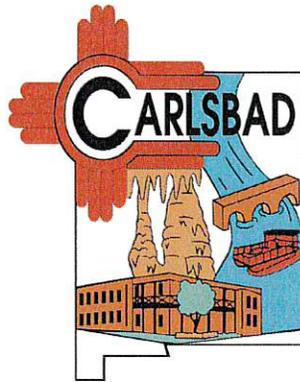


# City of Carlsbad

## REQUEST FOR PROPOSALS (RFP)

**Annual Audit Services  
Code Classification:**



**RFP# 2017-08**

Release Date: April 12, 2017

Due Date: April 27, 2017

## **I. INTRODUCTION**

### **A. PURPOSE OF THIS REQUEST FOR PROPOSALS**

The purpose of the Request for Proposal (RFP) is to solicit sealed proposals to establish a contract through competitive negotiations for the procurement of annual audit services. The City of Carlsbad is requesting proposals from qualified firms of certified public accountants to perform the annual financial and compliance audits for the City's 2016/2017 fiscal year, ending June 30, 2017.

### **B. SCOPE OF PROCUREMENT**

The City of Carlsbad is required to obtain a single, agency-wide, financial and compliance audit from an Independent Professional Auditor (IPA) following the end of the fiscal year on June 30<sup>th</sup> of each year as specified in the standard "State of New Mexico Audit Contract," a copy of which appears as **Appendix C** of this RFP. Offerors must be on the State Auditor's approved Independent Public Accountant (IPA) list.

The term of this contract shall be from date of award and will end on June 30, 2018, with option to extend for a period of two (2) additional years, on a year-to-year basis, by mutual agreement of all parties at the same price, terms and conditions. This contract shall not exceed three (3) years.

The selected offeror will perform the audit in accordance with Generally Accepted Auditing Standards (GAAS), the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act, Amendments of 1996, GASB 34/35, and Applicable Federal OMB Circulars, Audits of State and Local Governments. Audits must comply with the New Mexico State Auditor's Rule 2 NMAC 2.2, Regulations Governing the Audits of Agencies of the State of New Mexico, and the terms and conditions of the State Auditor.

The financial statements and notes to the financial statements shall be prepared in accordance with Governmental accounting principles as identified in the latest edition of Codification of Governmental Accounting and Financial Reporting Standards (GASB). The Auditor shall follow interpretations, technical bulletins, concept statements issued by GASB, and other applicable pronouncements issued by the Financial Accounting Standards Board (FASB).

## **1. Preparation of Financial Statements**

Preparation of financial statements shall be based on management's chart of accounts and trial balance and any adjusting, correcting, and closing entries. In addition, the Auditor will also prepare draft notes to the financial statements based on information determined and approved by management.

## **2. Compliance Testing**

The IPA shall identify state statutes, rules and regulations applicable to this government entity and shall perform tests of compliance.

The IPA will also perform compliance with applicable federal requirements. The City will expend federal funds in excess of \$750,000.

## **3. Lodgers Tax Fund Audit**

In addition to the financial and compliance audit of City funds, the City is requesting proposals for Lodgers' Tax agreed upon procedures engagement in order to meet compliance as required under City of Carlsbad Code of Ordinances No. 48-87 and Section 3-38-17.1 NMSA 1978. The City will select three lodgers to be tested for compliance. The lodger's tax receipts tested will be for the fiscal year ended June 30, 2017 and agreed upon procedures report must be submitted to the City by November 1, 2017.

## **4. Comprehensive Audit**

Due to extensive requirements of local, state and federal agencies, the IPA is advised that the comprehensive audit requires the expression of opinions and inclusion of comments which go beyond the standard opinions and comments usually presented in an audit report. See 2.2.2 NMAC Audit Rule 2017, requirements for contracting and conducting audits of agencies.

## **C. PROCUREMENT MANAGER**

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

Name: Matt Fletcher, CCPO, Procurement Manager  
Address: 101 N. Halagueno Street, Room 114  
Carlsbad, NM 88220

Telephone: (575) 234-7905  
Email: [msfletcher@cityofcarlsbadnm.com](mailto:msfletcher@cityofcarlsbadnm.com)  
Website: <http://www.cityofcarlsbadnm.com/purchasing.cfm>

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

3. Proposals may be submitted via UPS or FedEx to the following address:

City of Carlsbad Purchasing Manager  
101 N. Halagueno Street, Room 114  
Carlsbad, NM 88220

Or via US Postal Service to:

City of Carlsbad Purchasing Manager, Room 114  
PO Box 1569  
Carlsbad, NM 88221-1569

#### **D. DEFINITION OF TERMINOLOGY**

This section contains standard definitions and terms that may be used throughout this procurement document, including appropriate abbreviations:

“**Agency**” means the City of Carlsbad Municipal Government

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

“**Award**” means the final execution of the contract document.

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

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

“**Confidential**” means confidential financial information concerning offeror’s organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act NMSA 1978

57-3-A-1 to 57-3A-7. See NMAC 1.4.1.45. As one example, no information that could be obtained from a source outside this request for proposals can be considered confidential information.

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

**“Contractor”** means any business having a contract with a local public body.

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

**“Desirable”** the terms "may", "can", "should", "preferably", or "prefers" identify a desirable or discretionary item or factor.

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

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

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

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

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

**“IT”** means Information Technology.

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

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

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

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

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

**“Procuring Agency”** means all State of New Mexico agencies, commissions, institutions, political subdivisions and local public bodies allowed by law to entertain procurements.

**“Project”** means a temporary process undertaken to solve a well-defined goal or objective with clearly defined start and end times, a set of clearly defined tasks, and a budget. The project terminates once the project scope is achieved and project acceptance is given by the project executive sponsor.

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

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

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

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

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

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

**“Statement of Concurrence”** means an affirmative statement from the Offeror to the required specification agreeing to comply and concur with the stated requirement(s). This statement shall be

included in Offerors proposal. (E.g. "We concur", "Understands and Complies", "Comply", "Will Comply if Applicable" etc.)

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

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

#### **E. PROCUREMENT LIBRARY**

A procurement library has been established. Offerors are encouraged to review the material contained in the Procurement Library by selecting the link provided in the electronic version of this document through your own internet connection. Any addenda posted in regards to this solicitation will be provided in the procurement library at the following email address:

<http://www.cityofcarlsbadnm.com/purchasing.cfm>

## II. CONDITIONS GOVERNING THE PROCUREMENT

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

### A. SEQUENCE OF EVENTS

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

<b>Action</b>	<b>Responsible Party</b>	<b>Dates</b>
1. Issue RFP	Procurement Manager	April 12, 2017
2. Acknowledgement of Receipt	Potential Offerors	April 21, 2017
3. Deadline to submit Questions	Potential Offerors	April 21, 2017
4. Response to Written Questions	Procurement Manager	April 25, 2017
<b>5. Submission of Proposal</b>	<b>Potential Offerors</b>	<b>April 27, 2017</b>
6. Proposal Evaluation	Evaluation Committee	April 28 - May 3, 2017
7. Selection of Finalists	Evaluation Committee	May 3, 2017
8. Award Recommendation	Procurement Manager	May 3, 2017
9. City Council Award Approval	City Council	May 09, 2017
10. Finalize Contractual Agreements	Agency/Finalist Offerors	May 11, 2017
11. Contract Awards	Submittal to OSA for approval	May 15, 2017
12. Protest Deadline	Procurement Manager	Award Date +15 days

## **B. EXPLANATION OF EVENTS**

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

### **1. Issuance of RFP**

This RFP is being issued on behalf of the City of Carlsbad.

### **2. Acknowledgement of Receipt**

Potential Offerors should email, hand deliver, return by facsimile or registered or certified mail the "Acknowledgement of Receipt of Request for Proposals Form" that accompanies this document, APPENDIX A, to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the organization, dated and returned to the Procurement Manager by 5:00 P.M. Mountain Time on or before **April 21, 2017**.

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

### **3. Deadline to Submit Written Questions**

Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until **April 21, 2017 by 5:00 P.M.** Mountain Standard Time/Daylight Time as indicated in the sequence of events. All written questions must be addressed to the Procurement Manager as declared in Section I, Paragraph C. Questions shall be clearly labeled and shall cite the Section(s) in the RFP or other document which form the basis of the question.

### **4. Response to Written Questions**

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

<http://www.cityofcarlsbadnm.com/purchasing.cfm>

## 5. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN **5:00 PM MOUNTAIN STANDARD TIME/DAYLIGHT TIME ON April 27, 2017.** Proposals received after this deadline will not be accepted. The date and time of receipt will be recorded on each proposal.

Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph C2. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to **RFP 2017-08 -Audit Services.** *Proposals submitted by facsimile, or other electronic means, will not be accepted.*

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

## 6. Proposal Evaluation

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

## 7. Selection of Finalists

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

Best and Final Offers Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by as per schedule Section II. A., Sequence of Events or as soon as possible.

Oral Presentations by Finalist Offerors may be required to conduct an oral presentation at a location to be determined as per schedule Section II. A., Sequence of Events or as soon as possible. Whether or not oral presentations will be held is at the discretion of the Evaluation Committee and Procurement Manager.

## **8. Award Recommendation**

Once the Evaluation Committee has finalized their selection, the Procurement Manager will prepare an award recommendation to be presented to the Carlsbad City Council at their regularly scheduled meeting.

The contract shall be awarded to the Offeror (or Offerors) whose proposals are most advantageous to the City of Carlsbad, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points.

## **9. City Council Approval**

Final approval of the award is at the discretion of the Carlsbad City Council.

## **10. Finalize Contractual Agreements**

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

## **11. Contract Awards**

After contract negotiations are finalized, the contract will be brought before the City Council for approval. Once the City Council approves the contract, the document will be signed by the City and presented to the awardee for signature. Final approval of the contract resides with the New Mexico State Auditor's Office and may be subject to the conditions stated below:

### **Approved Audit Firms**

[https://www.saonm.org/media/uploads/2017\\_Approved\\_Firm\\_List\\_As\\_of\\_3\\_23\\_17.pdf](https://www.saonm.org/media/uploads/2017_Approved_Firm_List_As_of_3_23_17.pdf)

PLEASE NOTE: Certain audit firms on this list may be under State Auditor-imposed restrictions. The State Auditor has formally notified those firms of their restricted statuses.

The restrictions may 1) limit the number of audits or tiered system agreed-upon procedures engagements (AUP) an audit firm may conduct in fiscal year 2017; or 2) prohibit the audit firm from entering into a financial audit services or AUP contract with any agency until the OSA receives certain required documentation from the audit firm.

Please be aware that the OSA will disapprove an agency's auditor recommendation for a firm that is under restriction if 1) the audit or AUP for which the firm is recommended will exceed the number of audits or AUPs that firm is allowed to conduct; or 2) the OSA has not received certain documentation required to approve the audit firm to conduct financial audits or AUPs. Therefore, government agencies should take appropriate steps to avoid this situation.

Prior to submitting an auditor recommendation to the OSA, government agencies should communicate directly with prospective audit firms regarding whether they may be under restriction and how that may impact the agency's financial audit or AUP process.

Note: Any IPA submitting a proposal that is aware of any condition as stated above, that might hinder or affect this procurement in any way, should disclose the nature of any State Auditor-imposed restriction on the form provided. **(See Appendix H).**

## **12. Protest Deadline**

Any protest by an Offeror must be timely and in conformance with NMSA 1978, § 13-1-172 and applicable procurement regulations. As a Procurement Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, ONLY protests delivered directly to the Procurement Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. The 15 calendar day protest period shall begin on the day following the award of contracts and will end at 5:00 pm Mountain Standard Time/Daylight Time on the 15<sup>th</sup> day. Protests must be written and must include the name and address of the protestor and the request for proposal number.

It must also contain a statement of the grounds for protest including appropriate supporting exhibits and it must specify the ruling requested from the party listed below.

The protest must be delivered to:

City of Carlsbad Procurement Manager  
101 N. Halagueno Street, Room 114  
Carlsbad, NM 88220

**\*\* Protests received after the deadline will not be accepted.**

## **C. GENERAL REQUIREMENTS**

### **1. Acceptance of Conditions Governing the Procurement**

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

### **2. Incurring Cost**

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

### **3. Prime Contractor Responsibility**

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

### **4. Subcontractors/Consent**

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

### **5. Amended Proposals**

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

### **6. Offeror's Rights to Withdraw Proposal**

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

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

## **7. Proposal Offer Firm**

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

## **8. Disclosure of Proposal Contents**

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

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

## **9. No Obligation**

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

## **10. Termination**

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

## **11. Sufficient Appropriation**

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

## **12. Legal Review**

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

## **13. Governing Law**

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

## **14. Basis for Proposal**

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

## **15. Contract Terms and Conditions**

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

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

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

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

If an Offeror fails to propose any alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror), no proposed alternate terms and conditions will be considered later during the negotiation process. Failure to propose alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror) is an **explicit agreement** by the Offeror that the contractual terms and conditions contained herein are **accepted** by the Offeror.

#### **16. Offeror's Terms and Conditions**

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

#### **17. Contract Deviations**

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

#### **18. Offeror Qualifications**

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

#### **19. Right to Waive Minor Irregularities**

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

#### **20. Change in Contractor Representatives**

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

## **21. Notice of Penalties**

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

## **22. Agency Rights**

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

## **23. Right to Publish**

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

## **24. Ownership of Proposals**

All documents submitted in response to the RFP shall become property of the City of Carlsbad.

## **25. Confidentiality**

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

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

## **26. Electronic mail address required**

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

## **27. Use of Electronic Versions of this RFP**

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

<http://www.cityofcarlsbadnm.com/purchasing.cfm>

### **New Mexico Employees Health Coverage**

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

## **28. Campaign Contribution Disclosure Form**

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

## 29. Letter of Transmittal

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

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

## 30. Pay Equity Reporting Requirements

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

- D. Offeror must also agree to levy these reporting requirements on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the contract. Offeror must further agree that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, offer will submit the required report, for each such subcontractor, within ninety (90) calendar days of that subcontractor meeting or exceeding the size requirement.

### **31. Disclosure Regarding Responsibility**

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

- c. Have within a three year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)
- B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.
- C. The Contractor shall provide immediate written notice to the Procurement Manager or other party to this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor's disclosure was at any time erroneous or became erroneous by reason of changed circumstances.
- D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor's responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will render the Offeror nonresponsive.
- E. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.
- F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the Procurement Manager or other party to this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the City Procurement Manager or other recognized City Official, may terminate the involved contract for cause. Still further the Procurement Manager or authorized City Representative may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the Procurement Manager or authorized City Representative.

### **32. New Mexico Preferences**

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

**A. New Mexico Business Preference**

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

In addition to a copy of the certification, the Offeror should sign and complete the Resident Veterans Preference Certificate form, as provided in this RFP.

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

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

### **III. RESPONSE FORMAT AND ORGANIZATION**

#### **A. NUMBER OF RESPONSES**

Offerors shall submit five (5) proposals in response to this RFP.

#### **B. NUMBER OF COPIES**

##### **1. Hard Copy Responses**

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

Offerors should deliver:

1. **Technical Proposals** – Five (5) HARD COPIES, containing ONLY the Technical Proposal; .
  - Proposals containing confidential information **must** be submitted as two separate binders:
    - **Unredacted** version for evaluation purposes.
    - **Redacted** version (information blacked out and not omitted or removed) for the public file.
2. **Cost Proposals** – One (1) ORIGINAL, containing ONLY the Cost Proposal. Cost Proposal shall be in separate labeled binders from the Technical Proposals.

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

Any proposal that does not adhere to the requirements of this Section and **Section III.C.1 Response Format and Organization**, may be deemed non-responsive and rejected on that basis at the discretion of the Evaluation Committee with the approval of the Procurement Manager.

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

## C. PROPOSAL FORMAT

All proposals must be submitted as follows:

Hard copies must be typewritten on standard 8 ½ x 11 inch paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within binders with tabs delineating each section. Within each section of the proposal, Offerors should address the items in the order provided below.

All forms provided in this RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must occur only in **Binder #2 on the cost response form**.

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

### Proposal Content and Organization

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

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

#### Technical Proposal (Binder 1):

##### A. Signed Letter of Transmittal

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

##### B. Table of Contents

##### C. Proposal Summary (Optional)

##### D. Offeror Experience

Offerors **must**:

- a) provide a description of relevant corporate experience with state, county or local government and private sector. The experience of all proposed subcontractors must be described. The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise

and knowledge as a provider of governmental audit services. All similar services provided to private sector will also be considered;

- b) indicate how many contracts of this nature have been performed in the last two years and what percentage of business revenue is derived from these type of engagements;
- c) describe at least two project successes of a consulting/audit engagement.

#### **E. Organizational References**

- Offerors should provide a minimum of three (3) references from similar projects performed for private, state or large local government clients within the last three years. **Offerors are required to submit APPENDIX F, Organization Reference Questionnaire, to the business references they list. The business references must submit the Reference Form directly to the designee described in Sec I Paragraph C.** It is the Offeror's responsibility to ensure the completed forms are received on or before April 27, 2017 for inclusion in the evaluation process. Reference forms received after the deadline will not be considered in the evaluation process.

Organizational References that are not received or are not complete, may adversely affect the vendor's score in the evaluation process. The Evaluation Committee and/or Procurement Manager may contact any or all business references for validation of information submitted. Additionally, the Agency reserves the right to consider any and all information available to it (outside of the Business Reference information required herein), in its evaluation of Offeror responsibility per Section II, Para C.18.

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

- a) Client name;
- b) Project description;
- c) Project dates (starting and ending);
- d) Technical environment (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);
- e) Staff assigned to reference engagement that will be designated for work per this RFP; and
- f) Client project manager name, telephone number, fax number and e-mail address.

#### **F. Response to Mandatory Specifications**

- Offerors should address how they plan to meet each Mandatory Specifications as detailed in **Section IV. (B and C)**

### **G. Qualifications**

- Offerors should describe in detail how they meet the qualification requirements listed in **Section IV (D)**

### **H. Financial Stability** - Financial information considered confidential should be placed in the **Confidential Information** binder.

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

### **I. Signed Campaign Contribution Form**

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

### **J. New Mexico Resident Business or Veteran's Business Preference Certification**

- To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate in this section. In addition, for resident Veterans Preference, the attached certification Form (*APPENDIX G*) must accompany any Offer and any business wishing to receive the preference must complete and sign the form. (If applicable)

### **K. Other Supporting Material (If applicable)**

### **L. Cost Proposal (Binder 2):**

- Offerors must complete the Cost Response Form in *APPENDIX D*.

## **IV. PROJECT SPECIFICATIONS**

### **A. CITY OF CARLSBAD FINANCIAL AND OPERATIONAL OVERVIEW**

1. The City of Carlsbad operates under a Mayor-Council with Manager form of government and provides the following services as authorized by ordinance: public safety (police and fire), roadways and streets, water, sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.
2. The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City maintains accounting records on cash basis of accounting throughout the fiscal year.
3. The City of Carlsbad is legally responsible to the Local Government Division, State of New Mexico, for methods of operation. The City prepares various financial reports and other required financial data as required by the agency.

### **B. DETAILED SCOPE OF WORK**

The City of Carlsbad is required to obtain a single audit from an Independent Professional Auditor (IPA) following the end of the fiscal year on June 30th of each year as specified in the standard "State of New Mexico Audit Contract," a copy of which appears as **Appendix C** of this RFP. Offerors must be on the State Auditor's approved Independent Public Accountant (IPA) list.

The IPA shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from July 1, 2016 through June 30, 2017:

1. Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
2. Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (GASB Statement No. 41, Budgetary Comparison Schedules-Perspective Differences an amendment of GASB Statement No. 34) must be audited and included in the auditor's opinion (AAG-SLV 14.52);

3. Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14 52), in applicable, consisting of:

4. 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);

5. Combing Financial Statements;

6. 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

7. Remaining supplemental information schedules as required by Section 2.2.2.10A(2)(f) NMAC.

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

1. The Management Discussion and Analysis (MD&A);

2. RSI data required by Statements 25, 27,43 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).

**D.** The audit shall be conducted in accordance with auditing standards generally accepted in the United State of America, Government Auditing Standards, OMG Circular A133, and Requirements for Contracting and Conducting Governmental Audits (Section 2.2.2.1, et seq.,NMAC).

## **E. Additional Services**

### **1. Financial Statement Preparation**

The IPA shall prepare financial statements based on management's chart of accounts, trial balance and any adjusting, correcting, and closing entries. In addition, the Auditor will also prepare draft notes to the financial statements based on information determined and approved by management.

### **2. Compliance Testing**

The IPA shall identify state statutes, rules and regulations applicable to this government entity and shall perform tests of compliance. The IPA shall also perform compliance with applicable federal requirements. The City will expend federal expenditures in excess of \$750,000.

### 3. Lodgers Tax Funds Audit

In addition to the financial and compliance audit of City funds, the City is requesting proposals for an audit of Lodgers' Tax Funds based on an agreed upon procedures engagement in order to meet compliance as required under City of Carlsbad Code of Ordinances No. 48-87 and Section 3-38-17.1 NMSA 1978. The City will select three lodgers to be tested for compliance. The lodger's tax receipts tested will be for the fiscal year ended June 30, 2017 and agreed upon procedures report must be submitted to the City by November 1, 2017.

### 4. Fixed Asset and Depreciation Schedule Updates

IPA will review the schedule of fixed assets and update depreciation schedules as needed.

### 5. Clerical Duties

The IPA is expected to have sufficient personnel available to handle all clerical-related duties of this engagement. This means that the IPA should plan on pulling vouchers, checks, and all other documents as required. City personnel are not to be expected to perform this function. This also includes refiling in good order, used documents by IPA clerical personnel. Many documents are available in electronic format, therefore retrieval and refiling of hard copy documents should be minimal.

## C. TASKS AND PERFORMANCE MEASURES

1. A draft copy of the audit report for the fiscal year ended June 30, 2017 must be organized and bound and submitted to the City by **November 20, 2017**. *A submission date to the City prior to the November 20, 2017 deadline is strongly encouraged.* The draft report will be reviewed by the City within two weeks of delivery.
2. The City will review said report by **December 6, 2017**.
3. All changes must be completed by **December 12, 2017**.
4. Final audit report must be submitted to the State Auditor by **December 15, 2017**.
5. After approval of the report by the State Auditor, the IPA must provide thirty (30) copies of the completed audit for the City, and one (1) copy in Adobe Acrobat (PDF) format.
6. Deliver the following to the State Auditor no later than 60 days after the Financial Control Division of the Department of Finance and Administration (FCD of DFA) provides the State Auditor with notice that the Agency's books and records are ready and available for audit, and in accordance with Section 2.2.2.9, NMAC:
  - a) an organized, bound and paginated hard copy of the Agency's audit report for review;

- b) a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C 580;
  - c) a list of the passed adjustments required by AU-C 580.14; and
  - d) (4) a copy of the completed State Auditor Report Review Guide available at [www.osanmorg](http://www.osanmorg).
7. Upon unjustified failure to meet delivery requirements, the IPA or agency may be liable for liquidated damages equal to .5% per annum of the total audit contract (before gross receipts tax) for each working day beyond the stipulated due date.

#### **D. QUALIFICATIONS**

1. Licensed to do business in the State of New Mexico.
2. In good standing and on the approved IPA list of the New Mexico Office of the State Auditor (OSA) for FY 2017.
3. Sufficient staff to carry out the engagement and meet all deadlines as determined in Sec. IVc.

## V. EVALUATION CRITERIA

### A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category. They may be found in Section IV (A-D)

<b>Factors</b>	<b>Points Available</b>
<b>Each Offer will be evaluated by the following categories from Section III C. and assigned a point value for each category for a total possible score of 100 points.</b>	Points must be assigned and defined for all factors (must total 100% of available points)
III.C (d) Organizational Experience	20
III.C (e) Organizational References	10
III C (f & g) Qualifications	60
<b>Business Specifications</b>	
III (h) Financial Stability	Pass/Fail
n/a Performance Surety Bond	Not Applicable
III C (a). Letter Of Transmittal	Pass/Fail
III C (i) Signed Campaign Contribution Disclosure Form	Pass/Fail
III C (l) Cost	10
<b>TOTAL</b>	<b>100</b>
III C.(j). New Mexico Preference - Resident Vendor Points per Section V B. 7	5
III C.(j) New Mexico Preference - Resident Veterans Points per Section V B.7	<b>Varies</b>

Table 1: Evaluation Point Summary

#### Oral Presentation (if Requested)

If selected as a finalist, Offerors agree to provide the Evaluation Committee the opportunity to interview proposed staff members identified by the Evaluation Committee, at the option of the Agency. The Evaluation Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Evaluation Committee to ask questions and seek clarifications.

## **B. EVALUATION FACTORS**

### **1. Organizational Experience (See Section III D)**

- Points may be awarded, based on, but not limited to, the offerors number of years of experience, quality of offerors experience relative to the scope of work, number of similar engagements cited and the level of success achieved with those engagements. **(20 Points)**

### **2. Organizational References (See Table 1)**

- Points will be awarded based upon an evaluation of the responses to a series of questions as per Appendix F. Points will be awarded for each individual response up to 1/3 of the total points for this category. Lack of a response will be awarded zero (0) points. **(10 points)**

### **3. Qualifications (See Section IV (D))**

- Points will be awarded to each offeror based on how well their qualifications match the qualifications list provided in Section IV D. For example: Fully qualified offerors would receive the full 60 points. Less qualified firms will receive a pro-rated score based on the number of qualifications criteria met.
- Financial Stability (See Table 1) - Pass/Fail only. No points assigned.

### **4. Letter of Transmittal (See Table 1)**

- Pass/Fail only. No points assigned.

### **5. Campaign Contribution Disclosure Form (See Table 1)**

- Pass/Fail only. No points assigned.

### **6. Cost (See Table 1) (10 Points)**

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

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

## **7. New Mexico Preferences**

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

### **A. New Mexico Business Preference**

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

### **B. New Mexico Resident Veterans Business Preference**

If the Offeror has provided their Preference Certificate and the Resident Veterans Certification Form the Preference Point are one of the following:

- 10% for less than \$1M (prior year revenue)
- 8% for more than \$1M but less than \$5M (prior year revenue)
- 7% for more than \$5M(prior year revenue)

## **C. EVALUATION PROCESS**

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

**APPENDIX A**

**ACKNOWLEDGEMENT OF RECEIPT FORM**

**APPENDIX A**

**REQUEST FOR PROPOSAL**

ANNUAL AUDIT SERVICES  
RFP 2017-08

**ACKNOWLEDGEMENT OF RECEIPT FORM**

In acknowledgement 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 G.

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

FIRM: \_\_\_\_\_

REPRESENTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ PHONE NO.: \_\_\_\_\_

E-MAIL: \_\_\_\_\_ FAX NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

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

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

Matt Fletcher, Procurement Manager  
RFP 2017-08, Annual Audit Services  
PO Box 1569, 101 N. Halagueno St., Rm 114  
Carlsbad, NM 88221  
Fax: 575-885-9871  
E-mail: msfletcher@cityofcarlsbadnm.com

**APPENDIX B**

**CAMPAIGN CONTRIBUTION DISCLOSURE FORM**

## **Campaign Contribution Disclosure Form**

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

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

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

The following definitions apply:

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

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

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

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

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

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

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

**DISCLOSURE OF CONTRIBUTIONS:**

Contribution Made By: \_\_\_\_\_

Relation to Prospective Contractor: \_\_\_\_\_

Name of Applicable Public Official: \_\_\_\_\_

Date Contribution(s) Made: \_\_\_\_\_

Amount(s) of Contribution(s) \_\_\_\_\_

Nature of Contribution(s) \_\_\_\_\_

Purpose of Contribution(s) \_\_\_\_\_

(Attach extra pages if necessary)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title (position)

—OR—

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title (Position)

**APPENDIX C**  
**SAMPLE CONTRACT**

**SEE ATTACHED**

# SAMPLE CONTRACT

## PROFESSIONAL AUDIT SERVICES CONTRACT

Fiscal Years 2018, 2019, 2020

This CONTRACT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the \_\_\_\_\_, hereinafter referred to as the "Agency", and \_\_\_\_\_, hereinafter referred to as the "Contractor", and is effective as of the date upon which it is approved by the Office of the State Auditor, hereinafter referred to as "State Auditor" and the New Mexico Department of Finance and Administration.

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

### IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

#### 1. SCOPE OF WORK

- A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from **July 1, 2016 through June 30, 2017**:
1. Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
  2. Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (GASB Statement No. 41, Budgetary Comparison Schedules—Perspective Differences an amendment of GASB Statement No. 34) must be audited and included in the auditor's opinion (AAG-SLV 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:
    - e) 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);

- f) Combining financial statements;
  - g) 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
  - h) Remaining supplemental information schedules as required by Section 2.2.2.10.A(2)(f) NMAC.
- B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:
- 1. The Management Discussion and Analysis (MD&A);
  - 2. RSI data required by Statements 25, 27, 43 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 A133, and Requirements for Contracting and Conducting Governmental Audits (Section 2.2.2.1, et seq., NMAC).

## **2. DELIVERY AND REPRODUCTION**

- A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor no later than **sixty (60) days** after the Financial Control Division of the Department of Finance and Administration (FCD of DFA) provides the State Auditor with notice that the Agency's books and records are ready and available for audit, and in accordance with Section 2.2.2.9, NMAC:
- 1. an organized, bound and paginated hard copy of the Agency's audit report for review;
  - 2. a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C580;
  - 3. a list of the passed adjustments required by AU-C 580.14; and
  - 4. (4) a copy of the completed State Auditor Report Review Guide available at [www.osanm.org](http://www.osanm.org).

- B. In accordance with FCD requirements, the Agency, with the help of the Contractor, shall identify a schedule of audit deliverables and agreed-to milestones for the audit to ensure that the Agency's books and records are ready and available for audit and the Contractor delivers services on time. The deadline of sixty days shall be based on the schedule of audit deliverables and agreed upon milestones; however, the deadline shall not extend beyond November 1, 2017. This requirement does not prevent the Contractor from performing interim audit work prior to receipt of the DFA notice of agency preparedness.
- C. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of 2.2.2.9, NMAC. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with Section 2.2.2.13.C, NMAC. If copies of the engagement letter, management representation letter, list of past adjustments and the completed Report Review Guide are not received by the State Auditor with the audit report or prior to submittal of the audit report, the report will not be considered submitted to the State Auditor.
- D. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The Agency's oversight agency should also be notified, but confidential audit information shall be omitted from that notification.
- E. Pursuant to Section 2.2.2.8.Q, NMAC, the Contractor shall prepare a written and dated engagement letter which identifies the specific responsibilities of the Contractor and the Agency. The Contractor 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.
- F. After its review of the audit report pursuant to Section 2.2.2.13, NMAC, the State Auditor will authorize the Contractor to print and submit the final audit report. Within two business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **TWO** copies of the report 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 Contractor shall deliver ten (10) copies of the audit report to the Agency. Every member of the Agency's governing authority shall receive a copy of the report.
- G. The Agency, upon delivery of its audit report, shall submit 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 agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

### 3. COMPENSATION

- A. The total amount payable by the Agency to the Contractor under this agreement, including New Mexico gross receipts tax, shall not exceed \_\_\_\_\_.
- B. Contractor agrees not to, and shall not, perform any services in furtherance of this contract prior to approval by the State Auditor. In accordance with Section 12-6-14(A), NMSA, 1978 and Section 2.2.2.8.N(1), NMAC, Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this contract prior to approval by the State Auditor.
- C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	
(2) Federal single audit	
(3) Financial statement preparation	
(4) Other non-audit services, such as depreciation schedule updates	
(5) Other (i.e., foundations or other component units, specifically identified)	
Gross Receipts Tax =	
<b>Total Yearly Compensation =</b>	

The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this agreement and invoiced by the Contractor.

- D. Pursuant to Section 12-6-14, NMSA 1978 and Section 2.2.2.8.N, NMAC, the State Auditor may authorize progress payments to the Contractor by the Agency; provided that the authorization is based upon evidence of the percentage of audit work completed as of the date of the request for partial payment. Progress payments up to 69% do not require State Auditor approval, provided that the Agency certifies receipt of services. The Agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed prior to making the 69% payment. Progress payments from 70% to 90% require State Auditor approval after being approved by the Agency. If requested by the State Auditor, the Agency shall provide a copy of the approved progress billings. The State Auditor may allow only the first 50% of progress payments to be made without State Auditor approval if the Contractor's previous audits were submitted after the due date. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has

been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

#### **4. TERM**

- A. THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE STATE AUDITOR AND THE NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION. Unless terminated pursuant to Paragraphs 5 or 19, *infra*, this Contract shall terminate on **June 30, 2018**.
- B. This Contract may be extended for two successive one-year terms at the same price, terms and conditions as stated in the original proposal by mutual agreement of both parties and approval of the State Auditor and the Department of Finance and Administration pursuant to Section 2.2.2.8.G(4), NMAC.

#### **5. TERMINATION, BREACH AND REMEDIES**

- A. This Contract may be terminated, without cause, by either of the parties upon written notice delivered to the other party at least ten (10) days prior to the intended date of termination. This Contract may be terminated immediately by either of the parties upon written notice delivered to the other party if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the audit report in accordance with Paragraph 2, *supra*, shall constitute a material breach of this Contract. The Agency may immediately terminate this Contract upon written notice to the Contractor pursuant to Paragraph 19, *infra*. Pursuant to Section 2.2.2.8.S, NMAC, the State Auditor also may immediately terminate this Contract upon written notice to the Contractor after determining that the audit has been unduly delayed, or for any other reason. By termination pursuant to this Paragraph, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE OTHER LEGAL RIGHTS AND REMEDIES AFFORDED THE STATE CAUSED BY THE CONTRACTOR'S DEFAULT OR BREACH OF THIS CONTRACT.**
- B. If the Agency terminates this Contract under this paragraph, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized as provided in Paragraph 3(E), *supra*. If the Contractor terminates this Contract under this paragraph, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.
- C. If the Agency or the Contractor terminates this Contract pursuant to this paragraph, the party that terminates the Contract shall immediately send the State Auditor and the Department of Finance and Administration written notice of the termination.
- D. The State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State

Auditor on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.

**6. STATUS OF CONTRACTOR**

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

**7. ASSIGNMENT**

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

**9. RECORDS AND AUDIT**

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

**10. RELEASE**

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

**11. CONFIDENTIALITY**

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

**12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE**

Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. The Agency and the State Auditor may post the audited financial statements on their respective websites once it is publicly released by the State Auditor. The Contractor agrees that the FCD of DFA is free to use the audited financial statements in the statewide Comprehensive Annual Financial Report (CAFR) and that the Contractor's audit report may be relied upon

during the audit of the statewide CAFR, if applicable. However DFA should not be providing the draft audit report including opinion letters or findings.

**13. CONFLICT OF INTEREST**

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

**14. INDEPENDENCE**

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

**15. AMENDMENT**

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

**16. MERGER**

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

**17. APPLICABLE LAW**

The laws of the State of New Mexico shall govern this Contract. By execution of this Contract, Contractor 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 Contract.

**18. AGENCY BOOKS AND RECORDS**

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

**19. APPROPRIATIONS**

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Contract. If sufficient appropriations and authorization are not made by the Legislature, this Contract shall terminate upon written notice being given by the Agency to the Contractor. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A), NMSA 1978.

**20. PENALTIES FOR VIOLATION OF LAW**

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

**21. EQUAL OPPORTUNITY COMPLIANCE**

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

**22. WORKING PAPERS**

A. The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years from the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor, the Contractor shall deliver the original or clear, legible copies of all working papers to the State Auditor.

B. The working papers of a predecessor Contractor are to be made available to a successor Contractor in accordance with AU-C 210.11 and 210.12. Any costs incurred are to be borne by the requestor Contractor.

**23. DESIGNATED ON-SITE STAFF**

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is **November 1, 2017**. The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

**24. INVALID TERM OR CONDITION**

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

## **25. EMPLOYEE PAY EQUITY REPORTING**

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

**26 OTHER PROVISIONS**

If no other provisions are listed in this section, the remainder below is intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date first written above.

**AGENCY**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

**CONTRACTOR**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

**STATE AGENCY**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: GENERAL COUNSEL  
DATE: \_\_\_\_\_

**AGENCY CFO**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: CHIEF FINANCIAL OFFICER  
DATE: \_\_\_\_\_

This Contract has been approved by:

This Contract has been approved by:

**STATE AUDITOR**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

**DEPT. OF FINANCE & ADMINISTRATION**  
NAME: \_\_\_\_\_  
BY: \_\_\_\_\_  
TITLE: CONTRACT REVIEW BUREAU  
DATE: \_\_\_\_\_

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

ID No.: \_\_\_\_\_  
By: \_\_\_\_\_  
Date: \_\_\_\_\_

STATE TREASURER CONTRACT NO. 17-\_\_\_\_\_

## APPENDIX D

### COST RESPONSE FORM

Description	Type	Quantity	Cost per Item
Financial Statement Audit	Hours	Projected Hours to Complete _____	FY 2018 1 \$ _____ FY 2019 2 \$ _____ FY 2020 3 \$ _____
Federal Single Audit	Hours	Projected Hours to Complete _____	FY 2018 1 \$ _____ FY 2019 2 \$ _____ FY 2020 3 \$ _____
<b>Additional Services</b>			
Financial Statement Preparation	Hours	Projected Hours to Complete _____	FY 2018 1 \$ _____ FY 2019 2 \$ _____ FY 2020 3 \$ _____
Fixed Asset Depreciation Schedule Updates	Hours	Projected Hours to Complete _____	FY 2018 1 \$ _____ FY 2019 2 \$ _____ FY 2020 3 \$ _____
Lodgers Tax Audit	Hours	Projected Hours to Complete _____	FY 2018 1 \$ _____ FY 2019 2 \$ _____ FY 2020 3 \$ _____
			<b>Total Audit Services</b>
			(FY 2018) \$
			(FY 2019) \$
			(FY 2020) \$
			Grand Total (All Years) \$

**APPENDIX E**

**LETTER OF TRANSMITTAL FORM**

**APPENDIX E**  
**Letter of Transmittal Form**

RFP#: \_\_\_\_\_

Offeror Name: \_\_\_\_\_ FED ID# \_\_\_\_\_

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

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Name \_\_\_\_\_  
Title \_\_\_\_\_  
E-Mail Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_

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

Name \_\_\_\_\_  
Title \_\_\_\_\_  
E-Mail Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_

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

Name \_\_\_\_\_  
Title \_\_\_\_\_  
E-Mail Address \_\_\_\_\_  
Telephone Number \_\_\_\_\_

5. Use of Sub-Contractors (Select one)

- No sub-contractors will be used in the performance of any resultant contract OR  
 The following sub-contractors will be used in the performance of any resultant contract:

\_\_\_\_\_  
(Attach extra sheets, as needed)

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

\_\_\_\_\_  
(Attach extra sheets, as needed)

7.  On behalf of the submitting organization named in item #1, above, I accept the Conditions Governing the Procurement as required in Section II. C.1.  
 I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.  
 I acknowledge receipt of any and all amendments to this RFP.

\_\_\_\_\_, 2017  
Authorized Signature and Date (Must be signed by the person identified in item #2, above.)

## **APPENDIX F**

### **ORGANIZATIONAL REFERENCE QUESTIONNAIRE**

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

Offeror is required to send the following reference form to each business reference listed. The form and information provided will be included as part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.

**APPENDIX F**  
**RFP # 2017-08**  
**ORGANIZATIONAL REFERENCE QUESTIONNAIRE**  
**FOR:**

\_\_\_\_\_

(Name of Offeror)

This form is being submitted to your company for completion as a business reference for the company listed above.

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

**QUESTIONS:**

- In what capacity have you worked with this vendor in the past?  
 COMMENTS:

- How would you rate this firm's knowledge and expertise?  
 \_\_\_\_\_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)  
 COMMENTS:

3. How would you rate the vendor's flexibility relative to changes in the project scope and timelines?  
\_\_\_\_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)  
COMMENTS:

4. What is your level of satisfaction with hard-copy materials produced by the vendor?  
\_\_\_\_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)  
COMMENTS:

5. How would you rate the dynamics/interaction between the vendor and your staff?  
\_\_\_\_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)  
COMMENTS:

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

Name: \_\_\_\_\_ Rating:

Name: \_\_\_\_\_ Rating:

Name: \_\_\_\_\_ Rating:

Name: \_\_\_\_\_ Rating:

COMMENTS:

7. How satisfied are you with the services provided by the vendor?  
\_\_\_\_\_ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)  
COMMENTS:

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

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

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

**\*\* Please return this form directly to on or before 4/27/17 to:**

Matt Fletcher, CPO  
City of Carlsbad

Email – [msfletcher@cityofcarlsbadnm.com](mailto:msfletcher@cityofcarlsbadnm.com)

or

Via Fax to 575-8859871

or

by USPS Mail to Purchasing Manager, P.O. Box 1569, Carlsbad, NM 88221-1569

New Mexico Resident Veterans Business Certification Form

# New Mexico Preference Resident Veterans Certification

**Reminder, a copy of Resident Veterans Preference Certificate must be submitted with the proposal in order to ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended).**

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

**Please check one box only**

- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is less than \$1M allowing me the 10% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.
- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$1M but less than \$5M allowing me the 8% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.
- I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than \$5M allowing me the 7% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

"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 Contractor Preference under NMSA 1978, § 13-1-21 or 13-1-22, 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 termination of award of the procurement involved if the statements are proven to be incorrect.

**APPENDIX H**  
**RESTRICTION DECLARATION**  
**ANNUAL AUDIT SERVICES**  
**RFP 2017-08**

*Please complete appropriate section of this form and return signed copy with your proposal.*

The firm of \_\_\_\_\_, is not currently under any State

(Insert Name of Firm)

Auditor-imposed restrictions and is currently in good standing with the OSA.

X \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Representative

**-OR-**

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The firm of \_\_\_\_\_, has the been notified by the State

(Insert Name of Firm)

Auditor of the following restrictions that may affect the potential award of this procurement:

Please list-

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X \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Representative