



TOWN OF TAOS
RFP 17-18-07
Annual Audit Services

MAYOR
DANIEL R. BARRONE

COUNCIL MEMBERS

NATHANIEL EVANS
DARIEN D. FERNANDEZ
GEORGE “FRITZ” HAHN
PASCUALITO M. MAESTAS

SEALED PROPOSAL SUBMISSION DEADLINE
NO LATER THAN 4:00 PM LOCAL TIME - APRIL 5, 2018

SECTION I: INTRODUCTION/OVERVIEW

1.1 OBJECTIVE:

The TOWN OF TAOS is requesting competitive sealed proposals from the Independent Public Accountants (IPAs) to perform the annual audit of the Town of Taos's financial statements for fiscal year's ending June 30, 2018, 2019, and 2020, pursuant to Audit Rule 2018, 2.2.2 NMAC "Requirements for contracting and conducting Audits of Agencies" and any future amendments that may occur, the auditing standards generally accepted in the United States of America (GAAP), and the Uniform Grant Guidance (UGG) regulations that are also referred to as the OMB's Super Circular (The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards as codified in 2 CFR 200-521).

SECTION II: TECHNICAL AND PERFORMANCE SPECIFICATIONS

2.1 BACKGROUND

Section 12-6-14 NMSA 1978 (Contract Audits) states that the State Auditor shall notify each agency designated for audit by an independent auditor, and the agency shall enter into a contract with an independent auditor of its choice in accordance with procedures prescribed by rules of the State Auditor. The Public Accountancy Act (61-28B-13(B) of the 1999 Public Accountancy Act states that a firm with an office in New Mexico must hold a permit issued pursuant to this section of the 1999 Public Accountancy Act (61-28B-1 NMSA 1978) in order to provide attest services including audits of financial statements. A permit is also required for a firm that does not have an office in New Mexico but performs attest services for a client whose principal place of business is in New Mexico (for additional requirements see Section 2.2.2.8A. Except as otherwise provided in 2.2.2.16 NMAC, IPAs shall submit a firm profile to the State Auditor. Firms are required to notify the State Auditor of change to the firm profile as information becomes available. The State Auditor shall approve contracts only with IPAs who have submitted a complete and correct firm profile that has been approved by the Office and who have complied with all the requirements of this Rule including: (1) 2.2.2.14, Continuing Professional Education and Peer Review Requirements; (2) Subsection L of 2.2.2.8 NMAC, Independent Requirements; and (3) For IPAs who have previously audited agencies under this Rule, they must have previously complied with: (a) 2.2.2.9 NMAC, Report Due Dates; (b) 2.2.2.13 NMAC, review of audit reports and audit documentation; and (c) Paragraph (5) of Subsection A of 2.2.2.9 NMAC, notifying the State Auditor regarding why audit reports will be late.

SECTION III: SUBMITTALS, REQUIREMENTS and GENERAL INFORMATION

Respondent will submit a Technical and Cost Proposal package consisting of four sections. The four sections, with more detailed requirements following, are:

- Section I: Proposal Summary
- Section II: Technical Proposal
- Section III: Cost Proposal
- Section IV: Signed Campaign Disclosure, other forms as required if applicable

The RFP response must include a statement from the Respondent as to the period during which its proposal will remain in effect. This period must be at least one hundred eighty (180) calendar days from the due date of submission of the Proposal.

Written requests for clarification will be received up until close of business 2 days before the due date. Comments can be sent by email, letter or fax addressed to the Chief Procurement Officer (see Section 3.5 Point of Contact).

3.1 Experience and References

The Respondent must submit a statement of relevant experience. The documentation must thoroughly describe how the Respondent has supplied expertise for similar contracts and work related to this RFP.

The Respondent should include in their proposals documentation describing the extent of their experience and expertise as well as business knowledge.

Proposals must include three (3) external client references from clients who received similar services. The minimum information that must be provided about each reference is:

- a. Name of individual or company services were provided for
- b. Address of individual or company
- c. Name of contact person
- d. Telephone number of contact person
- e. Type of services provided and dates services were provided

3.2. Cost:

The Respondent must include a detailed breakdown of costs with its proposal. See **Attachment 2: Form A-2 Cost Proposal**

3.3. Campaign Disclosure

Included with this RFP is a Campaign Contribution Disclosure Form which needs to be filled out and submitted as part of the proposal.

3.4. Scope of Procurement

The Town of Taos intends to enter into an initial one-year contract with the successful Respondent for the procurement of the services contemplated by this Request for Proposals. Any such contract will be subject to approval by the Mayor and/or the Town Council depending on proposed amount, availability of funds, and other terms and conditions. The parties may renew the initial contract on an annual basis for a maximum of two (2) additional years or any portion thereof for the purpose of continuity of contractual services. In no case will the contract, including all renewals, exceed a total of three (3) years in duration. Subsequent contracts for the same services will be subject a new RFP process and to Mayor and Council or Management approval as called for by law and Town ordinances and policies.

3.5. Point of Contact

Sharon L. Voigt, Chief Procurement Officer
Town of Taos, Finance Department

400 Camino de la Placita
Taos, New Mexico 87571
FAX: (575) 751-2026
Phone: (575) 751-2025
svoigt@taosgov.com

3.6 General Information

ALL PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT OFFICER OR DESIGNEE NO LATER THAN 4:00 PM April 5, 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 attention of the Procurement Officer at the above address. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the RFP 17-18-07 Annual Audit Services. Proposals submitted by electronic means or facsimile will not be accepted.

A public log will be kept of the names of all Respondents that submitted proposals. Pursuant to Section 13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing Respondents prior to contract award.

The Chief Procurement Officer will review proposals for completeness and compliance with requirements. If any proposal submitted is deemed non-responsive, the Procurement Officer will be notified in writing of such determination and the method of protesting that determination.

The Chief Procurement Officer reserves the right to amend and/or cancel this request for proposals prior to the time and date of the proposal due date, and the right to reject all offers submitted.

The Chief Procurement Officer reserves the right to waive any minor or technical irregularities in any proposal that do not alter the price, quality or quantity of services, systems or items of tangible personal property being offered and the right to reject any proposal mistakenly awarded as a result of clerical, arithmetical, or other error on the part of the Town of Taos.

Submission Requirements

The Respondent shall submit one (1) unbound original and 4 copies of the proposal on standard 8 1/2 x 11" bond paper. Hard copy proposals shall be presented in a professional manner such as a folder or three ring binders. Proposals shall be appropriately titled on the front cover with the RFP name, RFP number, vendor name and the due date. Foldouts that contain charts, spreadsheets, and oversize exhibits are permissible. Tabs or other separators shall serve to divide major sections of the proposal. Manuals and other reference documentation may be bound separately. Responses are limited to 30 pages maximum to include all of the above with the exception of tabs and separators,

All responses, as well as any reference material presented, must be written in common English language. Main text shall be a common typeface (Arial, Times New Roman, etc.) and shall not be smaller than 11 pt.

The Respondent should sufficiently address each item presented in the RFP and all Appendices in accordance with the directions found herein. Each item is expected to be addressed or the proposal may be judged as "non-responsive." Answers shall be clear, sufficiently detailed and specific to the Town.

Proposals shall be based only on the material contained in the RFP. In addition to the main document,

this includes written responses to questions as well as any other official amendments/addenda published by the Town concerning the proposal. Proposals shall be prepared as simple as possible to provide straightforward, concise description of the Respondent's capabilities to satisfy the requirements of the RFP. Utmost attention shall be given to accuracy, completeness, and clarity of content. All parts, pages, figures, and tables shall be numbered and clearly labeled. The proposal shall be organized into the following major sections with tabs for sections numbered and titled as they appear below. Include a tab or section heading for each subsection.

Transmittal Letter

The Respondent shall first submit a formal transmittal letter on *official company letterhead* that contains the following:

Statement of Interest

This statement shall indicate your firm's general interest and capability to perform the project. It shall also include a brief summary of any information that you feel might be especially important to the Town.

Statement of Proposal Life

The proposal must have a *proposal life* of at least one hundred eighty (180) calendar days from the due date of submission of the Proposal. This shall represent the minimum time during which the proposal is a firm offer and a contract may be entered into.

Statement of Acceptance

This statement shall state acceptance of all terms and conditions of the Town of Taos RFP and Town of Taos sample Contract or reasons for non-acceptance and/or proposed additional Terms and Conditions.

Contact Person

Please include the name, title, address, telephone number, fax number and e-mail of the key contact person for any questions regarding your proposal.

Signature of Authorized Representative

An authorized representative of the firm **must** sign the transmittal letter.

Company Background & Team Arrangement

This section should give a brief overview of the company and provide the following information:

- Company name & local business address (Include any regional offices and/or headquarters.)
- Year established (Include former names and year established, if applicable)
- Type of ownership and parent company, if applicable;
- Project manager who will be working the project for the company; and
- Core competencies of the company (briefly describe).

If a joint venture or subcontracts are contemplated, provide the same information as above for any Subs, and explain their role in the contract. (The Prime must assume all responsibility for the work, Including the work of any subs.)

Please include any general pre-printed literature regarding your company in this section.

Reference Reviews

Please provide a detailed list of references showing your expertise and experience in providing the services requested. This should include project description, contact names, addresses, phone and e-mail.

Respondents History

The Respondent must be a “responsible” Respondent that is both ethically and financially in good standing within the industry, as determined by the Town. If the Respondent’s local office has had a contract terminated for default during the past three (3) years, this fact shall be disclosed in the RFP response along with the Respondent’s position on the matter(s). If the Respondent has experienced no such terminations for default in the past three years, then it should so indicate. The Respondent must provide evidence of its’ financial capability to undertake this project as well as its personal resource inventory. The Contractor shall furnish to the Town of Taos a current audited financial statement as to the Contractor's present financial status.

Proposal Summary

The proposal response must include a full implementation schedule along with project deliverables.

Fee/Cost Proposal

Provide an estimated fee/cost proposal for this project. The Town requests a single cost for various For deliverables as identified by the Audit Rule. See **Attachment 2: Form A-2 Cost Proposal**

Additional Information

Provide any additional information deemed necessary by the Respondent to ensure success of the project. Any exceptions that the Respondent would like to have for this project should be detailed.

All attached forms should be filled out and submitted as part of a Respondent’s proposal.

Proposal Evaluation

1. Proposals will be evaluated and scored according to the following evaluation criteria. Proposals that significantly deviate from the Town’s requirements may be found “non-responsive” without further evaluation.

| Evaluation Criteria | Points (Weight Factor) |
|--|-----------------------------|
| <p>Capability of Firm</p> <p>(1) Whether the IPA has the resources to perform the type and size of the audit required;</p> <p>(2) The results of the IPA's most recent external quality control review (peer review); and</p> <p>(3) The organization and completeness of the IPA's proposal or bid for audit services.</p> | 30 points |
| <p>Work Requirements & Audit Approach</p> <p>(1) The IPA's knowledge of the agency's need and the product to be delivered;</p> <p>(2) Whether the IPA's proposal or bid contains a sound technical plan and realistic estimate of time to complete the audit;</p> <p>(3) Plans for using agency staff, including internal auditors; and</p> <p>(4) If the proposal or bid is for a multi-year contract, the IPA's approach for planning and conducting the work efforts of subsequent years.</p> | 20 points |
| <p>Technical Experience</p> <p>(1) The governmental audit experience of the IPA and the specialization in the agency's type of government – Municipal Government</p> <p>(2) The IPA's attendance at continuing professional education seminars or meetings on auditing, accounting and regulations directly related to state and local government audits and the agency.</p> | 30 points |
| Cost | 20 points |
| New Mexico Resident Business Preference (if applicable or New Mexico Resident Veteran Business Preference (if applicable)) | 5 points or 10 points |
| TOTAL POSSIBLE POINTS | 100 points |
| | |
| | |

2. Interview if required- Approximately 50 points are possible in scoring each interview for this RFP. The Evaluation Committee will provide a list of questions relevant to the project. These questions shall be addressed to the firms at the interview. Each question will carry equal point value. The interview will allow time for a question and answer session in response to the prepared questions.

A serious deficiency in any one category may be ground for rejection of the proposal regardless of the overall score.

In addition to or instead of interviews, Respondents may be afforded an opportunity for discussion and revision of proposals. Revisions may be permitted after submissions of proposals and prior to award for the purpose of obtaining best and final offers. Negotiations may be conducted with responsible Respondents who submit proposals found to be reasonably likely to be selected for award. (NMSA 1978, Sec. 13-1-115.)

NOTICE CONCERNING ILLEGAL ACTS: The New Mexico Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and misdemeanor criminal penalties for its violation. In addition, The New Mexico criminal statutes impose felony penalties for bribes, gratuities and kick-backs.

CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule for the procurement, describes the major procurement events and the conditions governing the procurement.

A. SEQUENCE OF EVENTS

The Town of Taos will make every effort to adhere the following schedule:

| | <u>Action</u> | <u>Responsibility</u> | <u>Date</u> |
|----|--|-----------------------|----------------|
| 1. | Issue of RFP | Town of Taos | March 14, 2018 |
| 2. | Deadline to Submit | Potential | April 5, 2018 |
| 3. | Proposal Evaluation | Evaluation Committee | April 10, 2018 |
| 4. | Recommendation for Contract Award (contract award contingent upon final approval by the New Mexico Office of the State Auditor) | Town of Taos | April 13, 2018 |
| 5. | Protest Deadline | Respondent | April 29, 2018 |

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed above in the sequence of events shown in Paragraph A.

1. Issue of RFP
The Town of Taos is issuing this RFP.
2. Submission of Proposal

ALL OFFERS OF PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT AGENT OR DESIGNEE NO LATER THAN 4:00PM April 5, 2018. Proposals received after this deadline will not be accepted. The date and time will be recorded on each proposal. Proposals must be addressed and delivered to the Procurement Officer at the address listed in Section 3.5. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the RFP 17-18-07 Annual Audit Services. Proposals submitted by facsimile will not be accepted.

3. Proposal Evaluation

An evaluation committee will perform the evaluation of proposals. This process will take place on April 13, 2018 or shortly thereafter. Points will be allocated, by each member, as described in this RFP. Each member's point totals will be translated into a numeric ranking of all proposals. The individual member rankings will be totaled together to determine the overall ranking of proposals.

It is the general practice of the Evaluation Committee to hold interviews with the three highest-ranked proposals. The Evaluation Committee may award the selection based on the results of the short listing. If fewer than three proposals are received the Evaluation Committee may recommend an award to the appropriate Mayor and/or Governing Body for approval or direct that the RFP be reissued.

During this time, we may initiate discussions with Respondent(s) who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals, but proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Respondent(s).

Resident Business/Veteran Preference: Pursuant to 13-1-21 NMSA 1978 provides for certain preferences under certain conditions. If applicable, the preference will be provided to those offerors that have provided the requisite supporting material with their proposal, as required by 13-1-22 NMSA 1978.

4. Contract Award

The contract shall be awarded to the Respondent(s) whose proposal is most advantageous, taking into consideration the evaluation factors set forth in the RFP. The most advantageous proposal may or may not have received the most points. The award is subject to appropriate Mayor and/or Town of Taos Governing Body approval and NM State Auditor.

5. Protest Deadline

Any protest by a Respondent must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations providing a 15-day protest period following knowledge of the facts or circumstances giving rise to the protest. Protests must be written and must include the name and address of the protestor and the request for proposals number. It must also contain a statement of grounds for protest including appropriate supporting exhibits, and it must specify the ruling requested from the Town of Taos. The protest must be delivered to the Procurement Officer, Town of Taos, 400 Camino de la Placita, Taos, NM 87571. Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Submission of a proposal constitutes acceptance of the Conditions Governing the Procurement and the Evaluation Factors contained in this RFP.

2. Incurring Cost

Any cost incurred by the in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Respondent.

3. Primary Contractor Responsibility

Any contract that may result from this RFP shall specify that the primary contractor is solely responsible for fulfillment of the contract with the Town of Taos. The Town of Taos will make contract payments to

only the primary contractor.

4. Sub Contractors

The primary contractor is responsible for all work that may result from this procurement. The primary contractor will act as the prime & project manager; subcontracting of work is allowed, but the prime is still responsible for the work completed. Subcontracting work does not absolve the prime in any manner.

5. Amended Proposals

A Respondent 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 Town of Taos personnel will not merge, collate, or assemble proposal materials.

6. Respondents' Rights to Withdraw Proposal

Respondents' will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Respondent must submit a written withdrawal request signed by the Respondents' duly authorized representative addressed to the Procurement Officer. 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, will be considered firm for one hundred eighty (180) days after the due date for receipt of proposals or sixty (60) days after receipt of a best and final offer if one is submitted.

8. Disclosure of Proposal Contents

The proposals will be kept confidential until a contract is awarded. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for the material that is proprietary or confidential. The Procurement Officer will not disclose or make public any pages of a proposal on which the Respondent has stamped or imprinted "proprietary" or "confidential" subject to the following requirements.

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. Confidential data is normally restricted to confidential financial information concerning the Respondent's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978. 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 a Respondent has made a written request for confidentiality, the Town of Taos shall examine the Respondent's request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Respondent 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 procurement in no manner obligates the Town of Taos or any of its agencies to the use of any proposed professional services until a valid written contract is awarded and approved by the 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 Town of Taos determines such action to be in the best interest of the Town of Taos.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Sending written notice to the contractor will effect such termination. The Town of Taos's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

12. Legal Review

The Town of Taos requires that all respondents agree to be bound by the General Requirements contained in this RFP. Any respondent concerns must be promptly brought to the attention of the Procurement Officer. The contract to be entered into between the Town and the selected vendor for provision of the systems and services solicited by this RFP shall be subject to legal review and approval by the Town Attorney and will contain provisions mandated by and advisable under New Mexico Law.

13. Governing Law

The laws of the State of New Mexico shall govern this procurement and any agreement with respondents that may result.

14. Basis for Proposal

Only information supplied by the Town of Taos in writing through the Procurement Officer or in this RFP should be used as the basis for the preparation of proposals.

15. Respondent's Terms and Conditions

Respondent's must submit with the proposal a complete set of any additional terms and conditions, which they expect to have included in a contract negotiated with the Town of Taos.

16. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation, will be discussed only between the Town of Taos and the selected respondent and shall not be deemed an opportunity to amend the Respondent's proposal.

17. Qualifications

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

18. 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/or doing so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

19. Change in Representatives

The Town of Taos reserves the rights to require a change in representatives if the assigned representatives are not, in the opinion of the Town of Taos, meeting its needs adequately.

20. Notice

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

21. Town of Taos Rights

The Town of Taos reserves the right to accept all or a portion of a Respondent's proposal.

22. Right to Publish

Throughout the duration of this procurement process and contract term, potential respondents and contractors must secure from the Town of Taos written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement or the subsequent contract. Failure to adhere to this requirement may result in disqualification of the respondent's proposal or termination of the contract.

23. Ownership of Proposals

All documents submitted in response to this Request for Proposals shall become the property of the Town of Taos. However, any technical or user documentation submitted with the proposals of non-selected respondent's shall be returned after the expiration of the protest period. Unsuccessful Respondent's may retrieve all but one copy of their proposal as soon as award is made. Any unsuccessful Respondent wishing to retrieve all copies of their proposal must do so within two weeks after the award.

24. Electronic mail address required

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Respondent must have a valid e-mail address to receive this correspondence.

25. State and Local Ordinances.

In submitting a proposal, the Respondent represents that they have familiarized themselves with the nature and extent of the RFP dealing with federal, state, and local requirements that are part of this RFP. The successful Respondent(s) shall perform work under the resultant Contract in strict accordance with the latest version of all State and local codes, ordinances, and regulations governing the work involved. All materials and labor necessary to comply with the rules, regulations and ordinances shall be provided by the successful Respondent(s). In the event of a conflict between various codes and standards, the more stringent shall apply.

26. Status of Successful Respondents.

The successful Respondent(s) is an independent contractor performing services for the Town and neither he/she nor his/her agents or employees shall, as a result of the resultant Contract, accrue leave, retirement, insurance, bonding authority, use of Town vehicles, or any other benefits, prerequisites or allowances normally afforded only to employees of the Town. The successful Respondent(s) acknowledge that all sums received under the resultant Contract are personally reportable by him/her for income, self-employment and other applicable taxes.

27. The detailed fee proposal, along with the work plan will be the basis for final contract negotiations with the selected firm.

28. The respondent shall indicate if there are any problems with meeting the terms of the Specifications and General Requirements of this proposal, and the insurance requirements that may apply. Depending on the proposals, the contract will be revised to incorporate the details of the negotiated agreement of the parties.

29. The Town of Taos may enter into cooperative purchasing agreements with other political

subdivisions or other governmental entities of the State of New Mexico in order to conserve resources, reduce procurement costs, and improve the timely acquisition of supplies, equipment and services. The respondent to whom a contract is awarded under this RFP may be requested by other parties to such a cooperative purchasing agreement to extend to those parties the right to purchase services provided by the respondent under its contract with the Town of Taos, pursuant to terms and conditions stated therein.

APPENDIX

DEFINITION OF TERMINOLOGY

This section contains definitions and abbreviations that are used throughout this procurement document.

“Contract” - a written agreement for the procurement of items of tangible personal property or services.

“” - a successful who enters into a binding contract.

“Determination” - the written documentation of a decision by the Procurement Agent including findings of fact supporting a decision. A determination becomes part of the procurement file.

“Desirable” - The terms “may”, “can”, “should”, “preferably”, or “prefers” identify a desirable or discretionary item or factor (as opposed to “mandatory”).

“Evaluation Committee” - a body appointed by the Town of Taos management to perform the evaluation of proposals.

“Evaluation Committee Report” - a document prepared by the Procurement Manager and the Evaluation Committee for submission to the Town of Taos Governing Body for contract award. It contains all written determinations resulting from the procurement.

“Finalist” - defined as a respondent who meets all the mandatory specifications of this Request for Proposals and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee.

“Mandatory” - The terms “must”, “shall”, “will”, “is required”, or “are required”, identify a mandatory item or factor (as opposed to “desirable”). Failure to meet a mandatory item or factor will result in the rejection of the ’s proposal.

“” - is any person, corporation, or partnership that chooses to submit a proposal.

“Procurement Officer” - the person or designee authorized by the Town of Taos to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

“Request for Proposals” or “RFP” - all documents, including those attached or incorporated by reference, used for soliciting proposals.

“Responsible ” - an who submits a responsive proposal and who has furnished, when required, information and data to prove that his 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” or “Responsive Proposal” - an offer or proposal, 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.

SECTION IV: SIGNED CAMPAIGN DISCLOSURE, OTHER FORMS AS REQUIRED OR IF APPLICABLE

Attachment 1

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective Contractor seeking to enter into a contract with any state agency or local public body must file this form with the state agency or local public body. The prospective must disclose whether they, a family member or a representative of the prospective 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 submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the signs the contract, if the aggregate total of contributions given by the prospective, a family member or representative of the prospective to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

THIS FORM MUST BE FILED BY AND PROSPECTIVE WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAD 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 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 un-reimbursed 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.

“Contract” means any agreement for the procurement of items of tangible personal property, services, professional services or construction

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

“Tendency 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” 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” 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 .

DISCLOSURE OF CONTRIBUTIONS applies to contributions made to the following Public Officials: **DANIEL BARRONE, MAYOR**

COUNCIL MEMBERS:

NATHANIEL EVANS

PASCUALITO M. MAESTAS

DARIEN D. FERNANDEZ

GEORGE “FRITZ” HAHN

Contribution made by: _____

Relation to Prospective : _____

Name of Applicable Public Official: _____

Date Contribution(s) made: _____

Amount(s) of Contributions(s) _____

Nature of Contributions (s) _____

Purpose of Contributions(s) _____

Signature

Date

Title (position)

OR

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

Signature

Date

Title (Position)

Attachment 2: Form A-1
Respondent's Statement of Organization

1: Full Name of Business Concern (Respondent)

2: Principal Business Address:

3: Principal Contact Person(s) for this Proposal (name and title):

Direct Phone Number (or Cell Phone): _____

Email Address: _____

4: Form of Business Concern (Corporation, Partnership, Joint Venture, Other)

5: If a corporation, in What State Incorporated and Date of Incorporation:

State: _____ Date: _____

6: If a Joint Venture or Partnership, Provide Date of Agreement:

Date: _____

7: Provide names of partners or officers as appropriate and indicate if the individual has the authority to sign in name of Respondent. Provide proof of the ability of the individuals so named to legally bind the Respondent:

| Name | Address | Title |
|------|---------|-------|
|------|---------|-------|

CONTINUED

- 8: List all firms participating in this project (including prime contractors, subcontractors, operators, major equipment suppliers, etc.)**

| Name | Address |
|------|---------|
|------|---------|

1: _____

2: _____

3: _____

4: _____

- 9: Outline specific areas of responsibility for each firm listed in Question 8.**

| Name | Responsibilities |
|------|------------------|
|------|------------------|

1: _____

2: _____

3: _____

4: _____

- 10: Identify the provisions of any agreement between parties which assigns legal or financial liabilities or responsibilities:**

- 11: If responding firm(s) are a partially or fully-owned subsidiary of another firm, or share common ownership with another firm, please identify the parent firms and the relationships:**

Attachment 2: Form A-2 Cost Proposal

Please Breakdown cost(s) by category:

COST RESPONSE FORM

Each firm shall provide a cost proposal. The Firm's pricing shall be inclusive of any additional cost, direct or indirect, if necessary, in providing these services (i.e. travel time, mileage, supplies, etc.)

Audit- Billing and Fees

Fiscal Year 17/18

| SERVICES | AMOUNT |
|---|--------|
| FINANCIAL STATEMENT AUDIT | |
| FEDERAL SINGLE AUDIT | |
| FINANCIAL STATEMENT PREPARATION | |
| OTHER NON-AUDIT SERVICES, SUCH AS DEPRECIATION SCHEDULE UPDATES | |
| OTHER (i.e. component units, specifically identified) | |
| SUBTOTAL | |
| Gross Receipt's Tax | |
| TOTAL PROPOSAL COST | |

Fiscal Year 18/19

| SERVICES | AMOUNT |
|---|--------|
| FINANCIAL STATEMENT AUDIT | |
| FEDERAL SINGLE AUDIT | |
| FINANCIAL STATEMENT PREPARATION | |
| OTHER NON-AUDIT SERVICES, SUCH AS DEPRECIATION SCHEDULE UPDATES | |
| OTHER (i.e. component units, specifically identified) | |
| SUBTOTAL | |
| Gross Receipt's Tax | |
| TOTAL PROPOSAL COST | |

Fiscal Year 19/20

| SERVICES | AMOUNT |
|--|---------------|
| FINANCIAL STATEMENT AUDIT | |
| FEDERAL SINGLE AUDIT | |
| FINANCIAL STATEMENT PREPARATION | |
| OTHER NON-AUDIT SERVICES, SUCH AS DEPRECIATION SCHEDULE UPDATES | |
| OTHER (i.e. component units, specifically identified) | |
| SUBTOTAL | |
| Gross Receipt's Tax | |
| TOTAL PROPOSAL COST | |

Attachment 2: Form A-3

Cost Proposal Signature Page

The Annual Audit Cost Proposal Signature Page must be signed by an officer of the proposing organization empowered to sign a document that commits the Respondent to the price quotes stated in the collection cost proposals.

Company Name: _____

Address: _____

Address: _____

County/State/Zip: _____

Phone Number: _____

Fax Number: _____

The undersigned has examined the complete Request for Proposals and its requirements contained in this solicitation and are submitting the following Cost Proposal in full compliance with those requirements.

By submission of a proposal, the Respondent is required to certify as to its own organization, that in connection with this proposal:

- a. The costs in the proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any matter relating to such costs with any Respondent or with any competitor; and
- b. Unless otherwise required by law, the costs that have been quoted in the proposal have not been knowingly disclosed by the vendor and will not knowingly be disclosed by the vendor prior to award directly or indirectly to any other Respondent or to any competitor.

AUTHORIZED SIGNATURE:

The undersigned states that this price quote is submitted in full compliance with the provision of the RFP to which this Technical and Cost Proposal is a response:

Signature: _____

Name/Title: _____

Date: _____

SAMPLE CONTRACT & 2018 AUDIT RULE SUMMARY OF KEY CHANGES 2-23-18
BELOW:

STATE OF NEW MEXICO AUDIT CONTRACT

{{name}}

hereinafter referred to as the "Agency," and

{{contractorName}}

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 25 any expansion of scope)

- A. The Contractor shall conduct a financial and compliance audit of the Agency for Fiscal Year {{contractForFiscalYear}} 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*, the Audit Act and the Audit Rule (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 on or before the deadline set forth for the Agency in 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. 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.
- C. 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.
- D. Pursuant to NMAC Section 2.2.2.10, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency.
- E. 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 after the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor 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, Fund Balances, and any GASB 77 data (if applicable). After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver {{numberOfCopies}} copies of the audit report to the Agency. The Agency or Contractor shall ensure that every member of the Agency's governing authority shall receive a copy of the report.
- F. The Agency, upon delivery of its audit report, shall submit to the Federal Audit Clearinghouse (FAC) the completed dated collection form and the reporting package described in Section 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 shall not exceed {{nmGRTNotExceed}} including applicable gross receipts tax.
- B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. 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 | <u>{{financialStmtAudit}}</u> |
| (2) Federal single audit | <u>{{fedSingleAudit}}</u> |
| (3) Financial statement preparation | <u>{{financialStmtPrep}}</u> |
| (4) Other nonaudit services, such as depreciation schedule updates | <u>{{otherNonauditServices}}</u> |
| (5) Other (i.e., component units, specifically identified) | <u>{{otherServices}}</u> |

Gross Receipts Tax = {{grossReceiptsTax}}

Total Compensation = {{totalCompensation}} including applicable gross receipts tax

- 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. 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.** Unless terminated pursuant to Paragraphs 5 or 19, this Contract shall terminate one calendar year after the latest date on which it is signed.

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. For District Courts and District Attorneys only, the contractor agrees that the Financial Control Division of the Department of Finance and Administration (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 District Courts' or District Attorneys' draft audit reports or their 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 2.2.2.10, 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 .A11 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 {{contractorOnSiteAuditor}}. 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. **OTHER PROVISIONS**

{{otherProvisions}}

DRAFT

SIGNATURE PAGE

This Contract is made effective as of the date of the latest signature.

AGENCY

{{name}}

CONTRACTOR

{{contractorName}}

PRINTED
NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINTED
NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

DRAFT

2018 Audit Rule Summary of Key Changes

2.2.2.8.G Rotation rule- remove expired exception language for multi-year proposals.

2.2.2.10.H Referrals- expanded to include risk advisories, new requirement to submit referral response at least fourteen days before draft report.

2.2.2.10.L Findings requirements- summary schedule of prior year findings required to include only finding number, title, and status (resolved, repeated, or repeated and modified).

2.2.2.10.L Corrective action plan for federal findings must be in document separate from auditor's findings and must be on the audited agency's letterhead (new federal requirement per COFAR FAQ's issued in July 2017)

2.2.2.10.M Exit conference- requirements for what must be available at exit conference scaled back from full report to draft including the following: independent auditor's report, basic financial statements, findings, schedule of prior year findings, internal control report, and single audit compliance report, if applicable.

2.2.2.10.W Capital asset inventory- eliminated requirement to keep old assets capitalized under historical thresholds (under \$5k) on inventory listing until they are disposed of.

2.2.2.10.Z and DD GASBS 68 and 75 schedules of employer allocations for PERA, ERB and RHCA- new requirement that IPA give in-relation-to opinion on supplementary information schedules included in schedule of employer allocations report, new required note disclosures for plans.

2.2.2.10.BB Tax abatement disclosure requirements modified to align with GASBS 77 by allowing aggregation and the use of a quantitative threshold for determining individual disclosure.

2.2.2.10.CC New standards- updated for new standards effective for FY 18, GASBS 75 OPEB is the most significant.

2.2.2.12.F Indigent care reporting requirements for Hospitals- clarified requirements to present schedules in audit report as supplementary information, and to submit of electronic version of schedules to OSA.

2.2.2.12.G Schedule of asset management costs- investing agencies (STO, PERA, ERB, and SIC) required to include supplementary information schedule of asset management costs containing fee breakdown by investment class in the annual audit report. Disclosure in aggregate allowed for private asset classes and alternative investment classes, detailed disclosure required for all other asset classes.

2.2.2.15.A Fraud, waste or abuse reported to OSA- new requirement that agencies respond to OSA-SID fact-finding inquiries within 21 calendar days of receipt. IPAs required to test compliance and report noncompliance as a finding.