of the employee's contributions and shall be at a rate not to exceed eighty (80%). The MGE's contribution totaled (\$494,735.00) for the year ended December, 31, 2018 and the employee contributions were (\$1,040,362.00).

Prudential will prepare the Form 5500 for the year ending December 31, 2019.

8.2 MGE Financial Highlights

Fiscal Year ending 2018 net revenues were approximately \$111 million and operating expenses were \$ 76 million.

8.3 Financial Software

MAS 500 (Sage Product) utilized for inventory, purchase order, accounts payable, financial accounting, Prophix Version 12 reporting and budgeting, FAS fixed assets, Paperless Business (eRequester) paper requisition system with built in work flow process for approval purposes.

9 Client Responsibilities

- 9.1** Prepare the External Financial Statements, Management Discussion and Analysis and disclose in notes to the financial statements the date through which subsequent events have been considered;
- 9.2** The subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors;
- 9.3** Auditor's schedule is dependent on client completion of the year-end closing and adjusting process prior to auditors arrival to begin the fieldwork;
- 9.4** Provide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit;
- 9.5** Provide working space and use of phone lines and internet access;
- 9.6** Promptly follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit finding and corrective action plan;

10 Nature of Services

The SRMT and MGE are committed to quality financial reporting, maintaining adequate systems of internal control, and proper stewardship of its funds. The work shall be performed to auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

10.1 Auditing Standards and Assurances

The Auditor shall conduct their examination and render their report in accordance with:

10.1.1 American Institute of Certified Public Accountants “Code of Professional Conduct”;

10.1.2 Generally accepted accounting principles accepted in the United States of American

10.1.3 Specification of the Tribal Gaming Commission and New York State Gaming Commission and any revisions effective during the audit period. This includes the procedures required for the Mohawk Gaming Enterprises, LLC

10.2 Audit Activities

The audit firm should schedule the visitation dates. Each of the following shall be completed by the auditor no later than the dates indicated;

10.2.1 Interim Work – Completed by 12/1/19

10.2.2 Detailed Audit Plan – Sent by 12/31/19

10.2.3 Field Work – Completed by 02/28/2020

10.2.4 Preliminary Draft Annual Audit Report – Prepare and Submit to the Director of Finance a preliminary draft and recommendations to management by the of the field work following the year under review and shall be available to review the draft report with the SRMT’s Audit Committee prior to submission of the completed report

10.2.5 Final Annual Audit Report and Management Letter – By 04/15/2020 following the year under review, the audit firm shall deliver to the Director of Finance twenty-five (25) bond copies of the final audit report. Report preparation, editing, and printing shall be the responsibility of the auditor

10.2.6 Entrance and Exit Conferences – At a minimum, the following conference should be held and indicated on the schedule:

10.2.6.1 *Initial Meeting* - The purpose of this meeting will be to advise MGE of the interim work to be performed. This can be planned in conjunction with the 1st site visit. This meeting will also be used to establish overall liaison for the audit and other needs of the auditor.

10.2.6.2 *Exit Conference with SRMT* - The purpose of this meeting will be to summarize the results of the field work for MGE and to review significant findings in written reports and shall be completed prior to the issuance of the final report.

10.2.7 Consultation on Report Findings and Recommendations – The audit firm shall be available for attendance at the Audit Committee and board/community meetings as may be necessary to present or discuss the final report. Tentative dates XXX

10.2.8 Additional Work

10.2.8.1 *Examination of Internal Controls* – due by 04/15/2020

10.2.8.2 *MICS Agreed Upon Procedures* – due by 04/15/2020

10.2.8.3 *401K Audit and Financial Statements* – due by 06/30/2021

10.3 Working Paper retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of seven (7) years from the financial statement date unless the firm is notified in writing by MGE of the need to extend the retention period. The auditor will be required to make working papers available, upon request to the MGE or their designees.

In addition, the firm shall respond to the reasonable inquiries of successor auditors, and allow successor auditors to review working papers relating to the matters of continuing accounting significance.

10.4 Scope of Work

MGE is a component unit of the Te wa' tha ho'n:ni Corporation an entity of the SRMT. MGE requires a separate independent audit of financial statements. The audits performed under the RFP shall cover the following periods:

January 1, 2019 – December 31, 2019

January 1, 2020 – December 31, 2020

January 1, 2021 – December 31, 2021

MGE requires a full audit package, which includes but is not limited to the following:

- 10.4.1** Perform an annual audit in order to express an opinion as to the fair presentation of the required financial statements, including management discussion and analysis. The Auditor's management letters shall be addressed to Tribal Council, Board of Directors of the Te wa' tha ho'n:ni Corporation, and shall include all known reportable conditions, including known reportable conditions from a prior audit which have not been corrected; separately identify any reportable conditions which are also material weaknesses; and include conditions discovered by the auditor that are not reportable conditions but the auditor chooses to report to management;
- 10.4.2** Prepare audited financial statements for public distribution and present to the community;
- 10.4.3** Review internal controls and prepare a management letter that addresses any material weakness to the SRMT Audit Committee and Tribal Council;
- 10.4.4** The Auditor shall immediately report all irregularities and illegal acts or indications of illegal acts to the SRMT Audit Committee. If in the Auditor's opinion the irregularities or illegal acts are of sufficient significance, they shall be reported to the Tribal Council.
- 10.4.5** If requested, the Auditor shall attend the meetings (if already on-site in person or via teleconference) of the SRMT's Audit Committee and/or Tribal Council and shall report on the progress of the audit.
- 10.4.6** The Auditor shall be available to provide incidental or insignificant assistance to audit or accounting inquiries of other natures throughout the Engagement Letter. Fees for incidental or insignificant assistance in these regards shall be included as part of the Engagement Letter cost.
- 10.4.7** The Auditor agrees that the firm and all auditors working on the audit are independent of the MGE in accordance with Government Auditing Standards and shall comply with all Federal, New York State, Local, and Tribal laws and regulations in the performance of this engagement. The Auditor agrees to disclose to the MGE the presence of litigation against the MGE, which could impair the Auditor's independence or ability to perform the audit.
- 10.4.8** The Auditor agrees that the firm shall provide continuing professional education in subjects directly related to the tribal casino gaming environment and to government auditing to all auditors assigned to the engagement and in compliance with Government Auditing Standards.

Documentation of the CPE records for all audit participants shall be furnished to the SRMT upon request.

- 10.4.9** The Auditor agrees to participate in an external quality review program and agrees that if the Auditor's work is referred to a professional organization for review, the Auditor waives the right to confidentiality to permit the professional organization to inform the SRMT of its findings.

10.5 Scope Requirements

- 10.5.1** SRMT desires the audited of Mohawk Gaming Enterprise, LLC's (MGE) financial statements, which comprise the statement of net position as of December 31, 2019, and subsequent years of the contractual obligation, and related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements in accordance with generally accepted auditing standards as defined by the American Institute of Certified Public Accountants (AICPA), and any revisions effective during the audit period and Specifications of the Tribal Gaming Commission and New York State Gaming Commission and any revisions effective during the audit period to include the procedures required for MGE;
- 10.5.2** Audit of MGE's Financial Statement of the 401(k) Plan and Non-Attest Services, which comprise the statements of net position available for benefits as of December 31, 2019 and the related statement of changes in net position available for benefits the year then ending, and related notes to the financial statements in accordance with U.S. general accepted auditing standards except that, as permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) rules and regulations for reporting and disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). The audit firm will not perform any auditing procedures with respect to information prepared and certified to by Frontier Trust Company, the custodian, in accordance with DOL 29 CFR 2520.103-5, other than comparing the information with the related information included in the financial statements and supplementary information. The form and content of the information included in the financial statements and supplementary information, other than that derived from the information certified to by the custodian, to include: Assets (Held at End of Year) and Assets (Acquired and Disposed of Within the Year), Loans or Fixed Income Obligations in Default or Classified as Uncollectible, reportable transactions, non-exempt transactions, delinquent participant contributions will be audited by the firm in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) to include tests of MGE accounting records and other procedures necessary to enable firm to express an opinion that they are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. The Audit firm will assist MGE in drafting the financial statements and related footnotes as of and for the year ending December 31, 2019 and subsequent years of the contractual obligation;
- 10.5.3** Provide a report of independent accountants on the application of agreed-upon procedures and MGE's compliance with SRMT Tribal Gaming Commission Minimum Internal Control Standards (the MICS) for the year ending **December 31, 2020** and every third year of the contractual obligation to be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and with MICS Section 543.23(d);

11 Vendor Certification

This certification attests to the Firms’s awareness and agreement to the content of this RFP and all accompanying calendar schedules and provisions contained herein.

The Firm must ensure that the following certificate is duly completed and correctly executed by an authorized officer of your company.

This proposal is submitted in response to Request for Proposal for Independent Auditing Services issued by the Mohawk Gaming Enterprise, LLC. The undersigned is a duly authorized officer, hereby certifies that:

(Firm Name)

Agrees to be bound by the content of this proposal and agrees to comply with the terms, conditions, and provisions of the referenced Request for Proposal (RFP) and any addenda thereto in the event of an award. Exceptions are to be noted as stated in the RFP. The proposal shall remain in effect for a period of 45 calendar days as of the Due Date of the RFP.

The undersigned further certify that their firm (check one):

IS

IS NOT

Currently debarred, suspended, or proposed for debarment by any Federal entity. The undersigned agree to notify the Mohawk Gaming Enterprise of any change in this status, should one occur, until such time as an award has been made under this procurement action.

Person[s] authorized to negotiate on behalf of this firm for purposes of this RFP are:

Signature of Authorized Officer:

Name: _____ Title: _____

Signature: _____ Date: _____

APPENDIX A

RFP2019-1 BID PROPOSAL FORM

Refer to MGE provided Excel file "RFP2019-1 Cost Bid Sheet"