

OHIO TURNPIKE COMMISSION

682 Prospect Street
Berea, Ohio 44017

ADDENDUM NO. 1

**REQUEST FOR PROPOSALS FOR
CONTRACT COMPLIANCE AND OTHER
MISCELLANEOUS AUDITING SERVICES**

ISSUE DATE:

July 3, 2012

INQUIRY END DATE:

5:00 p.m. (E.D.T.), July 25, 2012

OPENING DATE:

2:00 p.m. (E.D.T.), August 2, 2012

ATTENTION OF RESPONDING FIRMS IS DIRECTED TO:

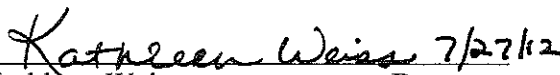
**ANSWERS TO QUESTIONS RECEIVED THROUGH
THE END OF THE INQUIRY PERIOD, JULY 25, 2012**

**CHANGES TO THE RFP CONTRACT COMPLIANCE AND OTHER MISCELLANEOUS
AUDITING SERVICES**

PAGE 4

Issued by the Ohio Turnpike Commission July 27, 2012. Issuance authorized by Robin Carlin, Acting Executive Director, and Kathleen Weiss, General Counsel.


Robin Carlin
Date 7/27/12


Kathleen Weiss
Date 7/27/12

Q#1 Has the Ohio Turnpike Commission used an audit firm(s) for these services in the past?

A#1 Yes.

Q#2 If outside firms have been utilized in the past, what has been the typical hourly rate expected and / or incurred?

A#2 Hourly rates have generally ranged from \$88 00 to \$195 00, reflecting the wide range of project assignment complexity. In most previous cases, the "not to exceed" amounts are mutually agreed upon project by project basis.

Q#3 If possible, would the Commission be willing to share a typical report with us in order to further establish expectations?

A#3 The Commission's expectations are based on the Selected Firm's Proposal and the project assignment. Past reports are not an accurate baseline representation of the unique work product called for under each project's objectives.

Q#4 The request for proposal generally speaks to a 3-year initial contract with the option for a renewal for a period of 2 years; however, on page 4 of the request (first paragraph), the period is noted as a 2-year initial contract with the option for a renewal for a period of 2 years. Would you please confirm the formal term (initial 3 years) is the expectation?

A#4 The term is a three (3) year initial contract with an optional (2) year renewal period. This Addendum No. 1 corrects the RFP to reflect the desired three (3) year term and optional two (2) year renewal period.

Q#5 With the understanding that the firm selected will perform the contact compliance and other auditing services, will the firm selected also be designing the procedures to be performed and establishing the scopes and materiality thresholds, or will these procedures and related scopes and materiality thresholds be designed by representatives of the Ohio Turnpike Commission?

A#5 In general, it will be the responsibility of the Selected Firm to design the procedures utilized to meet the specific objectives of each project assignment. Depending upon the complexity and specific nature of the project, however, it is anticipated that Ohio Turnpike personnel will also assist with the development of procedures to be performed. The threshold for identifying audit findings to report to the Commission will be mutually agreed upon at the outset of each project engagement.

Q#6 Will any of the firms proposing have an opportunity to present the proposal submitted, or will this only be at the request of the Commission as indicated in the RFP?

A#6 The Commission will not entertain presentations, but it does reserve the right to require Responding Firms to submit additional written or oral clarification of their Proposals and to meet with any, but not necessarily all, of the Responding Firms to obtain additional information and/or clarifications See PART XII of the RFP.

**Q#7 We have only one area on which we request clarification: Part I – Background Information: “...services to be performed...for a period extending for two (2) years ...with the possibility of one (1) two-year renewal.
Part VII – Term and Hours: “...contract ...shall commence upon the date of execution and continue for three (3) years ...(and) renew for a period of two (2) additional years.
Regardless of whether the potential contract length is 4 years or 5 years you will receive our RFP response for your consideration no later than the August 2nd deadline.**

A#7 See response to Q#4.

Q#8 Why is the Commission issuing the Request For Proposals (RFP)? Are you looking to switch providers or is it required because the contract period has ended with the current provider?

A#8 The contract period with the previous firms recently expired, and, as a matter of policy, the Commission periodically tests the market for obtaining the various types of personal and professional services it requires.

Q#9 What firm is currently providing the requested services?

A#9 The firms formerly providing the services described in the RFP to the Commission were Ciuni & Panichi and Experis.

Q#10 Has the current provider been issued an RFP and will they be considered in the selection?

A#10 Yes. If the previous contract compliance and miscellaneous audit service providers submit a Proposal, they will be considered.

Q#11 How many firms have been sent an RFP?

A#11 Thirty-Seven (37) firms have been sent an RFP

Q#12 What is the current rates the Commission is paying at each level of professional and what is the approximate average rate per project?

A#12 See response to Q#2.

Q#13 Is the contract period for two or three years? (Page 4 of the RFP states two years from the execution of the contract. Page 6 states three years from the date of execution.)

A#13 See response to Q#4.

Q#14 On average, over the past several years how many services have been performed annually?

A#14 One (1) to two(2) engagements annually. Total engagements are not expected to exceed four per year.

Q#15 What have been the annual fees paid over the past three years to the current provider?

A#15 Approximately \$30,000.00.

Q#16 On average, how long does each service performed take?

A#16 Each project assignment is unique. The services could involve an engagement from approximately one (1) month to several months per assignment

Q#17 How far in advance are the services scheduled and when do they generally occur?

A#17 The various audits can occur at anytime. The Commission is, however, sensitive to the busy season for auditing firms and tries not to overburden the Selected Firm at those times

Q#18 Can you provide an example report from a previous service performed?

A#18 See response to Q#3.

Q#19 In the Commission's evaluation of the RFP's, which factors as described in Part XII – Consideration and Evaluation of Proposals will be weighted most in the decision?

A#19 The Commission reserves the right to determine the appropriate weight for each criteria in choosing the best overall Proposal.

Q#20 What firm or firms currently provide services similar to those requested in the RFP? If more than one firm provides services, please identify what audit areas they focus on (construction, concession, PSCs, misc)?

A#20 See response to Q#9 Both are qualified to perform all project assignments contemplated by the RFP

Q#21 How long have the firm or firms provided these services for the Commission?

A#21 The previous Contracts had a term of two (2) years with an option to renew for an additional two (2) year period. The Contracts were extended for two (2) additional years beyond the renewal period into the Spring of 2012

Q#22 Please provide a copy of the current agreement for these similar services.

A#22 See the attached copies of the recently expired Contracts.

Q#23 What is the total amount of professional fees paid for similar services for the last 3 years? Any significant concentration of fees among 4 service areas?

A#23 See response to Q#15.

Q#24 How many average hours has the Commission utilized each year for similar services?

A#24 See responses to Q#2 and Q#14 The number of hours per engagement depends on the project assignment

Q#25 What are the billing rates that the Commission has paid for similar services in the past?

A#25 See response to Q# 2

Q#26 Are different billing rates used for different services? If so, provide rate schedules for each service.

A#26 Budgets for each project assignment utilizing the hourly rates established under the Contract with the Selected Firm are negotiated separately in advance based upon the general nature and anticipated complexity of the work. See response to Q#2

Q#27 When is the work typically performed by the contractor? Once a year during month of X, every month, Quarterly, etc? Looking to get an idea of when our resources would be deployed.

A#27 Assignments seldom require immediate deployment of audit firm resources. See responses to Q#14 and Q#17

Q#28 What is the overall annual budget for similar services going forward?

A#28 \$30,000.00 to \$50,000.00

Q#29 Please clarify the longest available (with options) term of this contract Part 1 – suggests 3 years; Part VII suggests 5 years?

A#29 See response to Q#4

Q#30 Have any amendments been made to the RFP? If yes, please provide a copy of amendments.

A#30 This Addendum No. 1 is currently the only Addendum to the RFP

Q#31 When will Q&A responses be available considering time line between July 25 and August 2? Any likelihood of extension of due date?

A#31 No extension of the Opening Date is anticipated at this time

Q#32 Part XV - General terms and conditions – Does the Commission have a process for negotiating terms and conditions of the contract? What information is important to communicate in the RFP process about any suggested revisions in the terms and conditions?

A#32 The RFP invites Responding Firms to explain any concerns or request adjustments in their Proposal. See PART IX.

Q#33 Construction Contracts - How are the construction contracts typically structured for road, toll systems, concession buildings? Fixed, cost –plus? Describe the role and process of the Commission in reviewing contract bills?

A#33 In accordance with state law, construction contracts are awarded to the lowest responsive and responsible bidder based on either unit price or lump sum bid items. Final contract amounts in unit price contracts may vary based upon final in-place quantities. Lump sum contract amounts are based upon a total price for a fixed scope of Work. The Commission routinely retains the services of a Consulting Engineer, Architect/Engineer or Construction Manager to manage the contract. This will include field verification of Contract quantities and Work performed. This information is provided to the Commission on a certified application for payment. The Commission's project engineer and Chief Engineer will have final review and approval of each payment application

Q#34 Concession Contracts – Do concession entities provide detailed reporting with the remission of periodic payments to the Commission? Please describe what they submit regularly vs what would need to be requested for audits.

A#34 Itemized monthly reports are required from Concession Operators at the Service Plazas. While Concession Operator's payments may contain various elements of supporting detail, for auditing purposes more extensive materials are typically required to perform the contemplated projects under the RFP including: point-of-sale system tapes and reports, timesheets, inventory records, sales tax records, etc

Q#35 Concession Contracts – What are the typical terms for concession/PSC contracts (years) by type? 5 years, 10 years?

A#35 Food and retail Concession contracts vary in term. Concession services requiring minimal startup costs (e.g., vending operations) typically have shorter terms (e.g., initial two (2) year terms with renewal options of similar duration). Those concession operations requiring significant investments on the Concessionaire's behalf (e.g., typically carry longer terms (e.g., restaurant operations) initial terms of seven (7) years with renewal periods generally extending the Contract up to five (5) additional five (5) year terms). Personal service contracts are typically task based, and the term is defined by the amount of time necessary to complete the services

Q#36 Contract Compliance – Please describe any typical errors discovered from contract auditing process historically.

A#36 Typical audit findings include time reporting errors, labor rate errors, errors in overhead rate tabulation, pricing discrepancies, over statements/understatements in sales computations.

Q#37 Contract Compliance – Is there an internal function for contract compliance? Is this RFP augmenting the capabilities of the internal process or in lieu of internal function?

A#37 The services contemplated under the RFP will augment the Commission's internal auditing processes

Q#38 PART V – Historically, what has been the extent of traveling to contractor office facilities – Are they in Ohio?

A#38 Historically, extensive travel has not been necessary. While travel outside of Ohio may be necessary in extenuating circumstances, it is not generally expected for the projects contemplated under the RFP

Q#39 PART V – Can you provide a link to the Commission Travel Policy?

A#39 A copy is attached

**Q#40 Page 4 – Part II A. i – Construction Contracts
Does the OTC have a contractual right to evaluate contractor internal controls?**

A#40 Yes.

Q#41 What areas of contractor internal controls would be evaluated?

A#41 Controls subject to evaluation will vary widely based upon the nature of the project assignment, but, generally, may include any aspect that impacts the tabulation of what the Commission is either owed or invoiced

Q#42 Are all of the contractors local?

A#42 No; however, most have facilities in Northern Ohio, but some are out of state.

Q#43 Will we be provided with an internal control flow chart or documented process of how the OTC handles change order approval?

A#43 Yes

**Q#44 Page 4 – Part II A. ii – Concession Contracts
Will we be provided with the concession contracts from which to audit for contractual compliance?**

A#44 Yes.

Q#45 Where are the concessionaire records maintained?

A#45 Either at the Commission's Service Plazas or the respective offsite offices of the concessionaires, contractors or service providers.

Q#46 What areas of concessionaire internal controls would be evaluated?

A#46 See response to Q#41.

Q#47 Page 5 – Part II A. iii – Professional Service Contracts

Will we be provided with the professional service contracts from which to audit for contractual compliance?

A#47 Yes

Q#48 Where are the professional service records maintained?

A#48 See response to Q#45

Q#49 Page 6 – Part V – On Site Work

Can we be provided with the OTC Travel Policy?

A#49 See response to Q#39.

Q#50 Is travel to/from job sites or contractor offices billable at standard rates?

A#50 See response to Q#39

Q#51 General Questions:

Has the OTC ever entered into such a compliance audit contract prior to this?

A#51 Yes

Q#52 What is the engagement deliverable? Written report, oral presentation, or copy of workpapers?

A#52 Typically, a written report along with a project "close-out" meeting or teleconference.

Q#53 What is the name of the accounting software used by the OTC?

A#53 Ross Systems, Inc

Q#54 Would we be able to download applicable databases pertaining to the contracts to be examined?

A#54 To certain ends, this may be possible, but it has not been necessary in the past.

Q#55 Legitimacy of change orders would be determined by whom? OTC officials or retained independent construction consultant?

A#55 The Commission's officials determine legitimacy of change orders.

Q#56 What is the term of the proposed contract? There seems to be inconsistent contractual language in the RFP and proposed contract.

A#56 See response to Q#4.

Q#57 Can we make an oral presentation to the OTC Board that would allow us to introduce our engagement team as well as expound on our qualifications and experience and permit the OTC Board to make any further inquiries?

A#57 See response to Q#6

Q#58 On page 4, the term of award is described as four years (2 year term and the possibility of one 2-year renewals). On page 6, the term of award is described as a five years (3 year term with one 2-year renewal option). Can the Commission please clarify the expected term of the award?

A#58 See response to Q#4.

Q#59 On page 24, #7, the RFP requests the full name and address of every person interested in the contract resulting from the RFP. The second paragraph states that "if the responding firm is a partnership, it is not sufficient to set forth the firm name, but the full name and addresses of all partners must also be set forth." As a large firm with over 500 partners, is it sufficient to list the names of the partners directly involved in the proposed Contract?

A#59 Yes, it is sufficient to identify the partners directly involved in the Proposal.

Q#60 Please explain in more detail what the evaluation of internal controls entails.

A#60 See response to Q#41

Q#61 Please provide more information on the expected turn around time for engagements when assigned.

A#61 See response to Q#16 and Q#27.

Q#62 Is a sample report from prior similar engagements available.

A#62 See response to Q#3.

Q#63 Part I. references a 2 year term with the possibility of one 2 year extension, while Part VII. references a 3 year term with the possibility of a two year extension. Please clarify the contract term.

A#63 See response to Q#4.

Q#64 Does the Commission have an existing Internal Audit function? Has the Commission performed any contract compliance audits in the past?

A#64 Yes and yes, respectively

Q#65 We understand that the selected firm(s) may perform at least three audits per year. What is the average estimated level of effort (hours) expected, in total or by audit?

A#65 Level of effort varies widely based upon the general nature and complexity of the project assignments. See responses to Q#2, Q#14, Q#16 and Q#24.

Q#66 Please provide an overview of the size of the construction program and level of activity.

A#66 The Commission's Capital Program currently averages approximately \$75,000,000 00 to \$80,000,000 00 per year, but fluctuates based upon budgetary constraints

Q#67 Is there an incumbent firm doing any of this work currently?

A#67 See responses to Q#8 and Q#9

Q#68 We may have some suggested revisions to the standard Terms and Conditions. Shall we provide these in the Proposal, or will these be addressed within each individual project Engagement Letter?

A#68 See response to Q#32

Q#69 What will be the most important factors in making your decision?

A#69 See response to Q#19

Q#70 Have audits similar to those included in the scope of this RFP been performed in the past by an outside provider? If so, what firm performed these audit services?

A#70 Yes See response to Q#9

Q#71 In Part 1, the expected initial contract duration is 2 years, whereas Part 7 notes the expected initial duration as 3 years. Which of these is correct?

A#71 See response to Q#4

Q#72 What is your estimate of hours required to complete the audits contemplated under this RFP?

A#72 Each project engagement is unique and the not-to-exceed amount will be mutually agreed upon by the Selected Firm and the Commission at the outset of each engagement

Q#73 Hours required will be determined on a project-by-project basis with a "not to exceed" limitation in total fees. How will the hours be determined for each project?

A#73 See responses to Q#26 and Q#72

Q#74 Will the selected firm be operating as The Commission's internal audit function or issuing the reports and other correspondence under their own letterhead?

A#74 See response to Q#37 The Selected Firm will provide deliverables in its own name

Q#75 Are the concessionaires corporate stores, franchises or a combination of both?

A#75 The Concession Operators consist of both corporate stores and franchises.

**MODIFICATIONS TO THE RFP FOR CONTRACT COMPLIANCE AND OTHER
MISCELLANEOUS AUDITING SERVICES VIA ADDENDUM NO. 1**

**(RESPONDING FIRMS ARE ADVISED TO MAKE SURE TO UTILIZE THE ATTACHED
REPLACEMENT PAGE IN THEIR PROPOSAL).**

The following changes are made in the RFP:

Changes to PART 1 – Background Information: Deletions are shown with ~~strikethrough~~ text.
Additions are shown with ***bold italicized*** text.

Page 4: The first paragraph of **Part 1 – Background Information** is modified as follows:

The Ohio Turnpike Commission (“Commission”) issues this Request for Proposals (“RFP”) for Contract Compliance and Other Miscellaneous Auditing Services to be performed at the discretion of the Commission’s management for a period extending for ~~two (2)~~ ***three (3)*** years from the execution of the Contract or Contracts with the possibility of one (1) two-year renewal.

Receipt of Addendum No. 1 to RFP for
Contract Compliance and Other Miscellaneous
Auditing Services is hereby acknowledged:

(Firm Name)

(Signature)

(Printed Name)

Date: _____

RFP FOR CONTRACT COMPLIANCE AND OTHER MISCELLANEOUS AUDITING SERVICES

PART 1 - Background Information

The Ohio Turnpike Commission ("Commission") issues this Request for Proposals ("RFP") for Contract Compliance and Other Miscellaneous Auditing Services to be performed at the discretion of the Commission's management for a period extending for ~~two (2)~~ **three (3)** years from the execution of the Contract or Contracts with the possibility of one (1) two-year renewal.

The Commission routinely enters into contracts with various design, testing, engineering and construction companies for major repair and capital improvement projects. The Commission also has contracts with various concessionaires to provide fuel, restaurant, gift shop, vending machine and other miscellaneous concessions and services for customers at each of its sixteen (16) Service Plazas. In addition, contracts are also entered into with companies that provide advertising, marketing and other professional services. The Commission seeks proposals from Responding Firms to perform comprehensive compliance audits on any of the foregoing types of contracts that the Commission may assign to the Selected Firm or Firms as circumstances may dictate.

In addition, the Commission seeks proposals from Responding Firms to perform other miscellaneous audit services that the Commission's management, within its sole discretion, deems necessary to carry out, such as operational efficiency reviews, transaction flow studies, internal control evaluations and other special projects on an as needed basis.

The Commission shall have the discretion to select one (1) Firm that is capable of performing all of the aforementioned types of compliance auditing services. Or, if it is in the Commission's best interest, it may select more than one (1) Firm capable of performing the required services.

PART II - Primary Duties

A. Contract Compliance Auditing Services

i. Construction Contracts - The primary duty is to verify that contractor billings are proper and in keeping with the terms of the contract or agreement. Activities to this end are expected to include detailed analysis of contractor invoices to the Commission and other contractor records, evaluation of contractor internal controls, verification of hourly labor billing rates, direct costs, equipment and overhead rates, review of change orders, job site visits, etc.

ii. Concession Contracts - In most of the contractual arrangements with concessionaires, the Commission is paid rent, property management and capital improvement fees based upon a percentage of the monthly sales. The primary duty with respect to these contracts is to verify that the Commission is being completely and accurately compensated in

FORM CONTRACT
CONTRACT COMPLIANCE AUDITING SERVICES

This Contract is made and entered into on March 17, 2006, by and between the **Ohio Turnpike Commission** (the "Commission"), 682 Prospect Street, Berea, Ohio 44017, and **Ciuni & Panichi**, 25201 Chagrin Boulevard, Cleveland, Ohio 44122-5683, (the "Selected Firm").

RECITALS

WHEREAS, the Commission conducted a Request for Proposal ("RFP") process to select an auditing firm to provide contract compliance auditing services to the Commission as more fully described in the RFP; and

WHEREAS, the Selected Firm submitted the Proposal deemed by the Commission deemed to be a good combination of service value and price; and

WHEREAS, the Selected Firm is qualified and willing to perform the services outlined in the RFP, which is incorporated by reference as if fully rewritten herein, but which, due to its length is not attached hereto as an Exhibit.

NOW THEREFORE, in consideration of the mutual promises, covenants and terms and conditions set forth in the RFP and the Selected Firm's Proposal, the parties have entered into this Contract.

AGREEMENTS

ARTICLE 1 – CONTRACT DOCUMENTS

1.1 The Contract Documents shall consist of the following documents: The Form Contract; the RFP and any Exhibits thereto; the Selected Firm's Proposal; and all insurance certificates to be provided by the Selected Firm in accordance with the requirements of the **PART XV, Section Q** of the RFP.

ARTICLE 2 – DESCRIPTION OF SERVICES AND TERM

2.1 Subject to the terms and conditions hereof and the "Contract Documents" as defined herein, the Commission shall designate the Selected Firm as a provider of Contract Compliance Auditing Services.

The Contract for Contract Compliance Auditing Services has an initial term of two (2) years as set forth at **PART VII** of the RFP. Subject to the Terminations provisions set forth at **PART XV, Section P**, the parties may extend the Contract for an additional two (2) year term upon mutual agreement and written notice of intent by the Selected Firm given 180 days in advance of its request to renew the Contract for an additional term.

3 – PAYMENTS

3.1 Payments to the Selected Firm shall be made in accordance with **PART XV, Section E** and its pricing proposal submitted in response to the RFP.

ARTICLE 4 – ENTIRE AGREEMENT

4.1 The Contract Documents embody the entire understanding of the Commission and the Selected Firm and form the basis of the Contract between the Commission and the Selected Firm. The Contract Documents shall be considered to be incorporated by reference into this Form Contract as if fully rewritten herein.

4.2 The Contract and any modifications, amendments or alterations thereto shall be governed, construed and enforced by and under the laws of the State of Ohio.

4.3 If any term or provision of the Contract, or the application thereof to any Person or circumstance, is finally determined, to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the Contract or the application of such term or provision to other Persons or circumstances, shall not be affected thereby, and each term and provision of the Contract shall be valid and enforced to the fullest extent permitted by law.

4.4 The Contract shall be binding on the Selected Firm and Commission, their successors and assigns, in respect to all respective covenants and obligations contained in the Contract Documents, but the Contract may not be assigned by the Selected Firm without the prior written consent of the Commission.

ARTICLE 5 - EXECUTION

5.1 The Contract shall become binding and effective upon execution by the Commission.

ARTICLE 6 – ORIGINAL CONTRACT FORMS

6.1 This Form Contract has been executed in several counterparts, each of which shall constitute a complete original Form Contract that may be introduced in evidence or used for any other purpose without production of any other counterparts.

ARTICLE 7 - WARRANTY OF SIGNATORY

7.1 The undersigned signatory for the Selected Firm hereby represents and warrants that he or she has full and complete authority to execute the Contract on behalf of the Selected Firm. This representation and warranty is made for the purpose of inducing the Commission to execute the Contract.

IN WITNESS WHEREOF, the parties have hereto set their respective hands on the day and year first above written and have executed the foregoing Contract.

OHIO TURNPIKE COMMISSION

Gary C. Suhadolnik

Gary C. Suhadolnik

Executive Director

(Title)

March 17, 2006

(Date)

APPROVED:

Kathleen Weiss
Director of Contracts Administration

3/16/06
(Date)

SELECTED FIRM

CIUNI & PANICHI

(Name of Auditing Firm)

By: Thomas B. Ka

PARTNER

(Title)

3/13/06

(Date)

Fee Quotation

Our billing practices are based upon the time required to actually perform the duties of the engagement. Each professional member of our firm has a designated billing rate which reflects that professional's expertise, experience and level of management responsibility within the firm. These rates are: (note: individuals listed in order of importance to this contract)

Michael Klein, Partner	\$195
Joseph Sweeney, Senior Accountant	\$ 94
Richard Collins, Senior Accountant	\$ 88
Gregory Halko, Manager	\$125
Lynn Basconi, Senior Manager	\$170
Rhonda Hall, Partner	\$195

The number of hours required will be determined on a project-by-project basis with a "not to exceed" limitation in total fees

FORM CONTRACT
CONTRACT COMPLIANCE AUDITING SERVICES

This Contract is made and entered into on May 3, 2006, by and between the **Ohio Turnpike Commission** (the "Commission"), 682 Prospect Street, Berea, Ohio 44017, and **Jefferson Wells**, 1375 East 9th Street, Suite 1800, Cleveland, Ohio 44114, (the "Selected Firm").

RECITALS

WHEREAS, the Commission conducted a Request for Proposal ("RFP") process to select an auditing firm to provide contract compliance auditing services to the Commission as more fully described in the RFP; and

WHEREAS, the Selected Firm submitted the Proposal deemed by the Commission deemed to be a good combination of service value and price; and

WHEREAS, the Selected Firm is qualified and willing to perform the services outlined in the RFP, which is incorporated by reference as if fully rewritten herein, but which, due to its length is not attached hereto as an Exhibit.

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4.2 The Contract and any modifications, amendments or alterations thereto shall be governed, construed and enforced by and under the laws of the State of Ohio.

4.3 If any term or provision of the Contract, or the application thereof to any Person or circumstance, is finally determined, to be invalid or unenforceable by a court of competent jurisdiction, the remainder of the Contract or the application of such term or provision to other Persons or circumstances, shall not be affected thereby, and each term and provision of the Contract shall be valid and enforced to the fullest extent permitted by law.

4.4 The Contract shall be binding on the Selected Firm and Commission, their successors and assigns, in respect to all respective covenants and obligations contained in the Contract Documents, but the Contract may not be assigned by the Selected Firm without the prior written consent of the Commission

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5.1 The Contract shall become binding and effective upon execution by the Commission.

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7.1 The undersigned signatory for the Selected Firm hereby represents and warrants that he or she has full and complete authority to execute the Contract on behalf of the Selected Firm. This representation and warranty is made for the purpose of inducing the Commission to execute the Contract.

IN WITNESS WHEREOF, the parties have hereto set their respective hands on the day and year first above written and have executed the foregoing Contract.

OHIO TURNPIKE COMMISSION

Gary C. Suhadolnik

Gary C. Suhadolnik

Executive Director
(Title)

May 3, 2006
(Date)

APPROVED:

Kathleen Wein
Director of Contracts Administration

5/3/06
(Date)

SELECTED FIRM

JEFFERSON WELLS
(Name of Auditing Firm)

By: Kathleen Hicks

Business Development Director
(Title)

3-14-06
(Date)

Engagement Assumptions

The fees and delivery schedule for this engagement are based upon the assumptions, representations or information supplied by the Ohio Turnpike Commission ("Assumptions").

- Start date for the first audit is estimated to be April, 2006.
- The Ohio Turnpike Commission personnel will be made available in a timely manner to provide information necessary to complete this engagement.
- Normal work hours are assumed to be 9 hours per day with a standard forty-five (45) hours per week
- Jefferson Wells agrees that the team will not use or disclose any information, confidential or proprietary, relating to the business of the Ohio Turnpike Commission. As our client, all documents and deliverables created by our professionals during the engagement belong to the Ohio Turnpike Commission.

Professional Fees & Expenses

Jefferson Wells will be sensitive to budgetary allowances, and will work to provide services within fiscal constraints. Jefferson Wells will provide the Ohio Turnpike with weekly updates on hours and expenses incurred.

Jefferson Wells is flexible with its billing solutions. In addition to hourly rates, we can provide services on a fixed-fee basis with proper project scoping. Jefferson Wells' fees for the scope of Services described in this Statement of Work will be scoped and budgeted at the following hourly rates:

Title/Role	Hourly Rate
Director	\$ 165
Engagement Manager	\$ 145
Construction Professional	\$ 135
Audit/Finance Professionals	\$ 95
Travel Estimate (if required)	50% of rate

Any hours worked during a week in excess of 45 hours by our professionals will be billed at our standard rates plus a 50% overtime premium. Also Jefferson Wells standard rates stated above will be increased by 3% on January 1 for each subsequent year beginning with 2007.

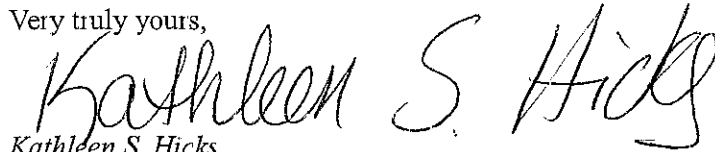
Jefferson Wells' intent is to utilize senior construction and audit professionals from our local Cleveland office to minimize travel expenses. However, if there is a need to utilize resources outside of the Cleveland market, the resources will bill actual travel expenses.

The client will reimburse Jefferson Wells for reasonable travel and actual out-of-pocket expenses incurred while performing the services described in this proposal. Jefferson Wells treats travel expenses as pass

through costs, billing them to the client with no administrative mark up. Travel time will be billed beyond a normal round trip commute (Two (2) hours per day). Mileage will be billed at the IRS approved reimbursement rate beyond a normal round trip commute (100 miles per day).

We appreciate the opportunity to be of service to you and look forward to working with you on these engagements. Please indicate your agreement to these arrangements by signing and returning to Jefferson Wells the enclosed copy of this Agreement.

Very truly yours,



Kathleen S. Hicks
Business Development Director

Acknowledged and
Accepted:

Ohio Turnpike Commission

By (signature):

By (print name):

Title:

Date:

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

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- I. Purpose
- II. Scope
- III. Authority for Incurring Expenses
- IV. Headquarters
- V. Implementation
- VI. Out of Town Travel
- VII. Allowable Transportation Expenses
- VIII. Allowable Living Expenses
- IX. Conferences and Special Meals
- X. Purchasing Card Transactions and Other Prepayments
- XI. Exceptions

Appendices

- Example of Travel Expense Record
- Example of Out of Town Travel Request

Revised August 3, 2007

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

I. PURPOSE

- 1.1 This document outlines procedures and rates of reimbursement to Ohio Turnpike Commission personnel for travel and other expenses incurred for the convenience of the Commission in the necessary conduct of its business

II. SCOPE

- 2.1 All personnel.

III. AUTHORITY FOR INCURRING EXPENSES

- 3.1 All travel expenses must be authorized by the Executive Director, Deputy Executive Director or the appropriate Department Head to whom the Executive Director has delegated such authority.
- 3.2 The approval of the Travel Expense Record (see attached example) either directly or by delegation of authority provided above constitutes certification of the propriety of all expenses and allowances listed as necessary in the performance of Commission business.

IV. HEADQUARTERS

- 4.1 The headquarters of an employee is that Commission facility (toll plaza, maintenance building or Administration Building) at which the employee has his or her primary work assignment. All employees who have supervisory responsibility for Districts, Divisions or higher will have their headquarters considered as being the entire length of the Turnpike. For the purpose of this policy, the headquarters of each Commission Member shall be considered to be their personal residence

V. IMPLEMENTATION

- 5.1 Individual Requesting Reimbursement - The request for reimbursement of expenses for amounts expended for goods or services will be made by the preparation of an Ohio Turnpike Commission Travel Expense Record (see attached example).
- 5.2 Approvals - Requests for reimbursement must bear the approval of the appropriate Department Head prior to the submission for payment through the CFO/Comptroller. Department heads must obtain approval from their immediate supervisor
- 5.3 Timeliness - Travel Expense Records should be submitted in a timely manner upon conclusion of each trip or at least on a monthly basis.
- 5.4 Payment - Payment will be in the form of an Ohio Turnpike Commission check

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

VI. OUT OF TOWN TRAVEL

- 6.1 Any trip requiring air travel or overnight lodging must be approved in advance by the Executive Director. The employee should request this travel by completing an Out of Town Travel Request form (see attached example).
- 6.2 If possible, all such requests should be made at least 30 days in advance to allow the best rates for travel and lodging to be obtained.
- 6.3 Once travel arrangements have been made, the employee will be personally liable for any expenses associated with canceling or rescheduling the trip unless approved by the Executive Director, Deputy Executive Director or appropriate Department Head.

VII. ALLOWABLE TRANSPORTATION EXPENSES

7.1 Automobile

- A) An employee will be reimbursed for the use of a privately owned vehicle in carrying out Commission business at the mileage rate approved by the Internal Revenue Service at the time such travel is incurred. Such reimbursement for the use of privately owned vehicles is permissible only if a Commission vehicle is not available and/or such mode of transportation is approved by the Executive Director or Deputy Executive Director.
- B) Mileage is payable to only one of two or more employees traveling on the same trip and in the same vehicle. The names of all employees traveling together on the same trip and in the same vehicle must be shown on the Travel Expense Record.
- C) The mileage rate described in subparagraph (A) of this section is meant to cover all expenses incurred in using a privately-owned automobile for Commission business except those items claimed under subparagraph (A) of Section 7.3. No employee may be reimbursed for expenses on the mileage basis unless the employee carries automobile liability insurance.
- D) The following list identifies the centerline milepost location of all Commission buildings. If it is necessary for an employee to use a private automobile for Commission business to travel between any of these locations, the employee will be reimbursed for the calculated distances between the mileposts plus one mile to allow for the use of back gate and access roads:

<u>Facility</u>	<u>Milepost</u>	<u>Facility</u>	<u>Milepost</u>
State Route 49	2.2	Maintenance Building 2	48.3
Toll Plaza 2	2.7	Oak Openings Service Plaza	49.0
Toll Plaza 13	13.5	Fallen Timbers Service Plaza	49.0
Maintenance Building 1	16.0	Toll Plaza 52	52.6
Indian Meadow Service Plaza	20.8	Toll Plaza 59	59.5
Tiffin River Service Plaza	20.8	Toll Plaza 64	64.9
Toll Plaza 25	25.6	Toll Plaza 71	71.7
Toll Plaza 34	34.9	Blue Heron Service Plaza	76.9
Toll Plaza 39	39.8	Wyandot Service Plaza	76.9

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

VII. ALLOWABLE TRANSPORTATION EXPENSES (continued)

7.1 Automobile (continued)

<u>Facility</u>	<u>Milepost</u>	<u>Facility</u>	<u>Milepost</u>
Maintenance Building 3	79 7	Towpath Service Plaza	170 1
Toll Plaza 81	81 8	Toll Plaza 173	173 2
Toll Plaza 91	91 6	Maintenance Building 6	173 9
Erie Islands Service Plaza	100 0	Toll Plaza 180	180 3
Commodore Perry Service Plaza	100 0	Toll Plaza 187	187 2
Maintenance Building 4	106 7	Toll Plaza 193	193 9
Toll Plaza 110	110 2	Portage Service Plaza	197 0
Toll Plaza 118	118 5	Brady's Leap Service Plaza	197 0
Toll Plaza 135	135 9	Maintenance Building 7	198 6
Middle Ridge Service Plaza	139 5	Toll Plaza 209	209 2
Toll Plaza 140	140 6	Toll Plaza 215	215 0
Maintenance Building 5	141 0	Toll Plaza 216	216 4
Toll Plaza 142	142 8	Toll Plaza 218	218 7
Toll Plaza 145	145 5	Maintenance Building 8	228 1
Toll Plaza 151	151 8	Toll Plaza 232	232 9
Toll Plaza 152	152 2	Toll Plaza 234	234 1
Berea - Administration Building	159 4	Mahoning Valley Service Plaza	237 2
Toll Plaza 161	161 8	Glacier Hills Service Plaza	237 2
Great Lakes Service Plaza	170 1	Toll Plaza 238	238 7
Vermilion Valley Service Plaza	139 5		

7.2 Commercial Aircraft

- A) Travel by air must be at the lowest available rate Discount fares should be utilized whenever possible
- B) Expenses claimed under this section must be supported by ticket stub, receipt, or similar evidence of expense

7.3 Other Transportation Expenses

- A) Reimbursement may be claimed for parking charges; ferry and taxi fares; and bridge, highway, and tunnel tolls
- B) Any other out-of-pocket expenses, such as road service and towing charges, directly chargeable to the operation of a Commission-owned vehicle, incurred while traveling in such vehicle, may be reimbursed subject to approval of the Executive Director, Deputy Executive Director or appropriate Department Head.
- C) Car Rentals When necessary, automobiles should be rented at the lowest available rates and the mileage driven should be for Commission business only.
- D) Each item of expense claimed under this section must be listed on the Travel Expense Record A receipt is required for each item of expense greater than five dollars (\$5.00)
- E) Parking fines and fines related to moving vehicle violations are not reimbursable

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

VIII. ALLOWABLE LIVING EXPENSES

8.1 Allowable living expenses consist of those direct expenditures made by an employee in meeting the employee's necessary and reasonable expenses while traveling on Commission business. These living expenses will be reimbursed subject to the limitations described herein. Entertainment, alcohol and other non-business expenses will not be reimbursed. Unless otherwise noted, a receipt must accompany each allowable living expense in excess of \$5.00.

8.2 Meals and Lodging - Overnight Travel

- A) Meals and lodging for out of town travel must be within reason based on the purpose, necessity and location of the trip.
- B) Reimbursement for overnight lodging shall be limited to the actual reasonable cost and shall be generally authorized only when the employee is more than 50 miles away from the employee's headquarters at the conclusion of a regular workday. Exception to the 50-mile requirement may be granted in the event of severe weather.
- C) An employee authorized to travel overnight on Commission business may be reimbursed for the actual reasonable costs of meals, including tips, up to a maximum of \$60.00 for each full day in travel status (\$80.00 per day for travel outside of the U.S.). There is no per meal limitation, but alcoholic beverages are not reimbursable. Detailed receipts for meals are required in order to document that reimbursement is not being requested for alcoholic beverages. The maximum meal reimbursements for days of departure and return from trips involving overnight travel shall be prorated by dividing the day into the following four 6-hour periods:

Period 1	12:01 a.m. – 06:00 a.m.
Period 2	06:01 a.m. – 12:00 noon
Period 3	12:01 p.m. – 06:00 p.m.
Period 4	06:01 p.m. – 12:00 midnight

One-fourth of the maximum meal reimbursement for a full day will be permitted for each period (or fraction thereof) during which the employee is in travel status. The time of departure (the time the employee leaves home or headquarters to begin the trip) as well as the time of return (the time the employee arrives back at home or headquarters at the conclusion of the trip) must be noted on the Travel Expense Record.

- D) When meals are furnished to the employee at no cost as part of a conference, the maximum daily reimbursement identified in subparagraph (C) of Section 8.2 shall be reduced by the amount(s) listed below:

Breakfast	\$12.00 (\$16.00 outside U.S.)
Lunch	\$18.00 (\$24.00 outside U.S.)
Dinner	\$30.00 (\$40.00 outside U.S.)

- E) All expenses claimed for meals and lodging must be itemized on the Travel Expense Record.

8.3 Meals - No Overnight Travel - There will be no reimbursement for meals unless an overnight stay is required. There is an exception to this rule for meals that are an integral part of a conference or seminar (see Section IX below).

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

VIII. ALLOWABLE LIVING EXPENSES (continued)

8.4 Incidental Expenses

- A) Expenses incurred for fees, storage of baggage, telephone calls, Internet usage, and rental of equipment or temporary meeting or office facilities necessary for the conduct of Commission business may be reimbursed. The Commission will pay for one reasonable length telephone call to the employee's home per day when the employee is required to stay out of town. This call should be made during the evening rate period. Expenses incurred for entertainment and alcoholic beverages are not reimbursable.
- B) Expenses incurred for laundry, dry cleaning, and pressing may be reimbursed if the employee is in continuous travel status in excess of one week without returning home during that time.
- C) Expenses incurred for personal service (tips) may be reimbursed. Reasonable judgment should be used as to the amount, depending upon type of establishment and quality of service, but the maximum reimbursable gratuity is generally limited to fifteen percent (15%).
- D) Expenses incurred for special purchases essential for the fulfillment of the travel or work assignment may be reimbursed upon approval of the Executive Director, Deputy Executive Director or appropriate Department Head.
- E) Reimbursement of incidental expenses as described in this section may be claimed in addition to the maximum allowed for meals and lodging while an employee is authorized to travel on Commission business.
- F) Incidental expenses must be itemized separately on the Travel Expense Record.

8.5 Limitations on Reimbursement of Allowable Living Expenses

- A) No allowance for meals, lodging or incidental expenses may be claimed when an employee voluntarily returns to headquarters or residence for non-work days. Mileage may be claimed for travel to the employee's residence and return to temporary headquarters for non-work days. However, the mileage claimed shall not exceed the amount allowable for living expenses had the employee remained at temporary headquarters for such non-work days.
- B) An employee cannot claim an allowance for meals, lodging or incidental expenses incurred during a vacation leave or any kind of leave of absence.

8.6 Management Reduction or Disallowance of Reimbursement

The Executive Director, Deputy Director or appropriate Department Head to whom the authority to authorize travel has been delegated, may reduce or disallow any claim for reimbursement for lodging, meals, or incidental expenses which is, in their judgment, excessive or in violation of the limitations described in Sections 8.2 through 8.5 above.

OHIO TURNPIKE COMMISSION

Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses

IX. CONFERENCES AND SPECIAL MEALS

- 9.1 Expenses incurred for registration fees for authorized conferences or meetings attended shall be reimbursed. Any such expenses must be itemized on a Travel Expense Record, which must be accompanied by a receipt
- 9.2 Reimbursement may be made for the actual and reasonable expense of meals when such meals are an integral part of a seminar or similar working assembly provided:
 - A) The meal is an integral part of such meeting and it was not included in the registration fees; and
 - B) The attendance of the employee at such meeting is authorized as necessary to the best interests of the Commission.
- 9.3 Expenses incurred for registration fees for conferences and meetings and for special meals shall be reimbursable without regard to the proximity of such conferences or meetings to the employee's headquarters or residence.

X. PURCHASING CARD TRANSACTIONS AND OTHER PREPAYMENTS

- 10.1 All travel expenses must be listed on the Travel Expense Record, irrespective of the method of payment. A Travel Expense Record must be submitted even if all travel expenses are prepaid by the Commission or charged to the employee's OTC purchasing card.
- 10.2 Any expenses charged to the employee's OTC purchasing card or other amounts prepaid by the Commission must be subtracted from the total travel expenses to arrive at the amount to be reimbursed to the employee. If any portion of an employee's travel expenses is paid with another employee's OTC purchasing card, the cardholder's name should be noted on the Travel Expense Record. Photocopies of receipts for any expenses charged to an OTC purchasing card or other amounts prepaid by the Commission must be attached. Original receipts are required for all other expenses in excess of \$5 00.

XI. EXCEPTIONS

- 11.1 Any requirement included herein is subject to exception upon submission of supporting data to the Executive Director, Deputy Executive Director or the CFO/Comptroller by the appropriate Department Head responsible for incurring the expenditure. If the Executive Director, Deputy Executive Director or the CFO/Comptroller approves the exceptional expenditure, reimbursement will be made.

Appendix – Travel Expense Record

OHIO TURNPIKE COMMISSION Travel Expense Records

	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Date</u>	<u>Total</u>
<u>Departure / Return Time</u>	7/9/07	7/10/07	7/11/07					
EMPLOYEE EXPENSE	3:00 PM		5:30 PM					
Breakfast	\$ -	\$ 7.00	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ 19.00
Lunch	-	12.00	17.00					29.00
Dinner	26.00	33.00						59.00
Meal Tips	4.00	8.00	4.00					16.00
Hotel	250.00	250.00						500.00
Travel Fare	200.00							200.00
Local Transportation	20.00		20.00					40.00
Other Tips	6.00		5.00					11.00
Telephone								-
*Auto Mileage @ \$0.485	-	-	-	-	-	-	-	-
Other (Explain Below)								-
Registration Fee	300.00							300.00
								-
								-
Total Expense	\$ 806.00	\$ 310.00	\$ 58.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,174.00
Less OTC Purchasing Card Transactions	750.00	250.00						1,000.00
Less Other Amounts Prepaid by OTC								-
TOTAL AMOUNT DUE EMPLOYEE	\$ 56.00	\$ 60.00	\$ 58.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 174.00
EXPLANATION								
Purpose of Trip								
Faxes and Phone Calls								
General Comments								
	IBTTA meeting in Chicago, IL.							
* Actual Daily Auto Mileage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EXPLANATION FOR EXCEPTIONS TO TRAVEL POLICY AND OTHER REMARKS				<i>PLEASE PRINT</i>				
				NAME Jane Doe				
				DEPT/LOCATION CFO/Comptroller / Admin. Building				
				ACCOUNT NUMBER 50402-20-1594				

I certify the expenses herein reported to be legitimate expenses incurred on Ohio Turnpike Commission business and not heretofore reimbursed

Employee Signature: _____ dated _____

The Above Expenses Are Approved for Payment

_____ dated _____

Instructions:

Submit approved report to CFO/Comptroller upon conclusion of each trip or at least monthly. List and total all travel expenses, irrespective of the method of payment. Subtract any expenses charged to an OTC purchasing card or other amounts prepaid by the Commission to arrive at the amount to be reimbursed to you. Attach photocopies of receipts for any expenses charged to an OTC purchasing card or other amounts prepaid by the Commission. Attach original receipts for each other expense in excess of \$5.00. For additional information refer to *OTC Policies and Procedures for Reporting and Reimbursing Employee Travel Expenses*.

X:\forms and policies\travel\travel form

Appendix – Out of Town Travel Request

OHIO TURNPIKE COMMISSION

OUT OF TOWN TRAVEL REQUEST

(This form is required for all trips involving air travel or overnight lodging)

Employee(s) John Doe

Travel Dates 7/30/2007-7/31/07 Destination New York

PURPOSE OF TRIP: Meeting with bond rating agency.

ESTIMATED EXPENSES:

Transportation (Check One): ☒ Commercial Plane ☐ Personal Auto ☐ Other

Air Fare \$ 260.00

Personal Auto - 0 miles @ 48 5 cents per mile

Lodging Cost 200.00 1 Person(s) 1 Night(s) \$ 200.00 Per Night

Meal Cost 120.00 1 Person(s) 2 Day(s)

Registration/Conference Fee -

Other Costs - Explain: _____

Total \$ 580.00

APPROVALS:

Department Head Jane Smith Date: 06/29/07

Executive Director _____ Date: _____

REASON DENIED: _____