

**SIERRA COUNTY
STATE OF NEW MEXICO**

REQUEST FOR PROPOSALS (RFP)

RFP #2018-03-008

**ANNUAL FINANCIAL AUDIT SERVICES PER STATE
AUDITORS RULE 2.2.2.8 FOR 2018 NMAC**



**SIERRA COUNTY PROCUREMENT
855 VAN PATTEN
TRUTH OR CONSEQUENCES, NM 87901**

Issue Date: March 7, 2018

Question: March 20, 2018 by 2:00 PM

Due Date: April 10, 2018 @2:00 PM

**OTHER INFORMATION:
COMMODITY CODE REF:
#94620, 91016 and 84711600**

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I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The County of Sierra, State of New Mexico, on behalf of the Sierra County Board of County Commissioners, seeks sealed proposals from an NM State Audit approved auditing agency to perform FY 17/18 audit. In addition to multi fiscal years as per (3) year multi term agreement.

B. SUMMARY SCOPE OF WORK

The scope of work consists:

A. In accordance with the *New Mexico State Audit Rule 2.2.2.8 NMAC, 2018*, the successful Auditor shall be required to conduct a financial and compliance audit of the following applicable statements and schedules for Sierra County for the period from **July 1, 2017 through June 30, 2018**:

(1) 2018 Audit Rule Summary of Key Changes. 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 14.52);

(3) Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14.52), 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 3.20);
- (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 2.2.2.6

B. The Auditor 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 and 45 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*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.)

DELIVERY AND REPRODUCTION

A. In order to meet the delivery terms of this Contract, the Auditor shall deliver the following documents to the State Auditor on or before **December 15, 2018** and in accordance with NMAC Section 2.2.2.9:

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

B. Reports postmarked by the County'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 Auditor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13.C. If the State Auditor does not receive copies of the engagement letter, management representation letter, summary of findings form 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 Auditor becomes aware that circumstances exist that will make the County's audit report late, the Auditor 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 County. The State Auditor shall also notify the County's Oversight County, but confidential information shall be omitted from that notification.

D. Pursuant to NMAC Section 2.2.2.8.Q, the Auditor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Auditor and the County. The Auditor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.

E. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Auditor 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 Auditor shall provide the State Auditor with **TWO** copies of the report and an electronic version of the audit

report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Auditor shall deliver Nine (9) copies of the audit report to the County. The County or IPA shall ensure that every member of the County's governing authority shall receive a copy of the report.

F. The County, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse designated by the Office of Management and Budget and each federal awarding County if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

C. SCOPE OF PROCUREMENT

The scope of the procurement consists of insuring the selected firm meets all State and County rules and expectations. To meet all RFP requirements as per guidelines and statues. This Contract will automatically renew on an annual basis, for up to three (3) additional one (1) year terms unless terminated as provided by this Contract or law. In accordance with Section 13-1-150 NMSA 1978, no term for a professional services contract, including extensions and renewals, shall exceed three (3) years, except as set forth in Section 13-1-150 NMSA 1978. This procurement will result in a single source award. Contract award is expected on or about April 17, 2018.

D. CHIEF PROCUREMENT OFFICER

The County of Sierra has designated a Chief Procurement Officer who is responsible for this procurement and whose name, address, and telephone number are listed below. Any inquiries or requests regarding this procurement should be submitted to the Chief Procurement Officer in writing. Offerors may contact **ONLY** the Chief Procurement Officer regarding the procurement. Other County employees do not have the authority to respond on behalf of the County of Sierra.

Jocelyn Holguin
Sierra County Chief Procurement Officer

<u>Delivery Address (Including proposal delivery):</u> 855 Van Patten, Truth or Consequences, NM 87901	<u>Mailing Address:</u> 855 Van Patten, Truth or Consequences, NM 87901
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Phone: (575) 894-6215
Fax: (575) 894-9548
E-mail: jholguin@sierraco.org

NOTE: All deliveries via express carrier (INCLUDING PROPOSAL DELIVERY) should be addressed to Jocelyn Holguin's Delivery Address, above.

E. DEFINITION OF TERMINOLOGY

This section contains definitions that are used throughout this procurement document, including appropriate abbreviations.

“Board of County Commissioners” (also “BCC”) means the elected board in whom all powers of the County are vested and who are responsible for the proper and efficient administration of the County government.

“Chief Procurement Officer” (also “CPO”) means the state certified procurement officer and purchasing agent for the County of Sierra. The person or designee authorized by the County to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

"Close of Business" means 5:00 P.M. Mountain Standard Time (MST) or Mountain Daylight Time (MDT), whichever is in effect on the date specified.

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

"Auditor" means a successful offeror who enters into a binding contract.

"County" means the County of Sierra, State of New Mexico.

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

“Desirable” refers to the terms "may", "can", "should", "preferably" or "prefers" which identify a desirable or discretionary item or factor. (As opposed to a “mandatory” item or factor.)

"Evaluation Committee" means a body appointed by County management to perform the evaluation of offeror proposals.

"Evaluation Committee Report" means a report prepared by the Procurement Manager and the Evaluation Committee for submission to appropriate approval authorities for contract award that contains all written determinations resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

"Finalist" is defined as 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.

"Mandatory" refers to the terms "must", "shall", "will", "is required" or "are required" which identify a mandatory item or factor. (As opposed to a "desirable" item or factor.) Failure to meet a mandatory item or factor will result in the rejection of the offeror's proposal.

"Offeror" is any person, corporation, or partnership who chooses to submit a proposal.

"Procuring agency of the County" means the department or other subdivision of the County of Sierra that is requesting the procurement of services or items of tangible personal property.

"Purchase Order" or "PO" means the document which directs a Auditor to deliver items of tangible personal property or services pursuant to an existing, valid contract.

"Purchasing" means the County of Sierra Purchasing Office or the Sierra County Purchasing Agent.

"Purchasing Agent" or "PA" means the Purchasing Agent for the County of Sierra.

"Request for Proposals" or "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 required information and data to prove that their 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 called for in this proposal.

"Responsive Offer" or "Responsive Proposal" means 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 and delivery requirements.

"Statement of Compliance" and "Statement of Concurrence" mean an express statement, by the offeror in their proposal, which they agree with or agree to the stated requirement(s). Possible examples of acceptable responses include "The [NAME HERE Company] agrees to comply with this requirement." and "The [NAME HERE Company] concurs with this requirement."

F. PROCUREMENT LIBRARY

The Procurement Library consists of the following documents which may be accessed by their associated Internet links:

- **New Mexico Procurement Code**

<http://www.conwaygreene.com/nmsu/lpext.dll?f=templates&fn=main-h.htm&2.0>

- **Sierra County Procurement Regulations**

- **Sierra county Purchasing department Website and Vendor Registry Link**

<http://www.sierraco.org>

II. CONDITIONS GOVERNING THE PROCUREMENT

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

A. SEQUENCE OF EVENTS

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

ACTION	RESPONSIBILITY	DATE
1. Issue RFP	Chief Procurement Officer (CPO)	03/07/2018
2. Return of "Acknowledgment of Receipt" Form for Distribution List	Potential Offerors (PO)	04/15/2018
3. Pre-proposal Conference	CPO	N/A
4. Deadline to Submit Questions	PO	03/20/2018
5. Response to Written Questions/ RFP Amendments	CPO	Pending
6. Submission of Proposal	Offerors	4/10/2018
7. Proposal Evaluation	Evaluation Committee (EC)	To Be Determined
8. Notification of Finalists (If desired)	CPO	To Be Determined
9. Best & Final Offer (If requested)	Offerors	To Be Determined
10. Oral Presentations (If requested)	Offerors	To Be Determined
11. Contract Negotiations (If needed)	Tentative winner/CPO	To Be Determined
12. Contract Award*	CPO/BCC*	04/17/2018
13. Protest Deadline	Offerors	15 Days of Notification

*Contract award is subject to approval of the Board of County Commissioners.

B. EXPLANATION OF EVENTS

The following paragraphs further detail the activities listed in the sequence of events shown in Section II, Paragraph A.

1. Issue RFP

This RFP is being issued by the Sierra County Purchasing Agent on behalf of the Board of County Commissioners of Sierra County.

2. Return of "Acknowledgment of Receipt" Form for Distribution List

Potential offerors should hand deliver or return by facsimile or e-mail or registered or certified mail the "Acknowledgement of Receipt" form that accompanies this document (See 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 by the close of business on the date indicated in Section II.A (Sequence of Events), above.

The procurement distribution list will be used to notify those that submitted the form of any written responses to questions and any RFP amendments. Failure to return this 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

There is not a Pre-Proposal Conference associated with this procurement.

4. Deadline to submit written questions

Potential offerors may submit written questions as to the intent or clarity of this RFP until 2:00 PM MDT on the date indicated in Section II.A (Sequence of Events), above. All written questions must be sent by e-mail to the Chief Procurement Officer (See Section I, Paragraph D.)

5. Response to written questions/RFP Amendments

Written responses to written questions and any RFP amendments will be provided to all potential offerors that have returned the "Acknowledgement of Receipt" Form found at Appendix A. A new "Acknowledgement of Receipt" Form will accompany the posted distribution package. The form should be signed by the offeror's representative, dated, and hand-delivered or returned by facsimile or e-mail or by registered or certified mail by

the date indicated thereon. Failure to return this form shall constitute a presumption of receipt and withdrawal from the procurement process.

6. Submission of Proposal

OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 2:00 PM MDT ON THE DATE INDICATED IN SECTION II.A (SEQUENCE OF EVENTS), ABOVE. PROPOSALS RECEIVED AFTER THIS DEADLINE FOR ANY REASON WILL NOT BE ACCEPTED OR CONSIDERED.

The date and time of receipt will be recorded on each proposal. Proposals must be addressed and delivered to the Procurement Manager at the delivery 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 "ANNUAL FINANCIAL AUDIT SERVICES" Request For Proposals and should reference "RFP #2018-03-008." Proposals submitted by facsimile or other electronic means **WILL NOT BE ACCEPTED.**

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

7. Proposal Evaluation

The evaluation of proposals will be performed by an Evaluation Committee appointed by County management. This process will take place during the time period indicated in Section II.A (Sequence of Events), above. During this time, the Procurement Officer may at his option initiate discussions with offerors 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 Offerors.

8. Notification of Finalists

The Evaluation Committee may select and the Procurement Manager may notify finalist offerors on the date indicated in Section II.A (Sequence of Events), above. Only finalists will be invited to participate in the subsequent steps of the procurement. The Evaluation Committee reserves the right not to utilize the finalist process if they deem it in the best interest of the County.

9. Best and Final Offers

Finalists may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers on the date indicated in Section II.A (Sequence of Events), above.

10. Oral Presentations

Finalist Offerors may be required to make an oral presentation to the Evaluation Committee. If so required, the Procurement Manager will schedule the time for each Offeror's presentation. All presentations will be made in a location to be specified in Truth or Consequences, NM 87901. Each presentation will be limited to a fixed amount of time as designated by the Procurement Manager in the Oral Presentation requirement notification.

11. Contract Negotiations

If necessary, contract negotiations shall commence with the most advantageous offeror no later than the date indicated in Section II.A (Sequence of Events), above. In the event that mutually agreeable terms cannot be reached within the time specified, the County reserves the right to finalize a contract with the next most advantageous offeror without undertaking a new procurement process.

12. Contract Award

After review of the Evaluation Committee Report and the tentative contract, the Purchasing Agent anticipates the Board of County Commissioners will award the contract on the date indicated in Section II.A (Sequence of Events), above. This date is subject to change at the discretion of the Purchasing Agent or the Board of County Commissioners.

Any contract awarded shall be awarded to the offeror whose proposal is most advantageous to the County, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points.

13. Protest Deadline

Any protest by an offeror must be timely, in conformance with, and will be governed by Sections 13-1-172 through 13-1-176 NMSA 1978 and the Sierra County Procurement Policy. The fifteen (15) day protest period for timely offerors shall begin on the day following the contract award and will end at 2:00 PM MDT on the date indicated in Section II.A (Sequence of Events), above. 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 Chief Procurement Officer. The protest must be delivered to the Chief Procurement Officer.

Sierra County
Attn. Jocelyn Holguin, Chief Procurement Officer
855 Van Patten
Truth or Consequences, NM 87901

NOTE: Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

This procurement will be conducted in accordance with the New Mexico Procurement Code (13-1-28 NMSA 1978) and the Sierra County Procurement Policy.

1. Acceptance of Conditions Governing the Procurement

Offerors must indicate their acceptance of the Conditions Governing the Procurement in the letter of transmittal form (see Appendix D). 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 offeror in preparation, transmittal, presentation of any proposal or material or negotiation associated with their response to this RFP shall be borne solely by the offeror.

3. Prime Auditor Responsibility

Any contract that may result from this RFP shall specify that the prime Auditor is solely responsible for fulfillment of the contract with the County. The County will only make contract payments to the prime Auditor.

4. SubAuditors

Use of subAuditors must be clearly explained in the proposal and each must be identified by name. The prime Auditor shall be wholly responsible for contract performance whether or not subAuditors are used. Substitution of subAuditors, after contract award, must receive prior written approval of the County Purchasing Office.

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. County personnel will not merge, collate, or assemble proposal materials.

6. Offerors' 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 signed by the offeror's duly authorized representative addressed to the Procurement Manager. 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 ninety (90) days after the due date for receipt of proposals or sixty (60) days after the due date for the receipt of a best and final offer, if one is solicited.

8. Disclosure of Proposal Contents

The proposals will be kept confidential until a contract is awarded by the awarding authority. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for material which is proprietary or confidential. The Procurement Manager will not disclose or make public any pages of a proposal on which the offeror 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 remaining portions of the proposal. Confidential data is normally restricted to confidential financial information concerning the offeror's organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, 57-3A-I 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 an offeror has made a written request for confidentiality, the Purchasing Agent 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 continued prohibition on the disclosure of confidential data.

9. No Obligation

This procurement in no manner obligates Sierra County or any of its departments or other subdivisions to the eventual lease, purchase, etc., of any tangible personal property

offered or services proposed until a valid written contract is approved by the Purchasing Agent and other required approval 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 County determines such action to be in the best interest of the County.

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 termination will be effected by sending written notice to the Auditor. The County's decision as to whether sufficient appropriations and authorizations are available will be accepted by the Auditor as final.

12. Legal Review

The County requires that all offerors agree to be bound by the General Requirements contained in this RFP. Any offeror concerns must be promptly brought to the attention of the Chief Procurement Officer.

13. Governing Law

This procurement and any agreement with offerors that may result shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

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

15. Contract Terms and Conditions

The contract between the County the Auditor will follow the format specified by the County and contain the terms and conditions set forth in Appendix B, Sample Contract. However, the County reserves the right to negotiate with a successful offeror provisions in addition to those contained in this RFP. The contents of this RFP, as revised or supplemented, and the successful offeror's proposal will be incorporated into and become part of the contract.

Should an offeror object to any of the County's terms and conditions, as contained in this Section or in Appendix B, that offeror must propose specific alternative language. The County may or may not accept the alternative language, at the County's sole discretion. General references to the offeror's terms and conditions or attempts at complete

substitutions are not acceptable to the County and could lead to 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 in order for the proposed alternate wording to be considered.

16. Offeror's Terms and Conditions

Offeror's must submit with their proposal a complete set of any additional terms and conditions which they request be included in a contract negotiated with the County. The County may or may not accept the additional language, at the County's sole discretion.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation, will be discussed only between the County and the selected offeror 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 offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any offeror who is not a responsible offeror or fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.

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

20. Change in Auditor Representatives

The County reserves the right to require a change in Auditor representatives if the assigned representatives are not, in the opinion of the County, meeting its needs adequately.

21. Notice

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

22. County Rights

The County reserves the right to accept all or a portion of an offeror's proposal.

23. Right to Publish

Throughout the duration of this procurement process and contract term, potential offeror's and Auditors must secure from the County 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 Offeror's proposal or termination of the contract.

24. Ownership of Proposals

All documents submitted in response to the RFP shall become the property of the County. However any technical or user documentation submitted with the proposals of non-selected offerors may be returned after the expiration of the protest period, by request, at the expense of the Offeror.

25. Ambiguity, Inconsistency or Errors in RFP

Offerors shall promptly notify the Procurement Manager, in writing, of any ambiguity, inconsistency or error which they discover upon examination of the RFP.

26. Competition

By submitting a proposal, offeror certifies that they have not, either directly or indirectly, entered into any action in restraint of full competition in connection with the proposal submitted to the County.

27. Use by Other Government Entities

By submitting a proposal, offeror indicates that they understand and agree that other government entities within the State of New Mexico, or as otherwise allowed by their governing directives, may contract for the goods or services included in this procurement document with the awarded Auditor(s). Contractual engagements accomplished under this provision shall be solely between the awarded vendor and the contracting government entity with no obligation or liability by Sierra County.

28. Confidentiality

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

29. 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.

30. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. If accepted by such means, the offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of conflict between a version of the RFP in the offeror's possession and the version maintained by the County, the version maintained by the County shall govern.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offeror's may submit only one (1) response to this RFP.

B. NUMBER OF COPIES

Offerors shall deliver four (4) identical copies of their proposal to the location specified in Section I, Paragraph D on or before the closing date and time for receipt of proposals. Identical copies are defined as the original plus the number of additional copies needed to fulfill the requirement. For example, a requirement for four (4) identical copies would be fulfilled by submitting the original and three [3] copies of the original. The original copy should be clearly marked "ORIGINAL" on the front cover and shall contain original signatures. A responsive proposal shall be submitted electronically (on CD format included in packet, or via email to CPO to the address indicated above). (An exception to this requirement is made for the "Cost Response Form" and the "Campaign Contribution Disclosure Form". See Section III.C.1, immediately below.)

C. PROPOSAL FORMAT

All proposals must be typewritten on standard 8 1/2 x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section.

1. Proposal Organization- The proposal must be organized and indexed in the following format and must contain, as a minimum, all listed items in the sequence indicated.
 - a. Letter of Transmittal Form (See Appendix D)
 - b. Table of Contents
 - c. Cost Response Form* (See Appendix C) in a sealed and labeled envelope
 - d. Campaign Contribution Disclosure Form* (See Appendix E) in a sealed and labeled envelope
 - e. Proposal Summary (optional)
 - f. Resident Veteran Preference* (See Appendix F)
 - g. Response to Specifications* Exhibit A- RFP Question Form
 - h. Other Supporting Material**

*Only the single original needs to be provided and must be secured in the binder marked "**Original**" in the required sealed and labeled envelope.

**See also Section III.C.3., immediately below.

Within each section of their proposal, offerors should address the items in the order in which they appear in this RFP. Any forms provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal. Unless otherwise specified in this RFP, all discussion of proposed costs, rates or expenses must occur only on the Cost Response Form, Appendix C.

Any proposal that does not adhere to these requirements may be deemed non-responsive and rejected on that basis.

A proposal summary may be included by offerors to provide the Evaluation Committee with an overview of the technical and business features 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.

2. Letter of Transmittal Form

The Letter of Transmittal Form at Appendix D **must** be completed, signed and included with the offeror's proposal.

3. Other Supporting Materials

Offerors may attach other materials which they feel may improve the quality of their responses. However, these materials may not be reviewed by members of the Evaluation Committee and **will not** be scored.

IV. SPECIFICATIONS

A. INFORMATION

1. Background

REQUIREMENTS- STATE AUDITOR RULE (“SAR”)

SAR-2.2.2.1. GENERAL CRITERIA - Scope of Annual Financial Audit:

(1) The financial audit shall cover the entire financial reporting entity including the primary government and any component units of the primary government.

(a) Entities must be reported as component units within the financial statements of the primary government, if the primary government is financially accountable for the entity (GASBS 14 Paragraph 10) or if the nature and significance of the entity to the primary government warrants inclusion (GASBS 39 Paragraphs 5 and 6). The primary government, in conjunction with its auditors, must determine whether an agency that is a separate legal entity from the primary government is a component unit of the primary government as defined by GASBS 14 (as amended) and 39. The flowchart at GASBS 61 Paragraph 68 is useful for this determination. All agencies that meet the criteria of GASBS 14 (as amended) or 39 to be a component unit of the primary government must be included with the audited financial statements of the primary government by discrete presentation unless otherwise approved by the State Auditor. Exceptions may occur when an agency requires presentation other than discrete. An exemption must be requested by the agency, in writing, from the State Auditor in order to present a component unit as other than a discrete component unit. The request for an exemption must include a detailed explanation, conclusion and supporting documentation justifying the request for blended component unit presentation. The approval of the State Auditor for the exemption is required prior to issuing the report. Per Paragraph 1.01 of AAG-SLV, not for-profit component units should be reported using the government financial reporting format if they have one or more of the following characteristics: popular election of officers or appointment (or approval) of a controlling majority of the members of the organization’s governing body by officials of one or more state or local governments; the potential for unilateral dissolution by a government with the net assets reverting to the government; or the power to enact and enforce a tax levy. If a not-for-profit does not qualify to be reported using the governmental format under the above criteria, that fact should be explained in the notes to the financial statements (Summary of Significant Accounting Policies – Financial Reporting Entity).

(b) If a primary government has no component units, that fact should be disclosed in the notes to the financial statements (Summary of Significant Accounting Policies – Financial Reporting Entity). If the primary government has component units that are not included in the financial statement due to materiality, that fact must also be disclosed in the notes. However, if the primary government is a state agency, department or board, or public institution of higher education or public post-secondary educational institution, county, municipality or public school district, Section 6-5A-1(B)(4)(a) NMSA 1978 requires all 501(c) 3 component unit organizations with a gross annual income in excess of \$250,000 to receive an audit. Such component units cannot be excluded from the audit based on the “materiality” criterion.

(c) **The State Auditor requires the component unit(s) to be audited by the same audit firm that audits the primary government** (except for public housing authority component units that are statutorily exempt from this requirement and the statewide CAFR). Requests for exemption from this requirement must be submitted in writing **by the primary government** to the State Auditor. If the request to use a different auditor for the component unit is approved in writing by the State Auditor, the following requirements must be met:

- (i) The group engagement partner should agree that the group engagement team will be able to obtain sufficient appropriate audit evidence through the use of the group engagement team's work or use of the work of the component auditors (AU-C 600.15);
- (ii) The component unit auditor selected must appear on the Office of the State Auditor list of eligible independent public accountants;
- (iii) The bid and auditor selection processes must comply with the requirements of this Rule;
- (iv) The Office of the State Auditor standard contract form must be used;
- (v) The primary government, the primary engagement partner, management of the component unit, and the component auditor should all coordinate their efforts to ensure that the audit reports of the component unit and the primary government are submitted by the applicable deadlines;
- (vi) All component unit findings must be disclosed in the primary government's audit report (except the statewide CAFR is required to include only separate legal component unit findings that are significant to the state as a whole); and
- (vii) Any separately issued component unit audit report must be submitted to the State Auditor for the review process described in Section 2.2.2.13 NMAC.

(d) The level of planning materiality required by the State Auditor **for component units** is at the **individual fund level**. This requirement does not apply to the audit of the statewide CAFR. College and university component units have a different materiality level. See Paragraph (3) of Subsection E of Section 2.2.2.12 NMAC.

(e) **With the exception of the statewide CAFR**, the following supplemental information (SI) pertaining to component units should be audited at the more detailed fund level included in the scope of the audit and opined on as illustrated in Example A-14 (AAG-SLV):

- (i) Component unit fund financial statements, and the combining and individual fund financial statements if separately issued financial statements of the component units are not available (AAG-SLV 3.22); and
- (ii) Individual fund budgetary comparisons when a legally adopted budget exists for a fund if separately issued financial statements are not available. The Office interprets a "legally adopted budget" to exist any time the agency prepares a budget and in every case where an entity receives federal funds, state funds, or any other "appropriated" funds.

(2) Audits of state and local governmental agencies shall be comprised of a financial and compliance audit of the financial statements and schedules as follows:

(a) The level of planning materiality required by the State Auditor is at the **individual fund level**. The State Auditor requires that the budgetary comparison statements be audited and included as part of the basic financial statements consistent with GASBS 34 footnote 53 and AAG-SLV 11.13. The level of planning materiality described in the AICPA Audit and

Accounting Guide, State and Local Governments, paragraphs 4.72 to 4.73, should be used for the statewide CAFR audit.

(b) The scope of the audit includes the following statements and disclosures which the auditor is required to audit and give an opinion on, the basic financial statements consisting of:

- (i) The government-wide financial statements;
- (ii) Fund financial statements;
- (iii) Budgetary comparison statements (for only 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
- (iv) Notes to the financial statements.

(c) The auditor must audit the following required supplemental information, if applicable, and include it in the auditor's opinion (AAG-SLV 14.65). Budgetary comparisons 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*).

(d) With the exception of the statewide CAFR, the auditor must audit the following supplemental information at the individual fund level, if applicable, and opine on it in the auditor's opinion following Example A-14 (AAG-SLV 14 Appendix A):

- (i) Component unit fund financial statements, and the combining and individual fund financial statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.22);
- (ii) Combining and individual fund financial statements; and
- (iii) Individual fund budgetary comparison statements for the remaining funds that have a legally adopted budget including any major capital project or debt service funds, non-major governmental funds, enterprise funds and internal service funds.

(e) The auditor shall apply procedures and report in the auditor's report on the following RSI (if applicable) pursuant to AU-C 730:

- (i) Management's Discussion and Analysis (GASBS 34.8-.11);
- (ii) RSI data required by GASBS 67 and 68 for defined benefit pension plans;
- (iii) RSI schedules required by GASBS 43 for postemployment benefit plans other than pension plans;
- (iv) RSI schedules required by GASBS 45 regarding employer accounting and financial reporting for postemployment benefits other than pensions; and
- (v) Infrastructure modified approach schedules derived from asset management systems (GASBS 34 Paragraphs 132 and 133).

(f) The audit engagement and audit contract compensation include an AU-C 725 opinion on the remaining supplemental information schedules presented in the audit report.

- (i) Some examples of remaining SI schedules are: the schedule of expenditures of federal awards required by OMB Circular A-133; the schedule of pledged collateral required by

Paragraph (3) of Subsection N of Section 2.2.2.8 NMAC; the schedule of changes in assets and liabilities for agency funds required by Subsection Z of Section 2.2.2.10 NMAC; the school district schedule of cash reconciliation required by Subparagraph (e) of Paragraph (4) of Subsection C of Section 2.2.2.12 NMAC.

(ii) The auditor shall subject the information on the remaining SI schedules to the procedures required by AU-C 725.

(iii) In addition, the school district schedule of cash reconciliation (SI) shall be subjected to audit procedures that ensure the cash per the schedule reconciles to the PED reports as required by Subparagraph (b) of Paragraph (4) of Subsection C of Section 2.2.2.12 NMAC.

(iv) The auditor shall report on the remaining supplementary information (SI) in an explanatory paragraph following the opinion paragraph in the auditor's report on the financial statements pursuant to AU-C 725. See also the Independent Auditors Report example on the Office website at www.osanm.org.

(g) The audit engagement and audit contract compensation include AU-C 720 procedures and auditor reporting be performed on a **schedule of vendor information**. The agency shall prepare a schedule of vendors for purchases exceeding \$60,000 (excluding gross receipts tax) that includes the following information: names of all vendors that responded to requests for bids or requests for proposals during the fiscal year; whether the vendor was an in-state vendor or an out-of-state vendor; if the vendor was in-state and chose the veterans' preference instead of the in-state preference; a short description of the scope of work; the name of the vendor that was awarded the contract; and the dollar amount of the resulting contract. This "Schedule of Vendors" must be included in the Other Information section of the audit report.

SAR-2.2.2.10 B. Budget Adjustment Requests:

Legislation regarding budget adjustment requests (BARs) prevents or restricts many budget transfers or increases. The IPA shall satisfy himself that these restrictions are not being violated by direct payment or other unauthorized transfers.

SAR-2.2.2.10 C. Reverting or Non-Reverting Funds:

Legislation can designate a fund as reverting or non-reverting. The IPA must review the state law that appropriated funds to the agency to confirm whether any unexpended, unencumbered balance of a specific appropriation must be reverted and to whom. The law will also indicate the deadline for the required reversion. Appropriate audit procedures must be performed to determine compliance with the law and accuracy of the related liability account balances due to other funds, governmental agencies, or both. The financial statements and the accompanying notes should fully disclose the reverting or non-reverting status of a fund or appropriation. **The financial statements must disclose the specific legislation that makes a fund or appropriation non-reverting and any minimum balance required.** If non-reverting funds are commingled with

reverting appropriations, the notes to the financial statements must disclose the methods and amounts used to calculate reversions. For more information regarding state agency reversions, see Subsection A of Section 2.2.2.12 NMAC and the DFA White Papers "Calculating Reversions to the State General Fund," and "Basis of Accounting—Modified Accrual and the Budgetary Basis." The statewide CAFR is exempt from this requirement.

SAR-2.2.2.10 D. Governmental Auditing, Accounting and Financial Reporting Standards:

The audits shall be conducted in accordance with:

- (1) Generally Accepted *Government Auditing Standards* (GAGAS) issued by the U.S. General Accounting Office, the 2011 revision;
- (2) U. S. Auditing Standards--AICPA (Clarified) effective for periods ending on or after December 15, 2012;
- (3) *OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as amended* (unless the grant agreement specifies that the **Uniform Administrative Requirements** apply in FY15);
- (4) *AICPA Audit Guide, Government Auditing Standards and Circular A-133 Audits*, latest edition;
- (5) *AICPA Audit and Accounting Guide, State and Local Governments*, latest edition; and
- (6) 2.2.2 NMAC, *Requirements for Contracting and Conducting Audits of Agencies*, latest edition.

SAR-2.2.2.10 E. Financial Statements and Notes to the Financial Statements:

The financial statements and notes to the financial statements shall be prepared in accordance with accounting principles generally accepted in the United States of America. Governmental accounting principles are identified in the *Government Accounting Standards Board (GASB) Codification*, latest edition. Auditors shall follow interpretations, technical bulletins, concept statements issued by GASB, other applicable pronouncements, and GASB illustrations and trends for financial statements. In addition to the revenue classifications required by NCGAS 1.110, the Office requires that the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds include intergovernmental revenue from federal sources and intergovernmental revenue from state sources, as applicable.

SAR-2.2.2.10 F. Professional Libraries:

IPAs who perform government audits are expected to maintain professional libraries including current editions of the publications and standards noted above. The audit guides published by the Practitioners Publishing Company (PPC) or similar authors' practice aides are not considered to be authoritative.

SAR-2.2.2.10 G. State Compliance Audit Requirements:

An IPA shall identify significant state statutes, rules and regulations applicable to the governmental agency under audit and perform tests of compliance. In addition to the significant state statutes, rules and regulations identified by the IPA, the following state statutes and constitutional provisions must be tested (with the exception of the statewide CAFR audit):

- (1) Procurement Code (Sections 13-1-1 to 13-1-199 NMSA 1978) including providing the State Purchasing Agent with the name of the agency's or local public body's chief procurement officer, pursuant to Section 13-1-95.2 NMSA 1978, and State Purchasing Regulations 1.4.1 NMAC;

- (2) Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978), Regulations Governing the Per Diem and Mileage Act, and 2.42.2.11 NMAC, Mileage-Private Conveyance, effective June 19, 2009;
- (3) Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978) including the requirements of Section 6-10-10(A) and (B) that county and municipal treasurers deposit money in their respective counties, and the requirement of Section 6-10-17 NMSA 1978 that the agency receive a joint safe keeping receipt for pledged collateral;
- (4) Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- (5) Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);
- (6) For Public Employees Retirement Act (Sections 10-11-1 to 10-11-141 NMSA 1978) auditors should test to **ensure 100% of payroll is reported to PERA**. PERA membership is mandatory under the PERA Act, unless membership is specifically excluded pursuant to Section 10-11-3(B) NMSA 1978.
- (7) Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- (8) Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- (9) Anti-Donation Clause (NM Constitution Article IX, Section 14);
- (10) Special, Deficiency, and Specific Appropriations (appropriation laws applicable for the year under audit);
- (11) State agency budget compliance with Sections 6-3-1 to 6-3-25 NMSA 1978, and local government budget compliance with Sections 6-6-2(A) and 6-6-5 to 6-6-7 NMSA 1978;
- (12) Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; *Montano v. Gabaldon*, 108 NM 94, 766 P.2d 1328, 1989);
- (13) 2.20.1.1 to 2.20.1.18 NMAC, *Accounting and Control of Fixed Assets of State Government* (updated for GASBS 34 as applicable);
- (14) 2.2.2 NMAC, *Requirements for Contracting and Conducting Audits of Agencies*;
- (15) Article IX of the State Constitution limits on indebtedness;
- (16) For agencies receiving general fund appropriations, Laws of 2014 Regular Session, Chapter 63, Section 3, Subsection J states, "Except for gasoline credit cards used solely for operation of official vehicles, telephone credit cards used solely for official business and procurement cards used as authorized by Section 6-5-9(1) NMSA 1978, none of the appropriations contained in the General Appropriation Act of 2014 may be expended for payment of agency-issued credit card invoices";
- (17) For Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978) auditors should test to **ensure 100% of payroll is reported to NMRHCA**. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978; and
- (18) Governmental Conduct Act (Sections 10-16-1 to 10-16-18 NMSA 1978).
- (19) **If applicable** to the agency's audit contract, the auditor shall perform additional audit procedures indicated in the "other provisions section" of the audit contract. If the additional audit procedures required by the "Other Provisions" section of the contract cause a significant change in the scope of the audit, then the contract amendment provisions of 2.2.2.8(R) NMAC will apply.

SAR-2.2.2.10 H. The following federal compliance audit requirements must be tested (with the exception of the statewide CAFR audit):

(1) The following government pronouncements establish requirements and give guidance for “Yellow Book” and Single Audits:

- (a) ***Generally Accepted Government Auditing Standards*** (GAGAS) issued by the U. S. Government Accountability Office, latest effective edition;
- (b) ***Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards***, or the next five items;
- (c) OMB Circular A-21, ***Cost Principles for Educational Institutions***, as revised May 10, 2004;
- (d) OMB Circular A-87, ***Cost Principles for State, Local, and Indian Tribal Governments***, revised May 10, 2004;
- (e) OMB Circular A-102, ***Grants and Cooperative Agreements with State and Local Governments***, revised October 7, 1994 and further amended August 29, 1997;
- (f) OMB Circular A-110, ***Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations***, as revised November 19, 1993 and further amended September 30, 1999;
- (g) OMB Circular A-133, ***Audits of States, Local Governments and Non-Profit Organizations***, (June 26, 2007 revision);
- (h) OMB Circular A-133, ***Compliance Supplement***, latest edition; and
- (i) OMB ***Catalog of Federal Domestic Assistance*** (CFDA), latest edition.

(2) IRS Employee Income Tax Compliance Issues – Noncompliance with these IRS requirements requires a current year audit finding.

(a) Employee fringe benefits are presumed by the IRS to be income to the employee unless they are specifically excluded from income by the tax code. Any employee fringe benefits not excluded from income by the tax code must be reported on the employee’s W-2. Examples of such fringe benefits could be: meal allowances paid to employees for meals away from home when overnight travel is not involved; discounted housing like school district teacher ages, dues for membership in clubs organized for business, pleasure, recreation, or other social purpose (except Rotary & Kiwanis Club); cash and non-cash awards, and employee insurance benefits for dependents who do not meet the IRS definition of a “dependent.” Personal use of a government agency vehicle is always taxable income to the employee unless the vehicle is a qualified non-personal use vehicle [Rev. 1.274-5T(k)(3)] provided to the employee as a “working condition fringe benefit.”

(i) Examples of qualified non-personal use vehicles are: clearly marked police and fire vehicles; unmarked law enforcement vehicles (officer must be authorized to carry a firearm and have arrest authority); ambulance or hearse; vehicle with gross weight over 14,000 lbs.; 20 passenger bus and school bus; tractor and other farm equipment; and delivery truck with driver seating only.

(ii) The value of commuting and other personal use of a “nonqualified vehicle” must be included on the employee’s W-2. There are three rules the IRS allows to be used for valuing personal use of an employer’s vehicle: automobile lease valuation rule; cents-per-mile rule; and the commuting rule (\$3 per day). For more detailed information regarding valuation of personal use of vehicles see IRS Pub. 15-B.

(b) City or county “volunteer firefighters” who are reimbursed when they provide firefighting services on State or Federal land have been determined by the IRS to be employees of the respective city or county.

(c) The Social Security Administration now requires all state and local government employers to disclose to all new employees the fact that their job is not covered by social security if they were hired for a position not covered by social security. These employees must sign a statement that they are aware of a possible reduction in their future Social Security benefit entitlement. See the website at www.socialsecurity.gov/form1945 for the required form and instructions.

(d) For more information regarding these and other IRS issues please contact the Federal State and Local Government Specialist with the IRS, in Albuquerque, NM at 505-837-5610.

V. MANDATORY REQUIREMENTS

1. Letter of Transmittal Form (0 Points – Pass/Fail Only)

Offeror must complete and submit the “Letter of Transmittal Form”, found at Appendix D, with their proposal. The form must be signed and dated by an individual authorized to contractually bind the firm.

2. DETAIL MANDATORY REQUIREMENT - (0 Points – Pass/Fail Only)

The mandatory requirements listed below requires a vendor response, as indicated. *Failure to respond to, or properly comply with, a mandatory requirement may result in the disqualification of the Offeror's proposal.* Note: failure to respond to a mandatory requirement will result in receiving a score of zero (0) for that requirement.

The following is a summary of evaluation factors with point value assigned to each or a Pass/Fail evaluation. These, along with the requirements of this RFP, will be used in the evaluation of individual proposal submittals.

a. License (PASS/FAIL)

State of New Mexico License/Certification – State Auditor Approval.

b. Prior Business Experience (PASS/FAIL)

Must have been in business performing similar and like services for a period of 5 years or more.

c. Insurance

Must have proof of Liability Insurance (PASS/FAIL)

VI. EVALUATION CRITERIA

COUNTY shall utilize a scoring system based the following weighted evaluation criteria. Note, organization and completeness of the proposal response will be a factor in evaluating submittals.

3. THE CAPABILITY OF THE IPA

Maximum Points: 300

Describe your firm's organizational structure and capabilities (i.e., years of experience, size of staff, government audit experience, etc.).

- 1) Provide the name, title, including the detailed description of the role and job responsibilities, scope of work, education, audit experience, years with the firm for all management personnel who will have any direct or indirect responsibility over the project. Knowledge of County government.
- 2) Management capability. Qualification of staff (certifications/license)
- 3) Identify and provide qualifications and experience for each proposed Audit team member. A listing of late audits submitted by auditing firm to State Auditor.
- 4) Past performance for jobs completed within the past 5 years by the proposed audit team.
- 5) Provide the results of your firm's most recent external quality control review (peer review).

4. WORK REQUIREMENTS & AUDIT APPROACH

Maximum Points: 100

- 1) Demonstrate your firm's knowledge of Sierra County's need and the services and product to be delivered;
- 2) Provide your firm's proposed technical plan and estimate of time to complete the audit;
- 3) Outline and describe plans for using Sierra County staff. In house or remote.
- 4) Outline your firm's approach for planning and conducting the work efforts of subsequent years.
- 5) Provide references from other County or State governments where audit firm has provided services.

5. THE IPA'S TECHNICAL EXPERIENCE

Maximum Points: 200

Provide written narrative statements and supporting documentation related to the following:

- 1) The governmental audit experience of the IPA and the specialization in the auditing County government, including component units; and
- 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.

6. TERMINATIONS

Maximum Points: 75

Provide a list of any projects for which the firm's contract terminated, held in default, or failed to complete the work. Include the name of the project, the timeframe of the project and circumstances surrounding the termination or default.

7. LITIGATION AND CLAIMS

Maximum Points: 75

Provide information regarding each and every legal proceeding, administrative proceeding and arbitration against the Auditor in the past 5 years.

8. FEES

Maximum Points: 250

NOTE: Offerors are to utilize *Appendix C– PROPOSED FEE SCHEDULE (s)* in responding to this criteria. The rates or fees proposed may be used for purposes of negotiation fees/costs for awards and subsequent change orders or modifications to existing awards. The rates proposed are all inclusive of all applicable overhead rates, direct or indirect costs, and profit.

Total

1000 Points

BASIS OF AWARD: Contracts awarded as a result of this solicitation shall be awarded to the responsible Offeror(s) whose proposal represents the best value and is in the County’s best interest. The evaluation committee will prepare a selection recommendation report for the Chief Procurement Officer or his/her designee recommending those firms that are considered to be the most highly qualified. All firms on the most highly qualified selection recommendation report are considered “selected firms” with which the Chief Procurement Officer or his/her designee may negotiate.

The final award decision shall be made by the Chief Procurement Officer or his/her designee. The selection authority will review the recommendations of the evaluation committee and shall, with the advice of appropriate technical and staff representatives, make the final selection. If the firm selected for award is not the recommended as the most highly qualified by the evaluation committee, the selection authority shall provide for the contract file a written explanation of the reason for the award preference. Such awards shall be subject to the prior review and approval of the County Commissioners. Such awards shall be subject to the prior review and approval of the County Commissioners.

VII. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point value assigned to each or a Pass/Fail evaluation. These, along with the general requirements, will be used in the evaluation of individual offeror proposals.

REF.	REQUIREMENT	POINTS AVAIL.
	PASS/FAIL	
B.1	Letter of Transmittal Form- Pass/Fail	0*
B.2-a.	License- Pass/Fail	0*
B.2.-b.	Prior Business Experience- Pass/Fail	0*
B.2.-c.	Liability Insurance- Pass/Fail	0*
	SCORING	
B.3	Capability of the IPA	300
B.4	Work Requirements & Audit Approach	100
B.5	The IPA's Technical Experience	200
B.6	Terminations	75
B.7	Litigation and Claims	75
B.8	Fees	250
TOTAL		1,000

*Pass/Fail only.

B. EVALUATION FACTORS

Points will be awarded based on the evaluation factors found in V.B.1 through V.B.10, as indicated.

1. Letter of Transmittal Form (0 Points)

Pass/Fail only.

2. a. License (0 Points)

Pass/Fail only.

b. Prior Business Experience (0 Points)

Pass/Fail only.

c. Proof of Insurance (0) Points

Pass/Fail only.

3. The Capability of the IPA (300 Points)

Points will be awarded base on the depth and breadth of experience of the Offeror. The Evaluation Committee will pay particular attention to the similarity between described experience and the work to be performed under this RFP as well as the complexity and difficulty of work described in the offeror's response. Scoring will also pertain to the Offeror's experience in county based auditing experience. Offeror responses will also be compared to submittals from other offerors under this RFP.

4. Work Requirements & Audit Approach (100 Points)

Points will be awarded based on the similarity of the business dealings indicated to the requirements of this RFP as well as the reference's satisfaction in their dealings with the offeror and the provided products or services. The Evaluation Committee may call any or all of the references. Reference responses to this section will also be compared to reference responses from other offerors under this RFP.

5. The IPA's Technical Experience (200 Points)

Points will be awarded based on the statements and supporting document's which express a clear verbal, written and/or packet presentation.

6. Terminations (75 Points)

Points will be awarded based on full disclosure of terminations the firm has acquired.

7. Litigation and Claims (75 Points)

Points will be awarded based on full disclosure of litigation and claims the firm has acquired.

8. Fees (250 Points)

Points will be awarded based on the fees for audit services per Appendix C- Cost response forms.

VIII. EVALUATION PROCESS

1. Initial Review

All offeror proposals will be reviewed for compliance with the mandatory requirements stated within the RFP. Proposals deemed non-responsive to any mandatory requirement will be eliminated from further consideration.

2. Clarifications

The Chief Procurement Officer may contact the offeror for clarification of the response as specified in Section II, Paragraph B.7.

3. Other Information Sources

The Evaluation Committee may use other sources of information to perform the evaluation as specified in Section II, Paragraph C.18.

4. Resident Business/Veteran Preference

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.

5. Scoring and Contract Award Recommendation

Responsive proposals will be evaluated and assigned a point value based on the factors in Section V. Finalist offerors who are asked and choose to submit revised proposals for the purpose of obtaining best and final offers will have their points recalculated accordingly. The responsible offeror whose proposal is most advantageous to the County, taking into consideration the evaluation factors in Section V, will be recommended for contract award to the Purchasing Agent, and any other required approving authorities, as specified in Section II, Paragraph B.12. 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

ACKNOWLEDGEMENT OF RECEIPT FORM

Request for Proposals
Sierra County RFP #2018-03-008
ANNUAL FINANCIAL AUDIT SERVICES
PER STATE AUDITORS RULE 2.2.2.8 NMAC

In acknowledgment of receipt of this Request for Proposal, the undersigned agrees that he/she has received a complete copy, beginning with the title page and table of contents, and ending with Appendix E.

The acknowledgment of receipt should be signed and returned (by fax, e-mail, and courier or hand delivery) to the Chief Procurement Officer no later than April 20, 2018.

The firm listed below does/does not (circle one) intend to respond to this Request for Proposals.

FIRM: _____

REPRESENTED BY: _____ TITLE: _____

E-MAIL ADDRESS: _____

PHONE NO.: _____ FAX NO.: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

SIGNATURE: _____ DATE: _____

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

Please return to:

Jocelyn Holguin
Chief Procurement Officer
855 Van Patten
Truth or Consequences, NM 87901
Phone: (575) 894-6215
Fax: (575) 894-9548
E-mail: jholguin@sierraco.org

APPENDIX B

SAMPLE CONTRACT

SIERRA COUNTY

CONTRACT #2018-03-008

THIS AGREEMENT is made and entered into by and between the County of Sierra, _____, hereinafter referred to as the "County" and **NAME OF AUDITOR**, hereinafter referred to as the "Auditor", and is effective as of the date set forth below upon which it is executed by the Chief Procurement Officer and the Board of County Commissioners.

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.

The Auditor shall perform the work outlined in the Scope of Work attached hereto as **Attachment 1** and incorporated herein by reference.

2. Compensation.

A. The County shall pay to the Auditor in full payment for services satisfactorily performed _____ dollars (\$_____) annually, to be invoiced in equal monthly amounts after performance of the services. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling (AMOUNT) shall be paid by the County to the Auditor in equal monthly amounts. The total amount payable to the Auditor under this Agreement, including gross receipts tax and expenses, shall not exceed (AMOUNT). In no event will the Auditor be paid any amount in excess of the specified total amount payable without this Agreement being amended in writing.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work. All invoices **MUST BE** received by the County no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date **WILL NOT BE PAID**.

C. Auditor must submit a detailed statement accounting for all services performed, specified on a minimum of a quarter hour basis, and expenses incurred. If the County finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Auditor that payment is requested, it shall provide the Auditor a letter of exception

explaining the defect or objection to the services, and outlining steps the Auditor may take to provide remedial action. Upon certification by the County that the services have been received and accepted, payment shall be tendered to the Auditor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the County shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

D. The payment of taxes due for any money received under this Agreement shall be the Auditor's sole responsibility and shall be reported under the Auditor's Federal and State tax identification number(s).

3. **Term.**

This Agreement is for one (1) year from the date of approval by the Sierra County Board of County Commissioners. This Contract will automatically renew on an annual basis, for up to two (2) additional one (1) year terms unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with Section 13-1-150 NMSA 1978, no term for a professional services contract, including extensions and renewals, shall exceed three years, except as set forth in Section 13-1-150 NMSA 1978.

4. **Termination.**

A. Termination. This Agreement may be terminated by either of the parties hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. Except as otherwise allowed or provided under this Agreement, the County's sole liability upon such termination shall be to pay for acceptable work performed prior to the Auditor's receipt of the notice of termination, if the County is the terminating party, or the Auditor's sending of the notice of termination, if the Auditor is the terminating party; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Auditor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Auditor if the Auditor becomes unable to perform the services contracted for, as determined by the County or if, during the term of this Agreement, the Auditor or any of its officers, employees or agents is indicted for fraud, embezzlement or other crime due to misuse of government funds or due to the Appropriations paragraph herein. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE COUNTY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE AUDITOR'S DEFAULT/BREACH OF THIS AGREEMENT.

B Termination Management. Immediately upon receipt by either the County or the Auditor of notice of termination of this Agreement, the Auditor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the County; 2) comply with all directives issued by the County in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the County shall direct for the protection, preservation, retention or transfer of all property titled to the County and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Auditor with contract funds shall become

property of the County upon termination and shall be submitted to the County as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Board of County Commissioners, this Agreement shall terminate immediately upon written notice being given by the County to the Auditor. The County's decision as to whether sufficient appropriations are available shall be accepted by the Auditor and shall be final. If the County proposes an amendment to the Agreement to unilaterally reduce funding, the Auditor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

6. Status of Auditor.

The Auditor and its agents and employees are independent Auditors performing professional services for the County and are not employees of the County of Sierra. The Auditor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of county vehicles, or any other benefits afforded to employees of the County of Sierra as a result of this Agreement. The Auditor acknowledges that all sums received hereunder are reportable by the Auditor for tax purposes, including without limitation, self-employment and business income tax. The Auditor agrees not to purport to bind the County of Sierra unless the Auditor has express written authority to do so, and then only within the strict limits of that authority.

7. Assignment.

The Auditor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the County.

8. Subcontracting.

The Auditor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the County. No such subcontract shall relieve the primary Auditor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the County. In all cases, the Auditor is solely responsible for fulfillment of this Agreement.

9. Release.

Final payment of the amounts due under this Agreement shall operate as a release of the procuring agency of the County, its officers and employees, and the County of Sierra from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. Confidentiality.

Any confidential information provided to or developed by the Auditor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Auditor without the prior written approval of the County.

11. Product of Service -- Copyright.

All materials developed or acquired by the Auditor under this Agreement shall become the property of the County of Sierra and shall be delivered to the County no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Auditor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Auditor.

12. Conflict of Interest; Governmental Conduct Act.

A. The Auditor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Auditor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Auditor specifically represents and warrants that:

1) in accordance with Section 10-16-4.3 NMSA 1978, the Auditor does not employ, has not employed, and will not employ during the term of this Agreement any County employee while such employee was or is employed by the County and participating directly or indirectly in the County's contracting process;

2) this Agreement complies with Section 10-16-7(B) NMSA 1978 because (i) the Auditor is not a public officer or employee of the County; (ii) the Auditor is not a member of the family of a public officer or employee of the County; (iii) the Auditor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Auditor is a public officer or employee of the County, a member of the family of a public officer or employee of the County, or a business in which a public officer or employee of the County or the family of a public officer or employee of the County has a substantial interest, public notice was given as required by Section 10-16-7(B) NMSA 1978 and this Agreement was awarded pursuant to a competitive process;

3) in accordance with Section 10-16-8(C) NMSA 1978, (i) the Auditor is not, and has not been represented by, a person who has been a public officer or employee of the County within the preceding year and whose official act directly resulted in this Agreement and (ii) the Auditor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the County whose official act, while in County employment, directly resulted in the County's making this Agreement;

4) in accordance with Section 10-16-13 NMSA 1978, the Auditor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

5) in accordance with Section 10-16-3 and Section 10-16-13.3 NMSA 1978, the Auditor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the County.

C. Auditor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the County relied when this Agreement was entered into by the parties. Auditor shall provide immediate written notice to the County if, at any time during the term of this Agreement, Auditor learns that Auditor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Auditor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the County and notwithstanding anything in the Agreement to the contrary, the County may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. **Amendment.**

This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

14. **Merger.**

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. **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 illegal bribes, gratuities and kickbacks.

16. **Equal Opportunity Compliance.**

The Auditor agrees to abide by all federal, state and county laws and rules and regulations, pertaining to equal employment opportunity. In accordance with all such laws, the Auditor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, 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 Agreement. If Auditor is found not to be in compliance with these requirements during the life of this Agreement, Auditor agrees to take appropriate steps to correct these deficiencies.

17. Applicable Law.

In any action, suit or legal dispute arising from this Agreement, the Auditor agrees that the laws of the State of New Mexico shall govern and that venue will lie in the Seventh Judicial District Court in Sierra County. By execution of this Agreement, Auditor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. Workers Compensation.

The Auditor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Auditor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the County.

19. Records and Financial Audit.

The Auditor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the County, the Department of Finance and Administration and the State Auditor. The County shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the County to recover excessive or illegal payments

20. Disclaimer and Hold Harmless.

Sierra County shall not be liable to the Auditor, or the Auditor's successors, heirs, administrators, or assigns, for any loss, damage, or injury, whether to Auditor's person or property, occurring in connection with Auditor's performance of Auditor's duties according to this Agreement. Auditor shall hold the Sierra County harmless from all loss, damage, and injury, including court costs and attorney fees, incurred by Sierra County in connection with the performance by Auditor of Auditor's duties according to this Agreement.

21. Indemnification.

The Auditor shall defend, indemnify and hold harmless the County of Sierra from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Auditor, its officers, employees, servants, subAuditors or agents, or if caused by the actions of any client of the Auditor resulting in injury or damage to persons or property during the time when the Auditor or any officer, agent, employee, servant or subAuditor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Auditor or any officer, agent, employee, servant or subAuditor under this Agreement is brought against the Auditor, the Auditor shall, as soon as practicable but no later than two (2)

days after it receives notice thereof, notify the legal counsel of the County of Sierra and the New Mexico Association of Counties by certified mail.

22. Invalid Term or Condition.

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

23. Enforcement of Agreement.

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

24. Authority.

If Auditor is other than a natural person, the individual(s) signing this Agreement on behalf of Auditor represents and warrants that he or she has the power and authority to bind Auditor, and that no further action, resolution, or approval from Auditor is necessary to enter into a binding contract.

25. Lobbying.

No federal appropriated funds can be paid or will be paid, by or on behalf of the AUDITOR, or any person for influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, or the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any County, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection of this federal contract, grant, loan, or cooperative agreement, the AUDITOR shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

26. Approval of Auditor Personnel.

Personnel proposed in the Auditor's written proposal to the County are considered material to any work performed under this Agreement. No changes of personnel will be made by the Auditor without prior written consent of the procuring agency of the County. Replacement of any Auditor personnel, if approved, shall be with personnel of equal ability, experience and qualifications. The Auditor will be responsible for any expenses incurred in familiarizing the replacement personnel to insure their being productive to the project immediately upon receiving assignments. Approval of replacement personnel shall not be unreasonably withheld. The procuring agency of the County shall retain the right to request the removal of any of the Auditor's personnel at any time.

27. Survival.

The agreement paragraphs titled “Patent, Copyright, Trademark, and Trade Secret Indemnification” and “Indemnification” shall survive the expiration of this agreement. Software licenses, leases, maintenance and any other unexpired agreements that were entered into under the terms and conditions of this agreement shall survive this agreement

28. Succession.

This agreement shall extend to and be binding upon the successors and assigns of the parties.

29. Force Majeure.

A party shall be excused from performance under this agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.

30. Mediation.

In the event a dispute arises as to the rights and obligations among the parties hereto, the parties agree to attempt to resolve the dispute through mediation as a condition precedent to seeking legal and equitable remedies. The parties agree to evenly split the costs of any such mediation services. The parties shall mutually agree upon the choice of mediator. In the event the parties have not agreed upon a mediator within twenty (20) days of written notice to the other regarding the dispute, then a list of seven potential mediators will be obtained from the New Mexico Association of Counties and the parties shall utilize a striking process until a mediator is agreed upon.

31. Notice to Proceed.

It is expressly understood that this Agreement is not binding upon the County until it is executed by the Board of County Commissioners after voting on the contract at a public meeting. Further, the Auditor is not to proceed with its obligations under the Agreement until the Auditor has received a fully signed copy of the Agreement.

32. Attorney's Fees.

In the event this Agreement results in dispute, mediation, litigation, or settlement between the parties to this Agreement, the prevailing party of such action shall NOT be entitled to an award of attorneys' fees and court costs.

33. Cooperation.

All parties hereto will fully cooperate with the other and their respective counsel, accountant, and agents in connection with any steps required to be taken under this Agreement.

34. Incorporation and Order of Precedence.

Request for Proposals No. 2018-03-008 and the Auditor's proposal are incorporated by reference into this agreement and are made a part of this agreement. In the event of any conflict among these documents, the following order of precedence shall apply:

1. Any contract amendment(s), in reverse chronological order; then
2. this contract itself; then
3. the Request for Proposals; then
4. the Auditors Best and Final Offer(s), in reverse chronological order; then
5. the Auditor's proposal; then
6. the Auditor's standard agreement terms and conditions (which may or may not have been submitted as part of the Auditor's proposal).

35. Patent, Copyright, Trademark and Trade Secret Indemnification.

A. The Auditor shall defend, at its own expense, the County of Sierra against any claim that any product or service provided under this agreement infringes any patent, copyright or trademark in the United States or Puerto Rico, and shall pay all costs, damages and attorneys' fees that a court finally awards as a result of any such claim. In addition, if any third party obtains a judgment against the County of Sierra based upon the Auditor's trade secret infringement relating to any product or service provided under this agreement, the Auditor agrees to reimburse the County of Sierra for all costs, attorneys' fees and the amount of the judgment. To qualify for such defense and/or payment, the County of Sierra shall:

- i. give the Auditor prompt written notice of any claim;
- ii. allow the Auditor to control the defense or settlement of the claim; and
- iii. cooperate with the Auditor in a reasonable way to facilitate the defense or settlement of the claim.

B. If any product or service becomes, or in the Auditor's opinion is likely to become the subject of a claim of infringement, the Auditor shall at its option and expense:

- i. provide a procuring agency of the County the right to continue using the product or service;
- ii. replace or modify the product or service so that it becomes non-infringing; or
- iii. accept the return of the product or service and refund an amount equal to the depreciated value of the returned product or service, less the unpaid portion of the purchase price and any other amounts which are due to the Auditor. The Auditor's obligation will be void as to any product or service modified by the procuring agency of the County to the extent such modification is the cause of the claim.

36. Professional Liability Insurance.

Auditor agrees to maintain in full force throughout the duration of the Agreement a liability insurance policy with a minimum coverage of [insert appropriate coverage amounts depending on assignment].

BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF SIERRA

37. Notices.

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To: County of Sierra
Jocelyn Holguin, Chief Procurement Officer
855 Van Patten
Truth or Consequences, NM 87901

To the Auditor: **INSERT**

Address

Name: _____ Date: _____
Name and Title

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the County Chief Procurement Officer below:

By: _____ Date: _____
Bruce Swingle, County Manager

BOARD OF COUNTY COMMISSIONERS

APPROVED, ADOPTED AND PASSED on this 17th day of April, 2018.

Ken Lyon, Chair

Frances Luna, Vice- Chair

Sherry Fletcher, Commissioner

Attest:

Shelly Trujillo
Sierra County Clerk

Sierra County Chief Procurement Officer:

By: _____ Date: _____
Jocelyn Holguin, CPO Sierra County

Attachment 1

Scope of Work

Required activities include, but are not necessarily limited to, the following:

- For the selected Audit Agency to conduct Sierra Counties FY17/18 Annual Audit following the requirements for conducting the audit under the New Mexico State Audit Rule for Governmental Agencies- NM Register/ Volume XXIX, Issue 4/ February 27, 2018
- This Contract is issued by Sierra County with the understanding that an electric version will be submitted for approval under the OSA Connect guidelines.
- Contracting Audit Firm, will conduct an in person, exist conference with the County of Sierra, to address question or concerns prior to submitting to OSA.

APPENDIX C

COST RESPONSE FORM

FY 17/18

Sierra County RFP#2018-03-008

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

BREAK DOWN	FIRST YR FY 17/18 HOURS	AMOUNT
FINANIAL AUDIT STATEMENT		
FEDERAL SINGLE AUDIT		
FINANCIAL STATEMENT PREPARATION		
OTHER ALLOWED NON-AUDIT SERVICES UP TO 1K-		
SUBTOTAL		
Gross Receipt’s Tax		
TOTAL PROPOSAL COST		

State gross receipts and local option taxes (if any) shall not be included in the Total Proposed Annual Cost. Such taxes shall be separately reimbursed by the County.

OFFEROR NAME: _____

TOTAL PROPOSED COST \$ _____

COST RESPONSE FORM

FY 18/19
Sierra County RFP#2018-03-008

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

BREAK DOWN	FIRST YR FY 18/19 HOURS	AMOUNT
FINANIAL AUDIT STATEMENT		
FEDERAL SINGLE AUDIT		
FINANCIAL STATEMENT PREPARATION		
OTHER ALLOWED NON-AUDIT SERVICES UP TO 1K-		
SUBTOTAL		
Gross Receipt's Tax		
TOTAL PROPOSAL COST		

State gross receipts and local option taxes (if any) shall not be included in the Total Proposed Annual Cost. Such taxes shall be separately reimbursed by the County.

OFFEROR NAME: _____

TOTAL PROPOSED COST \$ _____

COST RESPONSE FORM

FY 19/20
Sierra County RFP#2018-03-008

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

BREAK DOWN	FIRST YR FY 19/20 HOURS	AMOUNT
FINANIAL AUDIT STATEMENT		
FEDERAL SINGLE AUDIT		
FINANCIAL STATEMENT PREPARATION		
OTHER ALLOWED NON-AUDIT SERVICES UP TO 1K-		
SUBTOTAL		
Gross Receipt's Tax		
TOTAL PROPOSAL COST		

State gross receipts and local option taxes (if any) shall not be included in the Total Proposed Annual Cost. Such taxes shall be separately reimbursed by the County.

OFFEROR NAME: _____

TOTAL PROPOSED COST \$ _____

APPENDIX D

LETTER OF TRANSMITTAL FORM

Items #1 to 4 MUST EACH BE RESPONDED TO. Failure to respond to all four 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 the organization:

Name	
Title	

3. For the person authorized to negotiate the contract on behalf of the organization:

Name	
Title	
E-Mail Address	
Telephone Number	

4. For the person to be contacted for clarifications:

Name	
Title	
E-Mail Address	
Telephone Number	

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

_____, 2018
Authorized Signature and Date (**Must be signed by the person identified in item #2, above.**)

APPENDIX E

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective Auditor 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 Auditor must disclose whether they, a family member or a representative of the prospective Auditor 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 Auditor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the Auditor signs the contract, if the aggregate total of contributions given by the prospective Auditor, a family member or a representative of the prospective Auditor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective Auditor, a family member of the prospective Auditor, or a representative of the prospective Auditor 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 Auditor fails to submit a fully completed disclosure statement pursuant to the law.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective Auditor.

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND MUST BE FILED BY ANY PROSPECTIVE AUDITOR 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 Auditor 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 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 of (a) a prospective Auditor, if the prospective Auditor is a natural person; or (b) an owner of a prospective Auditor.

“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.

“Prospective Auditor” means a person or business that 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 or business qualifies for a sole source or a small purchase contract.

“Representative of a prospective Auditor” 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 Auditor.

Name(s) of Applicable Public Official(s) if any: _____
(Completed by State Agency or Local Public Body)

DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE AUDITOR:

Contribution Made By: _____

Relation to Prospective Auditor: _____

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 F

RESIDENT VETERANS PREFERENCE CERTIFICATE

(NAME OF AUDITOR) hereby certifies the following in regard to application of the resident veterans' preference to this procurement:

PLEASE CHECK ONLY ONE BOX FROM THE (2) CHECK BOXES LISTED BELOW:

I declare that my organization is **ineligible** to receive New Mexico Resident Veterans Preference.

I declare that my organization is **eligible** to receive New Mexico Resident Veterans Preference

Please Indicate: Veteran Preference _____ 10% under \$3 Million
Resident Preference: _____ 5%

AN ACT

RELATING TO PROCUREMENT; AMENDING THE RESIDENT VETERAN BUSINESS PREFERENCE; REPEALING LAWS 2012, CHAPTER 56, SECTION 2 AND LAWS 2012, CHAPTER 56, SECTION 6.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: SECTION 1. Section 13-1-21 NMSA 1978 (being Laws 1979, Chapter 72, Section 1, as amended) is amended to read: "13-1-21. APPLICATION OF PREFERENCES.--

EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2016.

"I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:

"In conjunction with this procurement and the requirements of this business' application for a Resident Veteran Business Preference/Resident Veteran Auditor Preference under Sections 13-1-21 or 13-1-22 NMSA 1978, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.

"I understand that knowingly giving false or misleading information on this report constitutes a crime."

I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material fact regarding this matter constitutes a crime.

(Signature of Business Representative)*

(Date)

***Must be an authorized signatory for the Business.**

The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or un-award of the procurement involved if the statements are proven to be incorrect.

EXHIBIT A

RFP Question Submittal Form

RFP #2018-03-008

All written questions must be addressed to the CPO for this RFP. Proposers are to submit written questions using the format below. Written responses to the questions received will be distributed by Sierra County Procurement Agent as addenda to this RFP solicitation.

Question #	Reference Page/Paragraph/Sec	Question
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		