EMPIRE STATE DEVELOPMENT

REQUEST FOR QUALIFICATIONS

July 2014

PRE-QUALIFIED LIST OF CERTIFIED PUBLIC ACCOUNTANTS TO REVIEW FINAL APPLICATIONS FOR NYS FILM TAX CREDITS

BACKGROUND

The New York State Department of Economic Development is responsible for administering the Empire State film production and post-production tax credit programs (hereinafter referred to as the Film Tax Credit Program) pursuant to Sections 24 and 31 of the Tax Law.

Additional information about the Film Tax Credit Program may be found on ESD's website at www.esd.ny.gov.

PURPOSE

The purpose of this solicitation is to qualify certified public accountants (CPAs) with demonstrable experience in production and post-production accounting in the film industry, with a preference for firms with specific experience in reviewing final applications for tax incentives in New York and other states according to agreed-upon procedures.

Qualified CPA firms may be hired and paid for by film production companies to verify that production companies submitting final applications for the film and post-production credits under New York's Film Tax Credit Program have met all the Program requirements. Film Tax Credit Applicants could, on a voluntary basis, choose to hire Qualified CPA firms that would conduct a third-party verification of applications using the Agreed Upon Procedures in Attachment A. The third-party verification would be submitted by the Applicant along with the final application for the Film Tax Credit.

REQUESTED SERVICES

The Department is seeking proposals from firms, large and small, that meet the following criteria:

1. Licensed "Certified public accountant" or "public accountant",
2. Is subject to the mandatory quality review requirement in Section 7410 of the NYS Education Law and is in good standing as evidenced by the most recent quality review report,
3. Per independence Rule 101 of the American Institute of Certified Public Accountants Code of Professional Conduct, a CPA cannot provide production accounting services and agreed upon procedures services to the same production company,
4. Is accredited by a reputable national accreditation organization for accountants,
5. Demonstrated knowledge of accounting issues specific to the film production industry,
6. Demonstrated knowledge of tax incentive programs specific to the film production industry.

ESD is committed to pre-qualifying a diverse group of qualified firms that will provide high-quality accounting services to assist New York State and its film industry with the processing and review of final

applications for the film tax credit. ESD strongly encourages firms that are certified by New York State as minority- and women-owned business enterprises ("MWBE"), as well as firms that are not yet certified, but have applied for or are eligible for certification, to submit responses to this RFQ.

Note that inclusion on the pre-qualified certified public accountant or public accountant list does not mean or imply that any firm will in fact be selected or engaged to provide third-party verification services on behalf of applicants to the Film Tax Credit Program. Such selection and engagement will take place only if an applicant voluntarily decides to submit a third-party verification along with its final application. ESD reserves the right, at its sole discretion, to annually review, add or remove firms on the pre-qualified CPA list.

REQUIRED INFORMATION

Please provide a summary of your firm that explains how you meet the criteria indicated above. Responses must be limited to two pages. Marketing/promotion materials of your firm may be submitted in addition to the two page summary. If you have a website, links to the site are acceptable in the summary.

In addition:

1. Provide at least three references with contact information.

2. Provide the names of the firm's principals and other key staff who would be responsible for managing and supervising third party services, and a description of the relevant qualifications and experience of each.

3. Include background information such as: organizational charts, number and category of professional staff, location of all offices, telephone number, resume and e-mail address of the primary staff personnel who are anticipated to provide third-party verifications.

CRITERIA FOR SELECTION

In evaluating qualifications submitted pursuant to this request, ESD places high value on the following factors, not necessarily in order of importance:

1. Relevant experience,
2. The general qualifications and experience of the staff proposed to be assigned to conducting third-party verifications,
3. Overall organization, completeness, and quality of proposal, including cohesiveness, clarity of response and demonstrated understanding of public accounting and film tax incentive programs.

Selected firms will be required to attend a program orientation workshop in Fall 2014.

The designated contact person for this solicitation is Allison Auldridge, Empire State Development, 625 Broadway; Albany, NY 12245. All substantive comments and questions must be sent to her by email at aauldridge@esd.ny.gov and received by August 15.

Vendor Responsibility

All respondents to this RFQ must be "responsible," which in this context means that it must have the requisite financial ability, organizational capacity and legal authority to carry out its obligations under this RFQ. Accordingly, the contract to be entered into between Film Companies and the designated chosen respondents to this RFQ, if any, shall include clauses providing that the respondent remain "responsible" throughout the term of the contract, that the Film Company may suspend the contract if information is discovered that calls into question the responsibility of the contracting party, and that the Film Company may terminate the contract based on a determination that the contracting party is non-responsible.

To assist in the determination of responsibility, ESD strongly encourages vendors to register in the State's Vendor Responsibility System ("VendRep System"). The VendRep System allows business entities to enter and maintain their Vendor Responsibility Questionnaire information in a secure, centralized database. New York State Procurement Law requires that state agencies award contracts only to responsible vendors. Vendors are invited to file the required Vendor Responsibility Questionnaire online via the VendRep System or may choose to complete and submit a paper questionnaire. To enroll in and use the VendRep System, see the System Instructions available at www.osc.state.ny.us/vendrep or go directly to the VendRep system online at https://portal.osc.state.ny.us. For direct VendRep System user assistance, the Office of the State Comptroller's Help Desk may be reached at 866-370-4672 or 518-408-4672 or by email at helpdesk@osc.state.ny.us.

Vendors opting to file a paper questionnaire can obtain the appropriate questionnaire from the VendRep website at http://www.osc.state.ny.us/vendrep/forms_vendor.htm and execute accordingly pertaining to the company's trade industry.

Project Sunlight

Under the Public Integrity Reform Act of 2011, "appearances" (broadly defined and including any substantive interaction that is meant to have an impact on the decision-making process of a state entity) before a public benefit corporation such as ESD by a person (also broadly defined) for the purposes of procuring services as contemplated in this RFQ, must be reported by ESD to a database maintained by the State Office of General Services that is available to members of the public. If in doubt as to the applicability of Project Sunlight, Respondents and their advisors should consult the Laws of 2011, Ch. 399 for guidance.

MINORITY- AND WOMEN-OWNED BUSINESS PROVISIONS

New York State Law

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation to promote opportunities for maximum feasible participation of certified MWBEs in the performance of ESD projects. Respondents are strongly encouraged by ESD to solicit and utilize, including through partnering or other joint venture agreements, New York State certified Minority-owned Business Enterprises and Women-owned Business Enterprises in relation to providing third-party verification

services for applicants to the Film Tax Credit Program. However, due to the limited scope and nature of the services described in this RFQ, MWBE participation goals will not be established for the performance of third-party verifications by Qualified Certified Public Accountants.

The directory of New York State Certified MWBEs can be viewed at: https://ny.newnycontracts.com/

Further, the ESD Office of Contractor & Supplier Diversity ("OCSD") is available to assist respondents in identifying New York State certified MWBEs that can provide services in connection with this RFQ. If you require MWBE listings, please call the OCSD at (212) 803-3225. A call placed to OCSD for the aforementioned purposes will not be considered a prohibited lobbying contact.

INSURANCE REQUIREMENTS

- Please note that upon selection for this Project, the Applicant will be required to demonstrate/provide Professional Liability (Errors & Omissions) Insurance of $1 million.

QUESTIONS ABOUT THIS RFQ:

All substantive questions must be sent by email to AAuldridge@esd.ny.gov by August 15.

Responses to all questions of a substantive nature relating to this RFQ will be provided in writing, via ESD's website (http://esd.ny.gov/CorporateInformation/RFPs.html). In addition, any changes, additions or deletions to this RFQ will also be posted on ESD's website, along with the electronic version of this RFQ. Respondents should note that any necessary clarification must be sought by the deadline for questions set forth in the "Key Events/Dates" section of this RFQ. Respondents are urged to check ESD's web site frequently for notices of any clarification of or changes, additions or deletions to the RFQ.

OTHER THAN THE CONTACT PERSON IDENTIFIED ABOVE, PROSPECTIVE RESPONDENTS SHALL NOT APPROACH ESD'S EMPLOYEES DURING THE RESTRICTED PERIOD OF THIS RFQ PROCESS ABOUT ANY MATTERS RELATED TO THIS RFQ OR ANY QUALIFICATIONS SUBMITTED PURSUANT THERETO.

GENERAL PROVISIONS

ESD reserves the right to reject any or all proposals submitted if such election is deemed to be in the best interest of ESD. ESD assumes no obligation, no responsibility and no liability for costs incurred by respondents prior to the issuance of a contract.

KEY EVENTS/DATES AND PLACE OF SUBMISSION

Issuance of RFQ: **July 30, 2014**
Questions/Comments Due Date**: August 15, 2014**
RFQ Response Due Date: **5:00 pm, August 29, 2014**
Film Tax Credit Program Workshops: **September/October 2014**
Notification of Pre-Qualified List Selection: **December 2014**

Written proposals should be sent to Allison Auldridge, Empire State Development, 625 Broadway; Albany, New York 12245, Attn: Film Tax Credit Program and must be received by ESD by

5:00 pm on August 29, 2014. Electronic submissions will not be accepted. Include 5 copies of the required submissions, and one on disk (pdf format preferred).

ESD reserves the right to modify this schedule and the attached Agreed Upon Procdures at its discretion. Notification of changes in connection with this RFQ and the Agreed Upon Procedures will be made available to all interested parties via ESD's website:
http://www.esd.ny.gov/CorporateInformation/RFPs.html.