

STATE OF NEW MEXICO

Regulation and Licensing Department

REQUEST FOR PROPOSAL (RFP)

Audit Services



RFP# 19 420 0000 00001

Release Date: March 23, 2018

Due Date: April 25, 2018

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I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of the Request for Proposal (RFP) is to solicit sealed proposals to establish a contract through competitive negotiations for the procurement of an Independent Public Accountant (IPA) Firm that has demonstrated the experience and knowledge necessary to audit the Agency's financial statements and the related notes for the Fiscal Years ending June 30, 2018, June 30, 2019 and June 30, 2020.

B. BACKGROUND INFORMATION

The Regulation and Licensing Department Act NMSA 1978, Sections 9-16-1 et seq. created the New Mexico Regulation and Licensing Department July 1, 1983. The Act provides that the administration of professional and occupational licensing functions of the executive branch of state government may be consolidated under the supervision of the Regulation and Licensing Department ("Agency") upon executive order issued by the Governor. This consolidation was completed during the fiscal year ended June 30, 1987.

The financial operations of the Agency are located in Santa Fe, New Mexico, with field offices in Albuquerque and Las Cruces. RLD's Fiscal Year 2018 operating budget is approximately \$27.4 million, with 324 FTE's.

The mission of the Agency is to enforce applicable laws, rules, regulations and codes and administer them in a manner that affects a balanced approach to public safety, financial welfare, and the development of the regulated industries. The Agency consists of the following divisions: (1) Program Support Division; (2) Construction Industries Division; (3) Manufactured Housing Division; (4) Financial Institutions Division; (5) Securities Division; (6) Alcohol and Gaming Division; and (7) the Boards and Commissions Division.

The Program Support Division includes the Office of the Superintendent, Administrative Services, and Information Technology. The Office of the Superintendent is responsible for the overall administration of the Agency. Administrative Services provides fiscal, personnel management and information technology system support for the Department. ASD also serves and acts as liaison between the Department and the Department of Finance and Administration, the General Services Department, the State Personnel Office; the Office of the State Auditor, the Office of the State Treasurer, State Records and Archives and other general control agencies to ensure compliance with state laws and regulations. Program Support is funded by an appropriation from the State of New Mexico General Fund and other state funds.

The Construction Industries Division (CID) administers the provisions of the Construction Industries Licensing Act, NMSA 1978 Section 60-13-1 et seq. CID performs regulatory functions related to the examinations, licensing, certification, regulation, and inspections of individuals and

businesses engaged in the state's contracting and construction industries. CID is required to "promote the general welfare of the people of New Mexico by providing for the protection of life and property by adopting and enforcing codes and standards for construction, alteration, installation, connection, demolition and repair work" pursuant to NMSA 1978, Section 60-13-1.1. CID is funded by a General Fund appropriation from the State of New Mexico. All fees from licenses, citations, permits and other administrative charges are deposited directly to the State of New Mexico General Fund.

The Manufactured Housing Division (MHD) administers the provisions of the Manufactured Housing Act, NMSA 1978, Section 60-14-1 et seq. The purpose of the Act is "to insure the purchasers and users of manufactured homes the essential conditions of health and safety which are their right and to provide that the business practices of the industry are fair and orderly among the members of the industry with due regard to the ultimate consumers in this important area of human shelter." MHD regulates the manufactured housing industry within the state, with the exception of manufactured units used for commercial purposes, which are regulated by CID. MHD is funded by a General Fund appropriation from the State of New Mexico Legislature. All fees from licenses, citations, permits and other administrative charges are deposited directly to the State of New Mexico General Fund.

The Financial Institutions Division (FID) is responsible for administering the statutory requirements of the Banking Act, the Trust Company Act, Collection Agency Regulatory Act, the Endowed Care Cemetery Act, the New Mexico Small Loan Act, the Mortgage Loan Company and Broker Act, the Credit Union Regulatory Act, the Motor Vehicles Sales Finance Company Act, the Escrow Company Act, the Negotiable Check, Drafts and Money Order Act, the Retail Installment Sales Act, and the Savings and Loan Act. FID provides general regulatory supervision of all state-chartered financial institutions and regulated industries, with a primary focus to ensure the existence of safe and sound financial practices within the regulated entities. FID is funded by an appropriation from the State of New Mexico Legislature which includes both General Fund and Other State Funds related to the Mortgage Regulatory Fund and the Money Services Regulatory Fund.

The Securities Division ("Division") is responsible for administering the New Mexico Uniform Securities Act 6 and the Model State Commodity Code. Pursuant to those laws the Division registers securities offerings, licenses securities sales representatives, broker-dealers, investment advisers and investment adviser representatives, and takes administrative and civil enforcement action when necessary. The Division also administers the New Mexico Securities Education and Training Fund, which is comprised of administrative assessments levied against companies or individuals found to have violated the Securities Act and a portion of each fee collected from New Mexico registrants. The Division is funded by an appropriation from the State of New Mexico Legislature which includes both General Fund and Other State Funds related to the Securities Education and Training Fund.

The Alcohol and Gaming Division ("AGD") is the licensing and regulatory authority for the sale of alcohol within the state and administration of the Liquor Control Act, NMSA 1978 Section 60-3A-1 et seq. It is the policy of the Liquor Control Act that the sale, service, and public consumption of alcoholic beverages in the state shall be licensed, regulated and controlled so as to

protect the public health, safety and morals of every community in the state. AGD is responsible for prosecuting all civil administrative citations issued by the New Mexico Department of Public Safety Special Investigations Division. The liquor control section of AGD is funded by an appropriation from the State of New Mexico General Fund. All fees from licenses, citations, and other administrative charges are deposited directly to the State of New Mexico General Fund.

The Boards and Commissions Division (“B&C”) of RLD provides administrative and financial services to 35 boards and commissions. Each board and commission is staffed by employees of the Agency who are responsible for licensing individuals and for maintaining licensing files containing historical, continuing education and disciplinary information on each licensee. These records are critical in the Agency’s efforts to ensure the health and safety of the public. Certain records are made available to the public pursuant to Inspection of Public Records Requests. Additionally, the staff is responsible for the daily administration of board or committee operations, including licensing and examination functions, preparing minutes of board or commission meetings, responding to public inquiries, and coordinating actions with appropriate officials and agencies. All B&C administrators work cooperatively with ASD and fiscal staff to review and monitor the boards’ and commissions’ respective financial statements. Complaints filed with the various boards or commissions are handled by a B&C Compliance. The Boards and Commissions Division are all funded by Other State Funds with the exception of the Substitute Care Advisory Council which is funded by General Fund and federal funds.

Pursuant to the Audit Act, NMSA 1978, Section 12-6-3 (A):

“The financial affairs of every agency shall be thoroughly examined and audited each year by the state auditor, personnel of the state auditor’s office designated by the state auditor or by independent auditors approved by the state auditor. The comprehensive annual financial report for the state shall be thoroughly examined and audited each year by the state auditor, personnel of the state auditor’s office designated by the state auditor or independent auditors approved by the state auditor. The audits shall be conducted in accordance with generally accepted auditing standards and rules issued by the state auditor.”

C. SCOPE OF PROCUREMENT

The scope of procurement is to establish a professional service contract with a qualified offeror to perform financial audit services. The initial agreement will be one (1) year from the date of award. The Agency reserves the option of extending the contract on an annual basis for two (2) additional years, or any portion thereof. In no case will the contract, including all amendments thereof, exceed a total of three (3) years in duration at the same price, terms and conditions as stated in the original multi-year proposal. Exercising such option to extend must be by mutual agreement of the parties to the contract and with the approval of the State Auditor and the Department of Finance and Administration

D. PROCUREMENT MANAGER

1. The Agency has assigned a Procurement Manager who is responsible to conduct this procurement whose name, address, telephone number and e-mail address are listed below:

Name: Charlette Probst, Procurement Manager
Address: Regulation & Licensing Department
Administrative Services Division
Toney Anaya Building, 3rd Floor
2550 Cerrillos Rd
Santa Fe, NM 87505
Telephone: (505) 699-9054
Fax: (505) 476-4511
Email: charlette.probst@state.nm.us

2. **Any inquiries or requests** regarding this procurement should be submitted, in writing, to the Procurement Manager. Offerors may contact **ONLY** the Procurement Manager regarding this procurement. Other state employees or Evaluation Committee members do not have the authority to respond on behalf of the Procurement Manager. **Protests of the solicitation or award must be delivered by mail to the Protest Manager.** As A Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, **ONLY** protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. Emailed protests will not be considered as properly submitted nor will protests delivered to the Procurement Manager be considered properly submitted.

E. DEFINITIONS

This section contains definitions of terms used throughout this RFP, including applicable abbreviations:

“**Agency**” means the New Mexico Regulation and Licensing Department

“**Authorized Purchaser**” means an individual authorized by a Participating Entity to place orders against the contract awarded pursuant to this RFP.

“**Award**” means the final execution of the contract entered by the parties pursuant to this RFP.

“**Business Hours**” means 8:00 AM thru 5:00 PM Mountain Standard or Mountain Daylight Time, whichever is in effect on the date given.

“**Close of Business**” means 5:00 PM Mountain Standard or Daylight Time, whichever is in use at that time.

“**Confidential**” means confidential financial information concerning an offeror’s organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act NMSA 1978 57-3-A-1 to 57-3A-7. See NMAC 1.4.1.45. No information that could be obtained from a source outside this request for proposal can be considered confidential information.

“**Contract**” means an agreement for the procurement of items of tangible personal property, services or construction.

“**Contractor**” means a business having a contract with a state agency or local public body.

“**Determination**” means the written documentation of a decision of a procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

“**Desirable**” a discretionary item or factor requested in the RFP, including the terms "may", "can", "should", "preferably", or "prefers".

“**DFA**” means the New Mexico Department of Finance and Administration

“**Electronic Version/Copy**” means a digital form consisting of text or images readable on a computer or other electronic device that includes all content that the Original and Hard Copy proposal contained. The digital form may be submitted using a compact disc (cd) or USB flash drive. The electronic version/copy can NOT be emailed.

“**Evaluation Committee**” means a body appointed to perform the evaluation of Offerors’ proposals.

“**Evaluation Committee Report**” means a report prepared by the Procurement Manager and the Evaluation Committee for contract award. It will contain written determinations resulting from the procurement.

“**Finalist**” means an Offeror who meets all the mandatory specifications of this Request for Proposal and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee.

“**Hourly Rate**” means the proposed fully loaded maximum hourly rate that includes travel, per diem, fringe benefits and any overhead costs for contractor personnel, as well as subcontractor personnel if appropriate.

“**IT**” means Information Technology.

“Mandatory” – means required. The terms "must", "shall", "will", "is required", or "are required", identify a mandatory item or factor. Failure to meet a mandatory item or factor will result in the rejection of the Offeror’s proposal.

“Minor Technical Irregularities” means anything in the proposal that does not affect the price quality and quantity or any other mandatory requirement.

“Multiple Source Award” means an award of an indefinite quantity contract for one or more similar services, items of tangible personal property or construction to more than one Offeror.

“Offeror” means any person, corporation, or partnership who chooses to submit a proposal.

“Procurement Manager” means a person or designee authorized by a state agency or local public body to enter into or administer contracts and make written determinations with respect thereto.

“Procuring Agency” means the New Mexico Regulation and Licensing Department.

“Redacted” means a version/copy of the proposal with the confidential information, as defined by NMAC 1.4.1.45 and defined herein and outlined in Section II.C.8 of this RFP, blacked out BUT NOT omitted or removed.

“Request for Proposal (RFP)” means all documents, including those attached or incorporated by reference, used for soliciting proposals.

“Responsible Offeror” means an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that the Offeror’s financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, or items of tangible personal property described in the proposal.

“Responsive Offer” means an offer which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to price, quality, quantity or delivery requirements.

“Sealed” means, in terms of a non-electronic submission, that the proposal is enclosed in a package which is completely fastened in such a way that nothing can be added or removed. Open packages submitted will not be accepted except for packages that may have been damaged by the delivery service itself. The State reserves the right, however, to accept or reject packages where there may have been damage done by the delivery service itself. Whether a package has been damaged by the delivery service or left unfastened and should or should not be accepted is a determination to be made by the Procurement Manager. By submitting a proposal, the Offeror agrees to and concurs with this process and accepts the determination of the Procurement Manager in such cases.

“**Staff**” means any individual who is a full-time, part-time, or an independently contracted employee with the Offerors’ company.

“**State (the State)**” means the State of New Mexico.

“**Statement of Concurrence**” means an affirmative statement from the Offeror to the required specification agreeing to comply and concur with the stated requirement(s). This statement shall be included in Offerors proposal. (E.g. “We concur”, “Understands and Complies”, “Comply”, “Will Comply if Applicable” etc.)

“**Superintendent**” means the Superintendent of the Regulation and Licensing Department.

“**Unredacted**” means a version/copy of the proposal containing all complete information including any that the Offeror would otherwise consider confidential, such copy for use only for the purposes of evaluation.

“**Written**” means typewritten on standard 8 ½ x 11 inch paper. Larger paper is permissible for charts, spreadsheets, etc.

F. PROCUREMENT LIBRARY

A procurement library has been established. Offerors are encouraged to review the material contained in the Procurement Library by selecting the link provided in the electronic version of this document through your own internet connection or by contacting the Procurement Manager and scheduling an appointment. The library contains information listed below:

- Procurement regulations [1.4.1 NMAC]. A copy may be obtained from the following website address: <http://www.generalservices.state.nm.us/spd/>
- Audit rule 2.2.2 NMAC (Requirements for Contracting and Conducting Audits of Agencies) http://www.saonm.org/state_auditor_rule
- Copies of previous audits http://www.saonm.org/audit_reports
- Audit Rule 2018 - Requirements for Contracting and Conducting Audits of Agencies, 2.2.2 NMAC https://www.saonm.org/state_auditor_rule
- The Audit Act, 12-6-1 – 12-6-14 NMSA 1978 https://www.saonm.org/media/uploads/The_Audit_Act.pdf
- RLD’s Financial Statements as of and for the Years Ended June 30, 2017 and 2016 http://www.saonm.org/audit_reports

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule, description and conditions governing the procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

Action	Responsible Party	Due Dates Sample Time Frames
1. Issue RFP	Agency	3/23/18
2. Distribution List	Agency	4/16/18
3. Pre-Proposal Conference	Agency	n/a
4. Deadline to submit Questions	Potential Offerors	4/20/18
5. Response to Written Questions	Procurement Manager	4/24/18
6. Submission of Proposal	Potential Offerors	4/25/18
7. Proposal Evaluation	Evaluation Committee	4/27/18- 5/7/18
8. Selection of Finalists	Evaluation Committee	5/8/18
9. Best and Final Offers	Finalist Offerors	n/a
10. Oral Presentation(s)	Finalist Offerors	n/a
11. Finalize Contractual Agreements	Agency/Finalist Offerors	5/9/18 – 5/21/18
12. Contract Awards	Agency/ Finalist Offerors	5/22/18
13. Protest Deadline	SPD	+15 days

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the sequence of events shown in Section II. A., above.

1. Issuance of RFP

This RFP is being issued on behalf of the New Mexico State Regulation & Licensing Department on March 23, 2018.

2. Acknowledgement of Receipt

Potential Offerors should hand deliver, return by facsimile, email or registered or certified mail the "Acknowledgement of Receipt of Request for Proposals Form" that accompanies this document, APPENDIX A, to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the

organization, dated and returned to the Procurement Manager by 3:00 pm MST or MDT on April 16, 2018.

The procurement distribution list will be used for the distribution of written responses to questions. Failure to return the Acknowledgement of Receipt form shall constitute a presumption of receipt and rejection of the RFP, and the potential Offeror's organization name shall not appear on the distribution list.

3. Pre-Proposal Conference

A pre-proposal conference will not be held for this RFP.

4. Deadline to Submit Written Questions

Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until 5:00 p.m. Mountain Standard Time/Daylight Time as indicated in the sequence of events. All written questions must be addressed to the Procurement Manager as declared in Section I, Paragraph D. Questions shall be clearly labeled and shall cite the Section(s) in the RFP or other document which form the basis of the question.

5. Response to Written Questions

Written responses to written questions will be distributed as indicated in the sequence of events to all potential Offerors whose organization name appears on the procurement distribution list. An e-mail copy will be sent to all Offeror's that provide Acknowledgement of Receipt Forms described in II.B.2 before the deadline. Additional copies will be posted to:

<http://www.rld.state.nm.us/>

6. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 3:00 PM MOUNTAIN STANDARD TIME/DAYLIGHT TIME ON APRIL 25, 2018. Proposals received after this deadline will not be accepted. The date and time of receipt will be recorded on each proposal.

Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph D. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the **Audit Services RFP# 19 420 0000 00001**. Proposals submitted by facsimile, or other electronic means will not be accepted.

A public log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to NMSA 1978, § 13-1-116, the contents of proposals shall not be disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals. Awarded in this context means the final required state agency signature on the contract(s) resulting from the procurement has been obtained.

7. Proposal Evaluation

An Evaluation Committee will perform the evaluation of proposals. This process will take place as indicated in the sequence of events, depending upon the number of proposals received. During this time, the Procurement Manager may initiate discussions with Offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals. However, proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Offerors.

8. Selection of Finalists

The Evaluation Committee will select and the Procurement Manager will notify the finalist Offerors as per schedule Section II. A., Sequence of Events or as soon as possible.

9. Best and Final Offers

Best and Final Offers will not be held for this RFP.

10. Oral Presentations

An oral presentation will not be held for this RFP.

11. Finalize Contractual Agreements

Any Contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s) as per schedule Section II. A., Sequence of Events or as soon thereafter as possible. This date is subject to change at the discretion of the State Purchasing Division or relevant Agency Procurement office. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the time specified, the State reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.

12. Contract Awards

After review of the Evaluation Committee Report and the signed contractual agreement, the Agency Procurement office will award as per the schedule in Section II. A., Sequence of Events or as soon as possible thereafter. This date is subject to change at the discretion of the State Purchasing Division or relevant Agency Procurement office.

The contract shall be awarded to the Offeror (or Offerors) whose proposals are most advantageous to the State of New Mexico and the New Mexico Regulation & Licensing Department taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points. The award is subject to appropriate Department and State approval.

13. Protest Deadline

Any protest by an Offeror must be timely and in conformance with NMSA 1978, § 13-1-172 and applicable procurement regulations. As a Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. The 15 calendar day protest period shall begin on the day following the award of contracts and will end at 5:00 pm Mountain Standard Time/Daylight Time on the 15th day. Protests must be written and must include the name and address of the protestor and the request for proposal number. It must also contain a statement of the grounds for protest including appropriate supporting exhibits and it must specify the ruling requested from the party listed below. The protest must be delivered to:

Robert "Mike" Unthank
Superintendent
Regulation and Licensing Department
Toney Anaya Building – 3rd Floor
2550 Cerrillos Road
Santa Fe, NM 87505

Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Potential Offerors must indicate their acceptance of the Conditions Governing the Procurement section in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

2. Incurring Cost

Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. Any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.

3. Prime Contractor Responsibility

Any contractual agreement that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of all requirements of the contractual agreement with a state agency which may derive from this RFP. The state agency entering into a contractual agreement with a vendor will make payments to only the prime contractor.

4. Subcontractors/Consent

The use of subcontractors is allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement whether or not subcontractors are used. Additionally, the prime contractor must receive approval, in writing, from the agency awarding any resultant contract, before any subcontractor is used during the term of this agreement.

5. Amended Proposals

An Offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The Agency personnel will not merge, collate, or assemble proposal materials.

6. Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request addressed to the Procurement Manager and signed by the Offeror's duly authorized representative.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.

7. Proposal Offer Firm

Responses to this RFP, including proposal prices for services, will be considered firm for one hundred twenty (120) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Offeror is invited or required to submit one.

8. Disclosure of Proposal Contents

- A. Proposals will be kept confidential until negotiations and the award are completed by the Agency. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for material that is clearly marked proprietary or confidential. The Procurement Manager will not disclose or make public any pages of a proposal on which the potential Offeror has stamped or imprinted "proprietary" or "confidential" subject to the following requirements:
- B. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.
- C. Confidential data is restricted to:
 - 1. confidential financial information concerning the Offeror's organization;
 - 2. and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, NMSA 1978 § 57-3A-1 to 57-3A-7.
 - 3. PLEASE NOTE: The price of products offered or the cost of services proposed **shall not be designated** as proprietary or confidential information.

If a request is received for disclosure of data for which an Offeror has made a written request for confidentiality, the State Purchasing Division or the Agency shall examine the Offeror's request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

9. No Obligation

This RFP in no manner obligates the State of New Mexico or any of its Agencies to the use of any Offeror's services until a valid written contract is awarded and approved by appropriate authorities.

10. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the agency determines such action to be in the best interest of the State of New Mexico.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be effected by sending written notice to the contractor. The Agency's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

12. Legal Review

The Agency requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any Offeror's concerns must be promptly submitted in writing to the attention of the Procurement Manager.

13. Governing Law

This RFP and any agreement with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

Only information supplied, in writing, by the Agency through the Procurement Manager or in this RFP should be used as the basis for the preparation of Offeror proposals.

15. Contract Terms and Conditions

The contract between an agency and a contractor will follow the format specified by the Agency and contain the terms and conditions set forth in the Sample Contract Appendix C. However, the contracting agency reserves the right to negotiate provisions in addition to those contained in this RFP (Sample Contract) with any Offeror. The contents of this RFP, as revised and/or supplemented, and the successful Offeror's proposal will be incorporated into and become part of any resultant contract.

The Agency discourages exceptions from the contract terms and conditions as set forth in the RFP Sample Contract. Such exceptions may cause a proposal to be rejected as nonresponsive when, in the sole judgment of the Agency (and its evaluation team), the proposal appears to be conditioned on the exception, or correction of what is deemed to be a deficiency, or an unacceptable exception is proposed which would require a substantial proposal rewrite to correct.

Should an Offeror object to any of the terms and conditions as set forth in the RFP Sample Contract (APPENDIX C) strongly enough to propose alternate terms and conditions in spite of the above, the Offeror must propose **specific** alternative language. The Agency may or may not accept the alternative language. General references to the Offeror's terms and conditions or attempts at complete substitutions of the Sample Contract are not acceptable to the Agency and will result in disqualification of the Offeror's proposal.

Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

If an Offeror fails to propose any alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror), no proposed alternate terms and conditions will be considered later during the negotiation process. Failure to propose alternate terms and conditions during the procurement process (the RFP process

prior to selection as successful Offeror) is an **explicit agreement** by the Offeror that the contractual terms and conditions contained herein are **accepted** by the Offeror.

16. Offeror's Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions they expect to have included in a contract negotiated with the Agency. Please see Section II.C.15 for requirements.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation (such terms and conditions having been proposed during the procurement process, that is, the RFP process prior to selection as successful Offeror), will be discussed only between the Agency and the Offeror selected and shall not be deemed an opportunity to amend the Offeror's proposal.

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any potential Offeror who is not a Responsible Offeror or fails to submit a responsive offer as defined in NMSA 1978, § 13-1-83 and 13-1-85.

19. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities. The Evaluation Committee also reserves the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

20. Change in Contractor Representatives

The Agency reserves the right to require a change in contractor representatives if the assigned representative(s) is (are) not, in the opinion of the Agency, adequately meeting the needs of the Agency.

21. Notice of Penalties

The Procurement Code, NMSA 1978, § 13-1-28 through 13-1-199, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

22. Agency Rights

The Agency in agreement with the Evaluation Committee reserves the right to accept all or a portion of a potential Offeror's proposal.

23. Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the agency written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement and/or agency contracts deriving from this procurement. Failure to adhere to this requirement may result in disqualification of the Offeror's proposal or removal from the contract.

24. Ownership of Proposals

All documents submitted in response to the RFP shall become property of the State of New Mexico.

25. Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the Agency.

The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the procuring Agency's written permission.

26. Electronic mail address required

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence. (See also Section II.B.5, Response to Written Questions).

27. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror's possession and the version maintained by the agency, the Offeror acknowledges that the version maintained by the agency shall govern. Please refer to:

28. New Mexico Employees Health Coverage

- A. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.
- B. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.
- C. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information <http://www.insurenwemexico.state.nm.us/>.
- D. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of \$250,000.

29. Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form, APPENDIX B, as a part of their proposal. This requirement applies regardless whether a covered contribution was made or not made for the positions of Governor and Lieutenant Governor or other identified official. Failure to complete and return the signed unaltered form will result in disqualification.

30. Letter of Transmittal

Offeror's proposal must be accompanied by the Letter of Transmittal Form located in APPENDIX E which must be completed and signed by an individual person authorized to obligate the company. The letter of transmittal MUST:

1. Identify the submitting business entity.
2. Identify the name, title, telephone, and e-mail address of the person authorized by the Offeror organization to contractually obligate the business entity providing the Offer.
3. Identify the name, title, telephone, and e-mail address of the person authorized to negotiate the contract on behalf of the organization (if different than (2) above).

4. Identify the names, titles, telephone, and e-mail addresses of persons to be contacted for clarification/questions regarding proposal content.
5. Identify sub-contractors (if any) anticipated to be utilized in the performance of any resultant contract award.
6. Describe the relationship with any other entity which will be used in the performance of this awarded contract.
7. Identify the following with a check mark and signature where required:
 - a. **Explicitly** indicate acceptance of the Conditions Governing the Procurement stated in Section II. C.1;
 - b. **Explicitly** indicate acceptance of Section V of this RFP; and
 - c. Acknowledge receipt of any and all amendments to this RFP.
8. Be signed by the person identified in para 2 above.

31. Pay Equity Reporting Requirements

- A. If the Offeror has ten (10) or more employees OR eight (8) or more employees in the same job classification, Offeror must complete and submit the required reporting form (PE10-249) if they are awarded a contract. Out-of-state Contractors that have no facilities and no employees working in New Mexico are exempt if the contract is directly with the out-of-state contractor and fulfilled directly by the out-of-state contractor, and not passed through a local vendor.
- B. For contracts that extend beyond one (1) calendar year, or are extended beyond one (1) calendar year, Offeror must also agree to complete and submit the required form annually within thirty (30) calendar days of the annual bid or proposal submittal anniversary date and, if more than 180 days has elapsed since submittal of the last report, at the completion of the contract.
- C. Should Offeror not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, Offeror must agree to provide the required report within ninety (90) calendar days of meeting or exceeding the size requirement.
- D. Offeror must also agree to levy these reporting requirements on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the contract. Offeror must further agree that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, offer will submit the required report, for each such subcontractor, within ninety (90) calendar days of that subcontractor meeting or exceeding the size requirement.

32. Disclosure Regarding Responsibility

- A. Any prospective Contractor and any of its Principals who enter into a contract greater than sixty thousand dollars (\$60,000.00) with any state agency or local public body for professional services, tangible personal property, services or construction agrees to disclose whether the Contractor, or any principal of the Contractor's company:
1. is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;
 2. has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:
 - a. the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract;
 - b. violation of Federal or state antitrust statutes related to the submission of offers; or
 - c. the commission in any federal or state jurisdiction of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of Federal criminal tax law, or receiving stolen property;
 3. is presently indicted for, or otherwise criminally or civilly charged by any (federal state or local) government entity with the commission of any of the offenses enumerated in paragraph A of this disclosure;
 4. has, preceding this offer, been notified of any delinquent Federal or state taxes in an amount that exceeds \$3,000.00 of which the liability remains unsatisfied. Taxes are considered delinquent if the following criteria apply.
 - a. The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge of the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
 - b. The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
 - c. Have within a three-year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)
- B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.
- C. The Contractor shall provide immediate written notice to the State Purchasing Agent or other party to this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor's disclosure was at any time erroneous or became

erroneous by reason of changed circumstances.

- D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor's responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will render the Offeror nonresponsive.
- E. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.
- F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the State Purchasing Agent or other party to this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the State Purchasing Agent or Central Purchasing Officer may terminate the involved contract for cause. Still further the State Purchasing Agent or Central Purchasing Officer may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the State Purchasing Agent or Central Purchasing Officer.

33. New Mexico Preferences

To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate with their proposal. Certificates for preferences must be obtained through the New Mexico Department of Taxation & Revenue <http://www.tax.newmexico.gov/Businesses/in-state-veteran-preference-certification.aspx>.

- A. **New Mexico Business Preference**
- B. **New Mexico Resident Veterans Business Preference**

An agency shall not award a business both a resident business preference and a resident veteran business preference.

The New Mexico Preferences shall not apply when the expenditures for this RFP includes federal funds.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal in response to this RFP.

B. NUMBER OF COPIES

1. Hard Copy Responses

Offeror's proposal must be clearly labeled and numbered and indexed as outlined in **Section III.C. Proposal Format**. Proposals must be submitted as outlined below. The original copy shall be clearly marked as such on the front of the binder. Each portion of the proposal (technical/cost) must be submitted in separate binders and must be prominently displayed on the front cover. Envelopes, packages or boxes containing the original and the copies must be clearly labeled and submitted in a sealed envelope, package, or box bearing the following information:

Offerors should deliver:

1. **Technical Proposals** – Three (3) ORIGINAL, one (1) HARD COPY, and one (1) electronic copy of the proposal containing ONLY the Technical Proposal; ORIGINAL and COPY shall be in separate labeled binders. **The electronic version/copy can NOT be emailed.**
 - Proposals containing confidential information **must** be submitted as two separate binders:
 - **Unredacted** version for evaluation purposes
 - **Redacted** version (information blacked out and not omitted or removed) for the public file
2. **Cost Proposals** – Three (3) ORIGINAL, one (1) HARD COPY, and one (1) electronic copy of the proposal containing ONLY the Cost Proposal; ORIGINAL and COPY of Cost Proposal shall be in separate labeled binders from the Technical Proposals. **The electronic copy can NOT be emailed.**

The electronic version/copy of the proposal **must** mirror the physical binders submitted (i.e. One (1) **unredacted cd/usb**, one (1) **redacted cd/usb**). **The electronic version can NOT be emailed.**

3. The original, hard copy and electronic copy information **must** be identical. In the event of a conflict between versions of the submitted proposal, the Original hard copy shall govern.

Any proposal that does not adhere to the requirements of this Section and **Section III.C.1 Response Format and Organization**, may be deemed non-responsive and rejected on that basis.

C. PROPOSAL FORMAT

All proposals must be submitted as follows:

Hard copies must be typewritten on standard 8 ½ x 11-inch paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within binders with tabs delineating each section.

Organization of folders/envelopes for hard copy proposals and electronic copy proposals:

1. Proposal Content and Organization

Direct reference to pre-prepared or promotional material may be used if referenced and clearly marked. Promotional material should be minimal. The proposal must be organized and indexed in the following format and must contain, at a minimum, all listed items in the sequence indicated.

Technical Proposal (Binder 1):

- A. Signed Letter of Transmittal
- B. Table of Contents
- C. Proposal Summary (Optional)
- D. Response to Contract Terms and Conditions
- E. Offeror's Additional Terms and Conditions
- F. Response to Specifications (**except cost information which shall be included in Cost Proposal/Binder 2 only**)
 1. Organizational Experience
 2. Organizational References
 3. Oral Presentation (Agency - If not applicable remove from RFP)
 4. Mandatory Specification
 5. Desirable Specification
 6. Financial Stability - Financial information considered confidential should be placed in the **Confidential Information** binder.
 7. Performance Surety Bond
 8. Signed Campaign Contribution Form
 9. New Mexico Preferences (If applicable)
- G. Other Supporting Material (If applicable)

Cost Proposal (Binder 2):

1. Completed Cost Response Form

Within each section of the proposal, Offerors should address the items in the order indicated above. All forms provided in this RFP must be thoroughly completed and

included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must occur only in Binder #2 on the cost response form.

The proposal summary may be included by potential Offerors to provide the Evaluation Committee with an overview of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Offeror's proposal.

IV. SPECIFICATIONS

Offerors should respond in the form of a thorough narrative to each specification, unless otherwise instructed. The narratives, including required supporting materials will be evaluated and awarded points accordingly.

A. DETAILED SCOPE OF WORK

The initial scope of work shall consist of the financial affairs of the Department being thoroughly examined and audited each year by independent auditors approved by the NM State Auditor. The contract shall begin on July 1, 2018 or as soon as possible thereafter and the audit for the first year delivered to the Office of the State Auditor no later than November 1, 2018.

The audits shall be conducted in accordance with government auditing standards including compliance with pertinent State Statutes, Rules and Regulations, Audit Rule 2015 - Requirements for Contracting and Conducting Audits of Agencies (2.2.2 NMAC), Audit Rule 2018 – Requirements for Audits of Agencies (when published), and other applicable State pronouncements as listed in 2.2.2 NMAC Section 10 (D) – (JJ), and Governmental Accounting Standards Board pronouncements with particular emphasis on Statement 68, “Accounting and Financial Reporting for Pensions” and Statement 72, “Fair Value Measurement and Application” and the provisions of OMB Circulars A-87, A-133.

The IPA must have the demonstrated experience and knowledge of GASB 68 to audit the Agency’s annual Schedule of Employer Allocations and Pension Amounts for the fiscal years ending June 30, 2018, 2019, and 2020.

The IPA must also have the demonstrated experience and knowledge required to review the annual CAFR document for the fiscal years ending June 30, 2018, 2019, and 2020.

To be included:

- a. Financial Statement Audit
 - b. GASB 67
 - c. GASB 68
 - d. Financial Statement Preparation
 - e. Perform additional work required by Generally Accepted Auditing Standards to obtain the necessary understanding of the SHARE (Statewide Human Resource, Accounting, and Management Reporting system) internal controls and to test those controls.
1. The contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency:
 - A. The level of planning materiality required by the State Auditor is at the individual fund level. The scope of the audit includes the following statements and schedules, which the auditor is required to audit and give an opinion on B, C, D, E, F, and G.

- B. Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds when the budget information is available on the same fund structure basis as the GAAP fund structure; and the notes to the financial statements.
- C. Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules - Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 14.53).
- D. The auditor must audit the following supplemental information, if applicable, and include it in the auditor's opinion:
1. combining financial statements;
 2. individual fund budget comparison statements for remaining funds that have a legally adopted budget (including major funds other than general fund and special revenue funds, nonmajor governmental funds, and proprietary funds) that did not appear as basic financial statement budget comparisons for the general fund or major special revenue funds, or as RSI as described above.
- E. The contractor should apply certain limited procedures to the following RSI (if applicable) and report deficiencies in, or the omission of, required information in accordance with the requirements of SAS AU 558.06:
1. The Management Discussion and Analysis (MD&A);
 2. RSI data required by GASB 67 and 68 regarding pension plans administered by defined benefit pension plans; and
 3. Schedules derived from asset management systems (GASB 34 paragraphs 132 to 133).
- F. Further, the Audit work shall include:
1. Internal Control related to financial statements and major programs to gain an understanding of the SHARE internal controls and to test those controls.
 2. Report on the fairness of the presentation of the schedule of expenditures of federal awards.

3. Single Audit requirements of federal funds and grants requirements (if applicable to RLD).
4. Reports on compliance with laws, regulations and the provisions of contracts or grant agreements.

G. The auditor shall prepare all financial statements, including notes and supporting schedules.

RLD reserves the right to conduct discussions with responsible offerors who submit acceptable or potentially acceptable proposals in accordance with the requirements of 1.4.1 NMAC.

During the evaluation process, RLD reserves the right, where it may serve RLD's best interest to request additional information or clarification from offerors, or to allow corrections of errors or omissions. At the direction of RLD, offerors submitting proposals may be requested to make oral presentations as part of the evaluation process.

RLD reserves the right to retain all proposals submitted, and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the offeror of the conditions contained in this request for proposals and in the Requirements for Contracting and Conducting Audits of State Agencies pursuant to State Auditor Rule 2.2.2 NMAC, unless otherwise clearly and specifically noted in the proposal submitted and confirmed in the contract between RLD and the offeror selected.

B. TECHNICAL SPECIFICATIONS

1. Organizational Experience

Offerors **must**:

- a) provide a description of relevant corporate experience with state government and private sector. The experience of all proposed subcontractors must be described. The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise and knowledge as a provider of Audit Services. All Audit Services provided to private sector will also be considered;
- b) indicate how many state or local government Audit Services have been contracted in the last two years and what percentage of business revenue is derived from Audit Service engagements;

- c) describe at least two project successes and failures of an Audit engagement. Include how each experience improved the Offeror's services.

2. Organizational References

Offerors must provide a minimum of three (3) references from similar projects performed for state or large local government clients within the last three years. **Offerors are required to submit APPENDIX F, Organization Reference Questionnaire, to the business references they list. The business references must submit the Reference Form directly to the designee described in Sec I Paragraph D.** It is the Offeror's responsibility to ensure the completed forms are received on or before April 25, 2018 for inclusion in the evaluation process.

Organizational References that are not received or are not complete, may result in disqualification. from the evaluation process. The Evaluation Committee may contact any or all business references for validation of information submitted. If this step is taken, the Procurement Manager and the Evaluation Committee must all be together on a conference call with the submitted reference so that the Procurement Manager and all members of the Evaluation Committee receive the same information. Additionally, the Agency reserves the right to consider any and all information available to it (outside of the Business Reference information required herein), in its evaluation of Offeror responsibility per Section II, Para C.18.

Offerors shall submit the following Business Reference information as part of Offer:

- a) Client name;
- b) Project description;
- c) Project dates (starting and ending);
- d) Technical environment (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);
- e) Client project manager name, telephone number, and e-mail address.

3. Oral Presentation

No oral presentations will be held for this RFP.

4. Mandatory Specification

Offerors **must**:

A. Independence

Offeror must also include a statement as to its independence with respect to the Agency. The firm shall provide an affirmative statement that it is independent of the Agency as defined by the U.S. General Accounting Office's *Government Auditing Standards*.

The firm shall also list and describe the firm's professional relationships involving the

Agency for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

B. Firm Qualifications and Experience

The proposal shall state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and 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 so employed on a part-time basis.

Offeror must provide a detailed statement of relevant experience in the area of state and local government fiscal and compliance audits. Emphasis should be given to Offeror's experience and knowledge of GASB 68. Additionally, include a description of Offeror's training and preparation for GASB 72 implementation requirements.

If the offeror is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium shall be separately identified and the firm is to serve as the principal auditor shall be noted, if applicable.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field 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.

The firm shall also provide a copy of the firm profile it has submitted to the State Auditor, in accordance with 2.2.2 NMAC.

C. License to Practice in New Mexico

An affirmative statement shall be included indicating that the firm and all assigned key professional staff are properly licensed to practice public accounting in New Mexico.

D. Partner, Supervisory and Staff Qualifications and Experience

The firm shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in New Mexico. The firm also shall provide information on relevant continuing professional education (CPE) for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm shall provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.

Offeror must provide the names and resumes/profiles of the on-site manager and other personnel whom the offeror will use to perform the audit. Resumes shall include education, position in the firm, total years and types of experience relevant to performance of this contract, and a listing of continuing professional education (CPE) courses completed in the last three (3) years. Identify experience with GASB 68 compliance and GASB 72 training.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Agency. However, in either case, the Agency retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

E. Prior Engagement with the State of New Mexico

The firm shall list separately all engagements within the last five (5) years, ranked on the basis of total staff hours, for the State of New Mexico by type of engagement (i.e., audit, management advisory services, other). For each engagement, the firm shall indicate the scope of work, date, engagement was performed, and the name and telephone number of the principal client contact.

F. Similar Engagements with Other Government Entities

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 request for proposals. These engagements should be ranked on basis of total staff hours.

G. Specific Audit Approach

The proposal shall set forth a work plan, including audit timing, and an explanation of the audit methodology to be followed, to perform the services required. The plan shall include the start and end date and an estimate of time to complete major segments of the audit (planning, interim field work, fieldwork and reporting). The offeror shall describe its plans for using agency staff throughout the audit engagement. In developing the work plan, reference should be made to such sources of information as the Agency's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

H. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Agency.

5. **Desirable Specification**

1. Firm's Workpaper Review

Points for will be awarded based upon an evaluation of the firms Workpaper Review issued by the Office of the State Auditor (OSA). If the firm has not received a Workpaper Review from OSA the firm must indicate reasoning for non-submittal. Failure to submit Workpaper Review or justification for non-submittal will result in zero points awarded.

6. **Information**

1. Time Frame

The contract shall begin on July 1, 2018 or as soon as possible thereafter. The audit is to be delivered to the Office of the State Auditor no later than November 1, 2018.

2. Agency Resources

The following resources will be provided to contractor personnel for use on this contract:

- desk and telephone
- access to copiers and fax machines

For the purpose of performance on the audit, the Agency will make every effort to provide space for up to three personnel and the use of a telephone and a copy machine. The Agency will assign staff to facilitate the contractor. Such staff will assist the contractor in obtaining pertinent information, setting up meetings and otherwise facilitating the work. This Agency support does not relieve the contractor of the primary responsibility of completion of the audit.

3. Work Performance

For the purpose of preparing proposals, Offerors are to assume that all on-site work will be performed at the following location:

Regulation and Licensing Department/Administrative Services Division
Toney Anaya Building, 3rd Floor
2550 Cerrillos Road

4. Level of Effort

Due to the State of New Mexico budgeting process, there can be no pre-determination concerning work required for subsequent years.

The contractor will work on an as-needed basis, with no limitations on the number of trips to the on-site locations.

5. New Mexico Gross Receipts

The successful offeror shall be compensated for New Mexico gross receipt taxes owed on audit services rendered under this RFP.

C. BUSINESS SPECIFICATIONS

1. Financial Stability

Offerors must submit copies of the most recent years independently audited financial statements and the most current 10K, as well as financial statements for the preceding three years, if they exist. The submission must include the audit opinion, the balance sheet, and statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist, Offeror must state the reason and, instead, submit sufficient information (e.g. D & B report) to enable the Evaluation Committee to assess the financial stability of the Offeror.

2. Letter of Transmittal Form

The Offeror's proposal **must** be accompanied by the Letter of Transmittal Form located in APPENDIX E. The form **must** be completed and must be signed by the person authorized to obligate the company.

3. Campaign Contribution Disclosure Form

The Offeror must complete an unaltered Campaign Contribution Disclosure Form and submit a signed copy with the Offeror's proposal. This must be accomplished whether or not an applicable contribution has been made. (See APPENDIX B)

4. Cost

Offerors must complete the Cost Response Form in APPENDIX D.

The proposal shall include the offeror's hourly composite rate and a breakdown of hours and costs for each of the three (3) years. The proposal shall also include total estimated

hours to complete the audit, and the total cost the offeror will charge the Agency to perform the audit. The hourly composite rate shall include personnel services, fringe benefits and overhead costs for contractor personnel. All out-of-pocket audit-related expenses, including travel, must be included in the composite rate. Gross receipts tax must be included on the cost response form.

5. Resident Business or Resident Veterans Preference

To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate in this section.

V. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category.

Factors – correspond to section IV.B and IV C	Points Available
B. Technical Specifications	
B. 1. Organizational Experience	300
B. 2. Organizational References	300
B. 3. Oral Presentations	N/A
B. 4. Mandatory Specification	200
B. 5. Desirable Specification	50
C. Business Specifications	
C.1. Financial Stability	Pass/Fail
C.2. Letter of Transmittal	Pass/Fail
C.3 Signed Campaign Contribution Disclosure Form	Pass/Fail
C.4 Cost	150
TOTAL	1,000 points
C.5 New Mexico Preference - Resident Vendor Points per Section IV C. 5	50
C.5 New Mexico Preference - Resident Veterans Points per Section IV C.5	100

Table 1: Evaluation Point Summary

B. EVALUATION FACTORS

1. B.1 Organizational Experience (See Table 1)

Points will be awarded based on the thoroughness and clarity of the response of the engagements cited and the perceived validity of the response. Agencies must include evaluation criteria based on Section IV. B.

2. B.2 Organizational References (See Table 1)

Points will be awarded based upon an evaluation of the responses to a series of questions as per Appendix F. Points will be awarded for each individual response up to 1/3 of the total points for this category. Lack of a response will result in disqualification. Agencies must include evaluation criteria based on Section IV. B.

3. B.3 Oral Presentation (See Table 1)

No oral presentations will be held for this RFP.

4. B.4 Mandatory Specifications

Agencies must include evaluation criteria based on Section IV. B.

5. B.5 Desirable Specifications

Agencies must include evaluation criteria based on Section IV. B.

6. C.1 Financial Stability (See Table 1)

Pass/Fail only. No points assigned.

If required. Pass/Fail only. No points assigned.

7. C.2 Letter of Transmittal (See Table 1)

Pass/Fail only. No points assigned.

8. C.3 Campaign Contribution Disclosure Form (See Table 1)

Pass/Fail only. No points assigned.

9. C.4 Cost (See Table 1)

The evaluation of each Offeror’s cost proposal will be conducted using the following formula:

$$\frac{\text{Lowest Responsive Offer Bid}}{\text{This Offeror’s Bid}} \times \text{Available Award Points}$$

10. C.5. New Mexico Preferences

Percentages will be determined based upon the point based system outlined in NMSA 1978, § 13-1-21 (as amended).

A. New Mexico Business Preference

If the Offeror has provided their Preference Certificate the Preference Points for a New Mexico Business is 5%.

B. New Mexico Resident Veterans Business Preference

If the Offeror has provided their Preference Certificate the Preference Points for a New Mexico Business is 10%

C. EVALUATION PROCESS

1. All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Manager may contact the Offeror for clarification of the response as specified in Section II. B.7.
3. The Evaluation Committee may use other sources of to perform the evaluation as specified in Section II. C.18.
4. Responsive proposals will be evaluated on the factors in Section IV, which have been assigned a point value. The responsible Offerors with the highest scores will be selected as finalist Offerors, based upon the proposals submitted. The responsible Offerors whose proposals are most advantageous to the State taking into consideration the evaluation factors in Section IV will be recommended for award (as specified in Section II. B.8). Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

APPENDIX A

APPENDIX A

REQUEST FOR PROPOSAL

Audit Services RFP# 19 420 0000 00001

ACKNOWLEDGEMENT OF RECEIPT FORM

In acknowledgement of receipt of this Request for Proposal the undersigned agrees that s/he has received a complete copy, beginning with the title page and table of contents, and ending with APPENDIX F.

The acknowledgement of receipt should be signed and returned to the Procurement Manager no later than April 16, 2018 by 3:00 p.m. MST or MDT. Only potential Offerors who elect to return this form completed with the indicated intention of submitting a proposal will receive copies of all Offeror written questions and the written responses to those questions as well as RFP amendments, if any are issued.

FIRM: _____

REPRESENTED BY: _____

TITLE: _____ PHONE NO.: _____

E-MAIL: _____ FAX NO.: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

SIGNATURE: _____ DATE: _____

This name and address will be used for all correspondence related to the Request for Proposal.

Firm does/does not (circle one) intend to respond to this Request for Proposal.

Charlette Probst, Procurement Manager
Audit Services RFP# 19 420 0000 00001
Regulation & Licensing Department
2550 Cerrillos Rd
PO Box 25101
Santa Fe, NM 87504
Fax: (505) 476-4511
E-mail: charlette.probst@state.nm.us

APPENDIX B

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

Signature

Date

Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (Position)

APPENDIX C
SAMPLE CONTRACT

STATE OF NEW MEXICO AUDIT CONTRACT

(State Agencies with DFA Approval)

Regulation and Licensing Department

hereinafter referred to as the "Agency," and

hereinafter referred to as the "Contractor," agree:

As required by the Audit Rule, NMAC Section 2.2.2.1 et seq., Contractor agrees to, and shall, inform the Agency of any restriction placed on Contractor by the Office of the State Auditor pursuant to NMAC Section 2.2.2.8, and whether the Contractor is eligible to enter into this Contract despite the restriction.

1. **SCOPE OF WORK** (Include in Paragraph 26 any expansion of scope)

A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for Fiscal Year :

1. Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
2. Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules-Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 15.65);
3. Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 15.65), if applicable, consisting of:
 - a. Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.22);
 - b. Combining financial statements;
 - c. Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - d. Remaining supplemental information on schedules as required by NMAC Section 2.2.2.10.A(2)(f).

B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:

1. The Management Discussion and Analysis (MD&A);
2. RSI data required by Statements 25, 27, 43, 45, 67 and 68 regarding pension plans and post-employment healthcare plans

administered by defined benefit pension plans; and

3. Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).

C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).

2. DELIVERY AND REPRODUCTION

A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor no later than **sixty days** after the Financial Control Division of the Department of Finance and Administration (FCD of DFA) provides the State Auditor with notice that the Agency's books and records are ready and available for audit, and in any event no later than **December 1**, and in accordance with NMAC Section 2.2.2.9:

1. an organized, bound and paginated hard copy of the Agency's audit report for review;
2. a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C580; and
3. a copy of the completed State Auditor Report Review Guide available at www.osanm.org;

B. In accordance with FCD requirements, the Agency, with the help of the Contractor, shall identify a schedule of audit deliverables and agreed-to milestones for the audit to ensure that the Agency's books and records are ready and available for audit and the Contractor delivers services on time. The deadline of sixty days shall be based on the schedule of audit deliverables and agreed upon milestones; however, the deadline **shall not extend beyond December 1**. This requirement does not prevent the Contractor from performing interim audit work prior to receipt of the DFA notice of agency preparedness.

C. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13. If the State Auditor does not receive copies of the management representation letter, and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.

D. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.

E. Pursuant to NMAC Section 2.2.2.8, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency.

F. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **TWO** copies of the report, an electronic version of the audit report, in PDF format and the electronic copy of the Excel version of the Summary of Findings Form, Vendor Schedule, and Fund Balances. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver **6** copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.

G. The Agency, upon delivery of its audit report, shall submit to the Federal Audit Clearinghouse (FAC) the completed data collection form and the reporting package described in § 200.512 of Uniform Guidance for Federal Awards. The submission is required to be made within 30 calendar days of receipt of the auditor's report, or nine months after the end of the audit period.

3. COMPENSATION

A. The total amount payable by the Agency to the Contractor under this Contract, including New Mexico gross receipts tax and expenses, shall not exceed \$_____.

B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. In accordance with Section 12-6-14(A), NMSA 1978, and NMAC Section 2.2.2.8, Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this Contract prior to approval by the State Auditor.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	_____
(2) Federal single audit	_____
(3) Financial statement preparation	_____
(4) Other nonaudit services, such as depreciation schedule updates	_____
(5) Other (i.e., foundations or other component units, specifically identified)	_____

Gross Receipts Tax = \$

Total Compensation = \$

D. The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this Contract and invoiced by the Contractor. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below.

E. Pursuant to Section 12-6-14, NMSA 1978 and NMAC Section 2.2.2.8, the State Auditor may authorize progress payments to the Contractor by the Agency; provided that the authorization is based upon evidence of the percentage of audit work completed as of the date of the request for partial payment. Progress payments up to 70% do not require State Auditor approval, provided that the Agency certifies receipt of services. The Agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed prior to making such payment. Progress payments of 70% or more but less than or equal to 90% require State Auditor approval after being approved by the Agency. If requested by the State Auditor, the Agency shall provide a copy of the approved progress billings. The State Auditor may allow only the first 50% of progress payments to be made without State Auditor approval if the Contractor's previous audits were submitted after the due date. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

4. **TERM.** THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE STATE AUDITOR AND THE NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION. Unless terminated pursuant to Paragraphs 5 or 19, this Contract shall terminate one calendar year after the date on which it is signed by the Department of Finance and Administration.

5. **TERMINATION, BREACH AND REMEDIES**

A. This Contract may be terminated:

1. By either party without cause, upon written notice delivered to the other party and the State Auditor at least ten (10) days prior to the intended date of termination.
2. By either party, immediately upon written notice delivered to the other party and the State Auditor, if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the report in accordance with Paragraph 2 shall constitute a material breach of this Contract.
3. By the Agency pursuant to Paragraph 19, immediately upon written notice to the Contractor and the State Auditor.
4. By the State Auditor, immediately upon written notice to the Contractor and the Agency after determining that the audit has been unduly delayed, or for any other reason.

B. By termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. If the Agency or the State Auditor terminates this Contract, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized to the extent required by Paragraph 3(E). If the Contractor terminates this Contract for any reason other than Agency's breach of this Contract, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.

C. Pursuant to NMAC Section 2.2.2.8, the State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State Auditor on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.

D. **THE REMEDIES HEREIN ARE NOT EXCLUSIVE, AND NOTHING IN THIS SECTION 5 WAIVES OTHER LEGAL RIGHTS AND REMEDIES OF THE PARTIES.**

6. STATUS OF CONTRACTOR

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the Agency. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles or any other benefits afforded to employees of the Agency as a result of this Contract. The Contractor agrees not to purport to bind the State of New Mexico to any obligation not assumed under this Contract unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. ASSIGNMENT

The Contractor shall not assign or transfer any interest in this Contract or assign any claims for money due or to become due under this Contract.

8. SUBCONTRACTING

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of the Agency and the State Auditor. An agreement between the Contractor and a subcontractor to subcontract any portion of the services under this Contract shall be completed on a form prescribed by the State Auditor. The agreement shall be an amendment to this Contract and shall specify the portion of the audit services to be performed by the subcontractor, how the responsibility for the audit will be shared between the Contractor and the subcontractor, the party responsible for signing the audit report and the method by which the subcontractor will be paid. Pursuant to NMAC Section 2.2.2.8, the Contractor may subcontract only with independent public accounting firms that are on the State Auditor's List of Approved Firms, and that are not otherwise restricted by the Office from entering into such a contract.

9. RECORDS

The Contractor shall maintain detailed time records that indicate the date, time, and nature of services rendered during the term of this Contract. The Contractor shall retain the records for a period of at least five (5) years after the date of final payment under this contract. The records shall be subject to inspection by the Agency and the State Auditor. The Agency and the State Auditor shall have the right to audit billings both before and after payment. Payment under this Contract shall not foreclose the right of the Agency or the State Auditor on behalf of the Agency to recover excessive or illegal payments.

10. RELEASE

The Contractor, upon receiving final payment of the amounts due under the Contract, releases the State Auditor, the Agency, their respective officers and employees and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Contract. This paragraph does not release the Contractor from any liabilities, claims or obligations whatsoever arising from or under this Contract.

11. CONFIDENTIALITY

All information provided to or developed by the Contractor from any source whatsoever in the performance of this Contract shall be kept confidential and shall not be made available to any individual or organization by the Contractor, except in accordance with this Contract or applicable standards, without the prior written approval of the Agency and the State Auditor.

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. The Agency and the State Auditor may post an audited financial statement on their respective websites once it is publicly released by the State Auditor. The Contractor agrees that the FCD of DFA is free to use the audited financial statements in the statewide Comprehensive Annual Financial Report (CAFR) and that the Contractor's audit report may be relied upon during the audit of the statewide CAFR, if applicable. However DFA should not provide to any third party, other than the CAFR auditor, the draft audit report or its opinion letters or findings.

13. CONFLICT OF INTEREST

The Contractor represents and warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. Each of the Contractor and the Agency certifies that it has followed the requirements of the Governmental Conduct Act, Section 10-16-1, et seq., NMSA 1978, regarding contracting with a public officer, state employee or former state employee, as required by the applicable professional standards.

14. INDEPENDENCE

The Contractor represents and warrants its personal, external and organizational independence from the Agency in accordance with the *Government Auditing Standards 2011 Revision*, issued by the Comptroller General of the United States, and NMAC Section 2.2.2.8. The Contractor shall immediately notify the State Auditor and the Agency in writing if any impairment to the Contractor's independence occurs or may occur during the period of this Contract.

15. **AMENDMENT**

This Contract shall not be altered, changed or amended except by prior written agreement of the parties and with the prior written approval of the State Auditor. Any amendments to this Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1- 199, NMSA 1978.

16. **MERGER**

This Contract supersedes all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract. Contractor and Agency shall enter into and execute an engagement letter pursuant to NMAC Section 2.2.2.8, consistent with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS). **The engagement letter and any associated documentation included with or referenced in the engagement letter shall not be interpreted to amend this Contract. Conflicts between the engagement letter and this Contract are governed by this Contract, and shall be resolved accordingly.**

17. **APPLICABLE LAW**

The laws of the State of New Mexico shall govern this Contract. By execution of this Contract, Contractor irrevocably consents to the exclusive personal jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising from or related to this Contract.

18. **AGENCY BOOKS AND RECORDS**

The Agency is responsible for maintaining control of all books and records at all times and the Contractor shall not remove any books and records from the Agency's possession for any reason.

19. **APPROPRIATIONS**

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the legislature or the Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the legislature or the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A) NMSA 1978.

20. **PENALTIES FOR VIOLATION OF LAW**

The Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

21. **EQUAL OPPORTUNITY COMPLIANCE**

The Contractor shall abide by all federal and state laws, rules and regulations, and executive orders of the Governor of the State of New Mexico pertaining to equal employment opportunity. In accordance with all such laws, rules, regulations and orders, the Contractor assures that no person in the United States shall, on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap or serious medical condition, spousal affiliation, sexual orientation or gender identity be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Contract. If the Contractor is found not to be in compliance with these requirements during the life of this Contract, the Contractor shall take appropriate steps to correct these deficiencies.

22. **WORKING PAPERS**

- A. The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years after the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor, the Contractor shall deliver the original or clear, legible copies of all working papers to the requesting entity.
- B. The Contractor should follow the guidance of AU-C 210 A.27 to A.31 and AU-C 510 .A3 to .A9 in communications with the predecessor auditor and to obtain information from the predecessor auditor's audit documentation.

23. **DESIGNATED ON-SITE STAFF**

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is **Audrey Jaramillo**. The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

24. **INVALID TERM OR CONDITION**

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected.

25. **EMPLOYEE PAY EQUITY REPORTING**

- A. If it has ten (10) or more New Mexico employees OR eight (8) or more employees in the same job classification at any time during the term of this Contract, the Contractor shall complete and submit the PE10-249 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. If the Contractor has (250) or more employees the Contractor shall complete and submit the PE250 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. For contracts that are extended beyond one (1) calendar year, the Contractor shall also complete and submit the PE10-249 or PE250 form, whichever is applicable, within thirty (30) days of the annual contract anniversary date of the initial submittal date or, if more than 180 days has elapsed since submittal of the last report, at the completion of the contract, whichever comes first. If the Contractor does not meet the size requirement for reporting a contract award but subsequently grows such that they meet or exceed the size requirement for reporting, the Contractor shall provide the required report within ninety (90) days of meeting or exceeding the size requirement. That submittal date shall serve as the basis for submittals required thereafter. The Contractor shall also impose this requirement on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the contract. If one or more subcontractor does not meet the size requirement for reporting a contract award but subsequently grows such that they meet or exceed the size requirement for reporting, the Contractor shall submit the required report for each such subcontractor, within ninety (90) days of that subcontractor meeting or exceeding the size requirement. Subsequent report submittals, on behalf of each such subcontractor, shall be due on the annual anniversary of the initial report submittal. The Contractor shall submit the required form(s) to the State Purchasing Division of the General Services Department, and other departments as may be determined, on behalf of the applicable subcontractor(s) in accordance with the schedule contained in this paragraph. The Contractor acknowledges that this subcontractor requirement applies even though Contractor itself may not meet the size requirement for reporting and be required to report itself.
- B. If this Contract was procured pursuant to a solicitation, and if Contractor has already submitted the required report accompanying their response to such solicitation, the report does not need to be re-submitted with this Agreement.

26. **OTHER PROVISIONS**

SIGNATURE PAGE

This Contract is made effective as of the date of the signature of the Department of Finance and Administration.

AGENCY

CONTRACTOR

Regulation and Licensing Department

PRINTED NAME: _____

PRINTED NAME: _____

SIGNATURE: _____

SIGNATURE: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

STATE AGENCY

AGENCY CFO

BY: _____

BY: _____

TITLE: GENERAL COUNSEL

TITLE: CHIEF FINANCIAL OFFICER

DATE: _____

DATE: _____

This Contract has been approved by:

**DEPT. OF FINANCE &
ADMINISTRATION**
CONTRACTS REVIEW BUREAU

BY: _____ DATE: _____

DATE: _____

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID _____ No.____
By: _____
Date: _____

State Auditor Contract No.

APPENDIX D

COST RESPONSE FORM

BREAKDOWN <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1 st Year Hours FYE 6/30/18	1 st Year Cost FYE 6/30/18	2 nd Year Hours FYE 6/30/19	2 nd Year Cost FYE 6/30/19	3 rd Year Hours FYE 6/30/20	3 rd Year Cost FYE 6/30/20
Financial Statement Audit	_____	_____	_____	_____	_____	_____
Financial Statement Preparation	_____	_____	_____	_____	_____	_____
GASB Statement's 67	_____	_____	_____	_____	_____	_____
GASB Statement's 68	_____	_____	_____	_____	_____	_____
Other compilation services	_____	_____	_____	_____	_____	_____
SUB TOTAL	_____	_____	_____	_____	_____	_____
Gross Receipts Tax		_____		_____		_____
TOTAL COMPENSATION		=====		=====		=====

(includes all labor, materials, equipment, transportation, fees and taxes to provide the Services described in Section IV, (as amended by any current RFP amendments for the period specified above) ENSURE CALCULATIONS ARE CORRECT. INCORRECT CALCULATIONS WILL RESULT IN DISQUALIFICATION OF PROPOSAL.

APPENDIX E

LETTER OF TRANSMITTAL FORM

APPENDIX E
Letter of Transmittal Form

RFP#: 19 420 0000 00001

Offeror Name: _____ **FED ID#** _____

Items #1 to #7 EACH MUST BE COMPLETED IN FULL Failure to respond to all seven items WILL RESULT IN THE DISQUALIFICATION OF THE PROPOSAL!

1. **Identity (Name) and Mailing Address** of the submitting organization:

2. For the person authorized by the organization to contractually obligate on behalf of this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

3. For the person authorized by the organization to negotiate on behalf of this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

4. For the person authorized by the organization to clarify/respond to queries regarding this Offer:

Name _____

Title _____

E-Mail Address _____

Telephone Number _____

5. Use of Sub-Contractors (Select one)

___ No sub-contractors will be used in the performance of any resultant contract OR

___ The following sub-contractors will be used in the performance of any resultant contract:

(Attach extra sheets, as needed)

6. Please describe any relationship with any entity (other than Subcontractors listed in (5) above) which will be used in the performance of any resultant contract.

(Attach extra sheets, as needed)

7. ___ On behalf of the submitting organization named in item #1, above, I accept the Conditions Governing the Procurement as required in Section II. C.1.

___ I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

___ I acknowledge receipt of any and all amendments to this RFP.

_____, 2017

Authorized Signature and Date (Must be signed by the person identified in item #2, above.)

APPENDIX F

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The State of New Mexico, as a part of the RFP process, requires Offerors to submit a minimum of three (3) business references as required within this document. The purpose of these references is to document Offeror's experience relevant to the scope of work in an effort to establish Offeror's responsibility.

Offeror is required to send the following reference form to each business reference listed. The business reference, in turn, is requested to submit the Reference Form directly to:

Charlette Probst, Procurement Manager
Regulation & Licensing Department
2550 Cerrillos Rd
PO Box 25101
Santa Fe, NM 87504
Fax: (505) 476-4511

E-mail: charlette.probst@state.nm.us

By April 25, 2018 for inclusion in the evaluation process. The form and information provided will become a part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.

RFP # 19 420 0000 00001
ORGANIZATIONAL REFERENCE QUESTIONNAIRE
FOR:

(Name of Offeror)

This form is being submitted to your company for completion as a business reference for the company listed above. This form is to be returned to the State of New Mexico, Regulation & Licensing Department via mail, facsimile or e-mail to:

Name: Charlette Probst, Procurement Manager
Address: Regulation & Licensing Department
2550 Cerrillos Rd
PO Box 25101
Santa Fe, NM 87504

Telephone: (505) 699-9054
Fax: (505) 476-4511
Email: charlette.probst@state.nm.us

no later than April 25, 2018, and **must not** be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the State of New Mexico Procurement Manager listed above. When contacting us, please be sure to include the Request for Proposal number listed at the top of this page.

Company providing reference:	
Contact name and title/position	
Contact telephone number	
Contact e-mail address	
Project description;	
Project dates (starting and ending);	
Technical environment for the project your providing a reference (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);	

QUESTIONS:

1. In what capacity have you worked with this vendor in the past?

COMMENTS:

2. How would you rate this firm's knowledge and expertise?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

3. How would you rate the vendor's flexibility relative to changes in the project scope and timelines?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

4. What is your level of satisfaction with hard-copy materials produced by the vendor?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

5. How would you rate the dynamics/interaction between the vendor and your staff?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

6. Who were the vendor's principal representatives involved in your project and how would you rate them individually? Would you comment on the skills, knowledge, behaviors or other factors on which you based the rating?
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

Name: _____ Rating:

COMMENTS:

7. How satisfied are you with the products developed by the vendor?
_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
COMMENTS:

8. With which aspect(s) of this vendor's services are you most satisfied?
COMMENTS:

9. With which aspect(s) of this vendor's services are you least satisfied?
COMMENTS:

10. Would you recommend this vendor's services to your organization again?
COMMENTS: