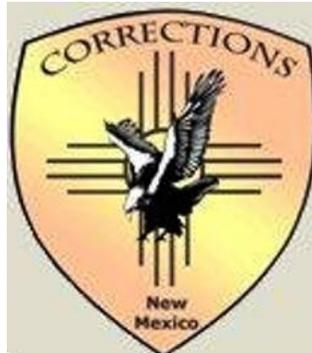


**STATE OF NEW MEXICO
CORRECTIONS DEPARTMENT**

Administrative Services Division
4337 State Rd. 14
Santa Fe, New Mexico 87508

P. O. 27116
Santa Fe, New Mexico 87502-0116



**REQUEST FOR PROPOSALS
FOR
AUDITING SERVICES**

RFP #17-770-1000-0038

ISSUE DATE: March 10, 2017

SUBMITAL DUE DATE: April 12, 2017

TABLE OF CONTENTS

	<u>Page No.</u>
I. INTRODUCTION	
A. PURPOSE OF THIS REQUEST FOR PROPOSALS.....	1
B. SUMMARY SCOPE OF WORK.....	1
C. SCOPE OF PROCUREMENT.....	1
D. PROCUREMENT MANAGER.....	1
E. DEFINITION OF TERMINOLOGY.....	2
F. BACKGROUND INFORMATION.....	4
II. CONDITIONS GOVERNING THE PROCUREMENT	
A. SEQUENCE OF EVENTS.....	6
B. EXPLANATION OF EVENTS.....	6
1. Issue of RFP.....	7
2. Acknowledgement of Receipt Form.....	7
3. Deadline to Submit Written Questions.....	7
4. Response to Written Questions.....	7
5. Submission of Proposal.....	7
6. Proposal Evaluation.....	8
7. Selection of Finalists.....	8
8. Finalize Contract.....	8
9. Contract Award.....	8
10. Protest Deadline.....	8
C. GENERAL REQUIREMENTS	
1. Acceptance of Conditions Governing the Procurement.....	10
2. Incurring Cost.....	10
3. Prime Contractor Responsibility.....	10
4. Subcontractors.....	10
5. Amended Proposals.....	10
6. Offeror's Rights To Withdraw Proposal.....	10
7. Proposal Offer Firm.....	10
8. Disclosure of Proposal Contents.....	11
9. No Obligation.....	11
10. Termination.....	11
11. Sufficient Appropriation.....	11
12. Legal Review.....	12
13. Governing Law.....	12
14. Basis for Proposal.....	12
15. Contract Terms and Conditions.....	12
16. Offeror's Terms and Conditions.....	12
17. Contract Deviations.....	13
18. Offeror Qualifications.....	13
19. Eligible Entities.....	13
20. Right To Waive Minor Irregularities.....	14
21. Change in Contractor Representatives.....	14
22. Notice.....	14

23. Department Rights.....	15
24. Right to Publish.....	15
25. Ownership of Proposals.....	15
26. Electronic mail address required.....	15
27. Use of Electronic Versions of this RFP.....	15
28. Amendments to RFP.....	15
29. Confidentiality.....	15
30. Suspension and Debarment Clause/Form.....	16
31. New Mexico Employees Health Coverage Form.....	16
32. Campaign Contribution Form.....	16
III. RESPONSE FORMAT AND ORGANIZATION	
A. NUMBER OF RESPONSES.....	17
B. NUMBER OF COPIES.....	17
C. PROPOSAL FORMAT.....	17
1. Proposal Organization.....	17
2. Letter of Transmittal.....	18
IV. SPECIFICATIONS	
A. INFORMATION	
1. Agency Resources.....	19
2. Work Performance.....	19
3. Detailed Scope of Work.....	19
B. SPECIFICATIONS	
1. Independence... ..	20
2. Change in Personnel.....	20
3. License to Practice in New Mexico.....	21
4. Prior Engagements with the State of New Mexico.....	21
5. Similar Engagements with Other Government Entities.....	21
6. Identification of Anticipated Potential Audit Problems.....	21
7. Cost Proposal... ..	21
8. Offeror Qualifications and Experience.....	22
9. Partner, Supervisory and Staff Qualifications and Experience.....	22
10. Specific Audit Approach.....	23
11. Firm Strengths and Weaknesses.....	23
V. EVALUATION	
A. EVALUATION POINT TABLE/SUMMARY.....	24
B. EVALUATION FACTORS.....	24
APPENDIX:	
A. Acknowledgement of Receipt Form.....	26
B. Campaign Contribution Disclosure Form.....	27
C. New Mexico Employees Health Coverage Form.....	29
D. Suspension and Debarment Form.....	30

I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The New Mexico Corrections Department requests proposals from Independent Public Accountants (IPAs) to perform the annual audit(s) of the Department's financial statements for the years ending **June 30, 2017, June 30, 2018, and June 30, 2019**. Only offerors that are qualified and in good standing with the Office of the State Auditor are eligible. This audit shall be performed in accordance with the State Auditor Rule (Requirements for Contracting and Conducting Governmental Audits 2.2.2 NMAC), the auditing standards generally accepted in the United States of America (GAAP), and the Uniform Grant Guidance (UGG) regulations that are also referred to as the OMB's Super Circular (The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as codified in 2 CFR 200-521).

B. SUMMARY SCOPE OF WORK

1. Professional Audit Services to be rendered include:

- a. Financial Statement Audit;
- b. Federal Single Audit; and
- c. Financial Statement Preparation.

C. SCOPE OF PROCUREMENT

The Department requests a proposal to provide services, identified in this RFP, for the fiscal years ending **June 30, 2017, June 30, 2018, and June 30, 2019**. The term of the contract shall be one year, with the option to extend for two one-year terms at the same price, terms and conditions stated on the original proposal. The scope of procurement shall encompass the Specifications Section IV of this RFP. The contract shall become effective upon signature of the State Auditor. The Department shall have the option to extend the contract for 2 one year terms on any portion thereof. In no event shall the contract exceed duration of 3 years. This procurement shall result in a single source award.

D. PROCUREMENT MANAGER

The Department has designated a Procurement Manager who is responsible for the conduct of this procurement whose name, address and telephone numbers are listed below.

Kathleen Branchal, Chief Procurement Officer
Corrections Department
Administrative Services Division
P.O. Box 27116
Santa Fe, NM 87502-0116
Telephone: (505) 827-8673
Fax: (505) 827-8634
E-Mail: kathleen.branchal2@state.nm.us

All deliveries via express carrier should be addressed as follows:

Kathleen Branchal, Chief Procurement Officer
New Mexico Corrections Department
4337 State Road 14
Santa Fe, NM 87502-0116

Any inquiries or requests regarding this procurement should be submitted to the Procurement Manager in writing. Offerors may contact **ONLY** the Procurement Manager regarding the procurement. Other state employees do not have the authority to respond on behalf of the Department.

E. DEFINITION OF TERMINOLOGY

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

"Agency" means the Department of Corrections. This term is used interchangeably with the "Department".

"Audit Rule" means title and chapter 2.2.2 of the NMAC (New Mexico Administrative Code), "Audits of governmental Entities", which is posted on the State Auditor's website at www.saonm.org.

"Chief Financial Officer" or "CFO" means the Department's Chief Financial Officer of the Administrative Services Division.

"Close of Business" means 5:00 PM Mountain Standard or Mountain Daylight Time, whichever is in effect on the date given.

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

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

"Department" means the New Mexico Corrections Department. This term is used interchangeably with "Agency".

"Deliverable" as defined in Section IV-A, item 3, Scope of Work.

"Desirable" The terms "may", "can", "should", "preferably", or "prefers" identify a desirable or

discretionary item or factor (as opposed to “mandatory”).

“Determination” means the written documentation of a decision by the procurement manager including findings of fact supporting a decision. A determination becomes part of the procurement file to which it pertains.

“DFA” means the Department of Finance and Administration for the State of New Mexico.

“DFA/CRB” means the Department of Finance and Administration, Contracts Review Bureau.

“Evaluation Committee” means a body appointed by the Agency management to evaluate offeror proposals.

“Evaluation Committee Report” means a document prepared by the Procurement Manager and the Evaluation Committee for submission to the State Auditor for contract award. It contains all written determinations resulting from the procurement.

“Finalist” is defined as 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.

“FY” means Fiscal Year.

“IPA” means Independent Public Accountant.

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

“NMCD” means the New Mexico Corrections Department, the Department.

“NMSA” means New Mexico Statutes Annotated 1978.

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

“OSA” means Office of the State Auditor.

“Procurement Manager” means the person or designee authorized by the Agency to manage or administer a procurement requiring the evaluation of competitive sealed proposals; the only person authorized to respond to questions regarding the scope of services to be performed under this RFP.

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

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

proposal.

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

F. BACKGROUND INFORMATION

Organization of the Department

The New Mexico Corrections Department is a cabinet-level agency in the Executive Branch of New Mexico State government. The Department is headed by a Cabinet Secretary appointed by the Governor and confirmed by the New Mexico State Senate. The Department consists of the Office of the Secretary and the following business units:

1. Administrative Services Division;
2. Information Technology Division;
3. Training Academy;
4. Education Bureau;
5. Behavioral Health Bureau;
6. Adult Prisons Division;
7. Security Threat Intelligence Unit;
8. Recidivism Reduction Unit;
9. Western NM Correctional Facility;
10. Southern NM Correctional Facility;
11. Penitentiary of NM;
12. Central NM Correctional Facility;
13. Roswell Correctional Facility;
14. Springer Correctional Facility;
15. Corrections Industries Division;
16. Probation and Parole Division;
17. Community Corrections

REQUEST FOR PROPOSALS
NMCD RFP 17-770-1000-0038
AUDITING SERVICES

The Department has approximately 1,941 authorized Full Time Employees (FTEs) and contracts with community-based service providers throughout the State. There are Eleven (11) Prison Facilities and Forty Six (46) Probation and Parole District Office locations statewide. Probation and Parole has two (2) residential programs and one (1) transitional program that are state run in Albuquerque and Los Lunas. The 11 prison facilities are located in Santa Fe, Clayton, Springer, Grants (2), Los Lunas, Otero, Santa Rosa, Las Cruces, Hobbs, and Roswell.

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule for the procurement, describes the major procurement events and the conditions governing the procurement. The Department will adhere to this schedule as closely as possible but reserves the right to revise the schedule without need for RFP amendment, contingent on prior notice to Offerors.

A. SEQUENCE OF EVENTS

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

	<u>Action</u>	<u>Responsibility</u>	<u>Date</u>
1.	Issue of RFP	The Department	3/10/17
2.	Acknowledgement of Receipt Form	Offeror	3/17/17
3.	Deadline to Submit Questions	Offeror	3/31/17
4.	Response to Written Questions	The Department	4/13/17
5.	Submission of Proposal	Offeror	4/21/17
6.	Proposal Evaluation	Evaluation Committee	4/24/17-4/28/17
7.	Selection of Finalists	Evaluation Committee	5/01/17
8.	Finalize Contract	The Department, Offeror	5/02/17
9.	State Auditor's Office Approval	The Department	5/05/17
10.	Contract Award	The Department	5/12/17
11.	Contract Effective Date	The Department, Offeror	5/19/17
12.	Protest Deadline	Offeror	15 Days after the Contract Award

*Dates subject to change based on number of responses to evaluate and final approval from federal partners, if applicable.

B. EXPLANATION OF EVENTS

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

1. Issue of RFP

This RFP is being issued by the Department **on the date described in Section II, Paragraph A, Sequence of Events.** Potential offerors may obtain a copy of the RFP from the

Procurement Manager. The RFP may also be obtained from the NMCD website at <http://cd.nm.gov/index.html>

2. Acknowledgement of Receipt Form

Offerors shall submit the completed, signed Acknowledgement of Receipt to the Procurement Manager (See Section I, Paragraph D) by the date listed in Section II, Paragraph A, Sequence of Events. The form should be signed by the offeror's representative, dated, and delivered by hand, facsimile or by mail. Failure to return this form may constitute a presumption of receipt and withdrawal from the procurement process. Therefore, the offeror's organization name may be deleted from the procurement distribution list.

3. Deadline to Submit Written Questions

Potential offerors may submit written questions as to the intent or clarity of this RFP until close of business on the date listed in Section II, Paragraph A, Sequence of Events. All written questions must be addressed to the Procurement Manager (See Section I, Paragraph D).

4. Response to Written Questions

Written responses to written questions and any RFP amendments will be distributed on the date described in Section II, Paragraph A, Sequence of Events to all potential offerors whose organization name appears on the procurement distribution list as well as posted to the NMCD website.

5. Submission of Proposal

ALL PROPOSALS MUST BE RECEIVED NO LATER THAN 3:00 PM MOUNTAIN DAYLIGHT TIME ON THE DATE DESCRIBED IN SECTION II, PARAGRAPH A, SEQUENCE OF EVENTS. PROPOSALS RECEIVED AFTER THIS DEADLINE WILL NOT BE ACCEPTED. They will be returned to the offeror unopened. The date and time will be recorded on each proposal. Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph D. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the Audit Services Request for Proposal. Proposals submitted by facsimile and 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 Section 13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing offerors prior to contract award.

6. Proposal Evaluation

The evaluation of proposals will be performed by an evaluation committee appointed by the Department. This process will take place approximately as stated in Section II, Paragraph A, Sequence of Events. 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, but proposals may be accepted and evaluated without such discussion. Discussions **SHALL NOT** be initiated by offerors.

7. Selection of Finalists

The Evaluation Committee will select finalists and the Procurement Manager will notify the finalist as stated in Section II, Paragraph A, Sequence of Events. Only finalists will be invited to participate in the subsequent steps of the procurement.

8. Finalize Contract

The contract will be finalized with the most advantageous offeror as stated in Section II, Paragraph A, Sequence of Events. In the event that mutually agreeable terms cannot be reached within the time specified, the Agency reserves the right to finalize a contract with the next most advantageous offeror without undertaking a new procurement process.

9. Contract Award

After review of the Evaluation Committee Report, the recommendation of the Evaluation Committee, and the signed contract, the State Auditor will award the contract as stated in Section II, Paragraph A, and Sequence of Events. This date is subject to change at the discretion of the Department.

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

10. Protest Deadline

Any protest by an offeror must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations. The fifteen (15) day protest period for responsive offerors shall begin on the day following the contract award. Protests must be written and must include the name and address of the protestor and the request for proposals number. It must also contain a statement of grounds for protest including appropriate supporting exhibits, and it must specify the ruling requested from the State Purchasing Agent. The protest must be delivered to the NMCD General Counsel Division.

Office of General Counsel
4334 State Rd 14
Santa Fe, New Mexico 87508

Mailing Address:
P.O. Box 27116
Santa Fe, New Mexico 87502-0116

Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

This procurement will be conducted in accordance with the State Purchasing Agent's procurement regulations, 1.4.1 NMAC.

1. Acceptance of Conditions Governing the Procurement

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

3. Prime Contractor Responsibility

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

4. Subcontractors

Use of subcontractors must be clearly explained in the proposal, and major subcontractors must be identified by name. The prime contractor shall be wholly responsible for the entire performance whether or not subcontractors are used.

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 Department 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 signed by the offeror's duly authorized representative addressed to the Procurement Manager.

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

7. Proposal Offer Firm

Responses to this RFP, including proposal prices, will be considered firm until such time that a contract has been fully executed.

8. Disclosure of Proposal Contents

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

Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal. Confidential data is normally restricted to confidential financial information concerning the offeror's organization and data that qualify as trade secrets in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.

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

9. No Obligation

This procurement in no manner obligates the State of New Mexico or any of its agencies to the use of any proposed professional services until a valid written contract is awarded and approved by the appropriate authorities.

10. Termination

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

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such termination will be effected by sending written notice to the contractor. The Department'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 concerns must be promptly brought to the attention of the Procurement Manager.

13. Governing Law

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

14. Basis for Proposal

Only information supplied by the Agency in writing through the Procurement Manager or in this RFP or on the website of the State Auditor's Office (www.saonm.org) should be used as the basis for the preparation of offeror proposals.

15. Contract Terms and Conditions

The contract between the Department and a contractor will follow the format specified by the State Auditor's Office. The Offeror must be willing to sign and return Appendix A, Acknowledgement of Receipt Form, to participate.

The contents of this RFP, as revised and/or supplemented, and the successful offeror's accepted proposal may be incorporated into and become part of the contract. Should negotiation of additional terms be required, State Auditor approval must first be obtained.

In the event the offeror's accepted proposal conflicts with the RFP, the proposal governs, and, in the event the contract conflicts with the proposal, the contract governs.

Should an offeror object to any of the Departments' terms and conditions, that offeror must propose specific alternate language. The Department may or may not accept the alternative language suggested by the offeror. General references to the offeror's terms and conditions or attempts at complete substitutions are not acceptable to the Department 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.

16. Offeror's Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions which they expect to have included in a contract negotiated with the Department.

17. Contract Deviations

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

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the offeror to adhere to the requirements specified within this RFP. The Evaluation

Committee will reject the proposal of any offeror that is not a responsible offeror or that fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.

19. Eligible Entities

To be eligible to submit a proposal under this RFP, potential offerors must have the proper certifications and licenses to do business in New Mexico and be an Approved Audit Firm with the New Mexico State Auditor. (http://www.saonm.org/approved_audit_firms)

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

21. Change in Contractor Representatives

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

22. Notice

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

23. Department Rights

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

24. Right to Publish

Throughout the duration of this procurement process and contract term, potential offerors, 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 or the subsequent contract. Failure to adhere to this requirement may result in disqualification of the offeror's proposal or termination of the contract.

25. Ownership of Proposals

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

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.

27. Use of Electronic Versions of this RFP

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

28. Amendment to RFP

Any amendments to this RFP will be issued to all offerors submitting an Acknowledgement of Receipt form (see Appendix A). The offerors will be required to acknowledge receipt of the amendments in writing.

29. 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 without prior written approval of the Department and the State Auditor.

The Contractor(s) agree 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.

30. Suspension and Debarment Clause/Form

The Contractor assures that neither it nor any of its subcontractors are in default of any of their required certifications or licenses to engage in business in New Mexico as noted in Section II, Paragraph C, Item 19 and in Section IV, Paragraph B, Item 3. The Offeror must complete the certification form in Appendix D to certify compliance with Federal regulations relating to suspension and debarment.

31. New Mexico Employees Health Coverage Form

The Offeror must agree with the terms and submit a signed New Mexico Employees Health Coverage Form (Appendix C) with the submittal of their proposal. (See Section II,)

32. Campaign Contribution Disclosure Form

Offeror must complete and sign the Appendix B Campaign Contribution Disclosure Form whether any applicable contribution has been made or not. This form must be submitted with each proposal whether an applicable contribution has been made or not.

III. RESPONSE FORMAT AND ORGANIZATION

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

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal.

B. NUMBER OF COPIES

Offerors shall provide one (1) original and three (3) identical copies of their proposal (Binder 1); and one (1) original and three (3) copies of the cost proposal (Binder 2) to the location specified in Section I, Paragraph D of this document, on or before the closing date and time specified for receipt of proposals. In addition, all offerors shall provide one (1) electronic copy (thumb drive) of all materials in Binders 1 and 2.

C. PROPOSAL FORMAT

All proposals must be typewritten on standard 8 ½ x 11 paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within a binder with tabs delineating each section. The size of the proposal is recommended not to exceed one hundred (100) single-sided pages. Exclusions to this limitation will be the Letter of Introduction; Table of Contents; Covers; Dividers; Resumes; Other attachments, such as letters of appreciation, etc; Acknowledgement of Amendments (if applicable). Electronic copies of Binders 1 and 2 must be in Word, PDF or Excel formats.

1. Proposal Organization

The proposal must be organized in two (2) binders and indexed in the following format and must contain, as a minimum, all listed items in the sequence indicated.

Binder #1

- a. Letter of Transmittal
- b. Table of Contents
- c. Proposal Summary
- d. Response to Mandatory Specifications

Binder #2

- a. Completed Cost Response Form
- b. Response to Agency Terms and Conditions
- c. Other Supporting Material

Within each section of their proposal, offerors should address the items in the order in which they appear in this RFP. All forms provided in the 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 with the cost response form.

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

Offerors may attach other materials that they feel may improve the quality of their responses. However, these materials should be included as items in a separate appendix.

2. Letter of Transmittal

Each proposal must be accompanied by a letter of transmittal. The letter of transmittal MUST:

- a. Identify the submitting organization;
- b. Identify the name and title of the person authorized by the organization to contractually obligate the organization;
- c. Identify the name, title and telephone number of the person authorized to negotiate the contract on behalf of the organization;
- d. Identify the names, titles and telephone numbers of persons to be contacted for clarification;
- e. Explicitly indicate acceptance of the Conditions Governing the Procurement stated in Section II, Paragraph C.1;
- f. Be signed by the person authorized to contractually obligate the organization;
- g. Acknowledge receipt of any and all amendments to this RFP.

IV. SPECIFICATIONS

Offerors should respond in the form of a thorough narrative to each mandatory specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

A. INFORMATION

1. Agency Resources

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

- * Office space;
- * Desk, telephone, computer connection, printer;
- * Access will be available to copiers and fax machines.

2. Work Performance

For the purpose of preparing proposals, Offerors are to assume that the majority of the on-site work will be performed at the location identified below. However, there may be need to also visit the program Divisions to review files. Those Divisions' headquarters are located in Santa Fe. Field offices are located throughout the State of New Mexico.

The Corrections Department
Administrative Services Division
4337 State Rd. 14
Santa Fe, New Mexico 87508

3. Detailed Scope of Work

A. The Auditor 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 statement 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, organizational or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules – Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 14.53);
- (3) Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14.53), if applicable, consisting of:
- (4)
 - a. Combining financial statements:

- b. 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
 - c. Remaining supplemental information schedules as required by Section 2.2.2.10(A)(2)(f) NMAC.
- B. The State Auditor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of SAS AU 558.05 through .09:
- (1) The Management Discussion and Analysis (MD&A);
 - (2) RSI data required by Statement 25,27,43 and 45 regarding pension plans and post-employment healthcare plans administered by defined benefit pension plans; and
 - (3) Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).
- C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (2.2.2 NMAC).
- D. Federal Single Audit; and
- E. Financial Statement Preparation

B. SPECIFICATIONS

Mandatory Specifications: Offerors must reply to each mandatory specification. Failure to respond to each mandatory specification will result in disqualification.

1. Independence (Pass/Fail, zero points assigned)

In a narrative format, offeror must provide an affirmative statement that it is independent of the Agency as defined by the U.S. General Accounting Office's *Government Auditing Standards* (1988).

The offeror must also list and describe the offeror's professional relationships involving the Agency for the past five (5) years, together with a statement explaining why such relationships does not constitute a conflict of interest relative to performing the proposed audit.

2. Change in Personnel (Pass/Fail, zero points assigned)

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the offeror, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the Department. However, in either case, the Department retains the right to approve or reject replacements. Other audit personnel may be changed with the written approval of the Department, provided that replacements have substantially the same or better qualifications

or experience, as deemed by the Department. A statement of concurrence is required.

3. License to Practice in New Mexico (Pass/Fail, zero points assigned)

Offeror must be licensed to practice public accounting in New Mexico. A statement of concurrence and a copy of the applicable license(s) are required. In addition, all offeror-IPAs must appear on the State Auditor's list of IPAs eligible to conduct State agency audits for the State of New Mexico. A statement of concurrence is required.

4. Prior Engagements with the State of New Mexico (Pass/Fail, zero points assigned)

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

5. Similar Engagements with Other Government Entities (Pass/Fail, zero points assigned)

For the offeror's office that will be assigned responsibility for the audit, list the most significant engagement [maximum of five (5)] performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements shall be ranked on the basis of total staff hours.

6. Identification of Anticipated Potential Audit Problems (Pass/Fail, zero points Assigned)

Offerors must identify and describe any anticipated potential audit problems, resolution approach, and any assistance that will be requested from the Agency.

7. Cost Proposal (Up to 200 points may be awarded)

Responding to cost proposal is mandatory. Failure to respond will result in disqualification. Points will be awarded based on response. The total proposed cost for performing the audit must be itemized for each of the three contract years, using the criteria below.

The offeror shall propose, by designated category, an hourly composite rate and estimate of hours to complete each category, including all out-of-pocket, audit-related expenses, such as travel, per diem and applicable overhead.

The Offeror shall also provide a separate breakout of the following:

- Hourly rates to be charged by type of personnel, if applicable;
- Monthly rate and number of hours estimated to complete the scope of services. (This may be presented in phases of the work).
- Additional items to be included in cost such as travel, per diem, applicable overhead,

etc.

The formula that will be utilized for the calculation of points for this item will be:

The lowest cost proposal (from all the proposals received) divided by the cost of the proposal the Agency is recommending; the quotient derived from this calculation is then multiplied by 10 and produces the final point total.

Desirable Specifications: To obtain maximum amount of points, offerors should respond to each specification thoroughly.

8. Offeror Qualifications and Experience (Up to 250 points may be received)

State the size of the firm, size of governmental audit staff, location of the office from which the work on this engagement is to be performed, number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be so employed on a part-time basis.

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

Offerors are also required to submit a copy of the report of its most recent external quality control review and a statement whether that quality control review included a review of specific government engagements.

Provide the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years and disclose any circumstances and status of disciplinary action taken or pending with state regulatory bodies or professional organizations.

Offerors should also provide a copy of the profile submitted to the State Auditor, in accordance with 2.2.2 NMAC (State Audit Rule); a list of subcontractors, including qualifications and area(s) of responsibility; and, a completed Campaign Contribution Disclosure form as required by Senate Bill 344, signed into law March 6, 2006.

9. Partner, Supervisory and Staff Qualifications and Experience (Up to 350 points may be received)

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant (CPA) in New Mexico.

Provide information on relevant, individual CPA for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be

assigned to this engagement. Offeror should include the name of the principal member or officer of the offeror who will be responsible for the administration of the contract and an organizational chart indicating the names of all persons to be assigned to the project, their areas of expertise and the percent of time they will be assigned to the project.

10. Specific Audit Approach (Up to 150 points may be awarded)

Offerors should provide a work plan that includes audit timing and an explanation of the audit methodology to perform the services required. The work plan should reference sources of information such as the Agency's budget and related materials, organizational charts, manuals and programs, financial and other management information systems. The work plan shall include a narrative description of the scope, effort and approach the offeror will use to accomplish the work.

11. Firm Strengths and Weaknesses (Up to 50 points may be awarded)

Offerors should list the strengths and weaknesses of their firm.

V. EVALUATION

A. EVALUATION POINT TABLE/SUMMARY

The following is a summary of Section IV, Specifications identifying points assigned to each item. These weighed factors will be used in the evaluation of offeror proposals.

	Factor	Points Available
1.	Independence	Pass/Fail, 0 points
2.	Change in Personnel	Pass/Fail, 0 points
3.	License to Practice in New Mexico	Pass/Fail, 0 points
4.	Prior Engagements with the State of New Mexico	Pass/Fail, 0 points
5.	Similar Engagements with other Government Entities	Pass/Fail, 0 points
6.	Identification of Anticipated Potential Audit Problems	Pass/Fail, 0 points
7.	Cost Proposal	200
8.	Offeror Qualifications and Experience	250
9.	Partner, Supervisory and Staff Qualifications and Experience	350
10.	Specific Audit Approach	150
11.	Firm Strengths and Weaknesses	50
	TOTAL	1000

B. EVALUATION FACTORS

Points will be awarded on the basis of the following evaluation factors:

1. Independence – Affirmative Statement. (Pass/Fail, zero points assigned).
2. Change in Personnel – Concurrence Statement. (Pass/Fail, zero points assigned).
3. License to Practice in New Mexico (Pass/Fail, zero points assigned).
4. Prior Engagements with the State of New Mexico. (Pass/Fail, zero points assigned).
5. Similar Engagements with Other Government Entities. (Pass/Fail, zero points assigned).
6. Identification of Anticipated Potential Audit Problems (Pass/Fail, zero points assigned).
7. Cost Proposal - Evaluation of Audit Fees. (Up to 200 points may be awarded).
8. Offeror Qualifications and Experience - Capability of Firm (Up to 250 points may be awarded).
9. Partner, Supervisory and Staff Qualifications and Experience - Technical Experience. (Up to 350 points may be awarded).
10. Specific Audit Approach - Work Plan. (Up to 150 points may be awarded).
11. Firm Strengths and Weaknesses - Evaluation requirement of the Office of the State Auditor. (Up to 50 points may be awarded).

APPENDIX A

ACKNOWLEDGEMENT OF RECEIPT FORM

REQUESTS FOR PROPOSALS
FOR
AUDITING SERVICES
RFP # 17-770-1000-0038

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 D.

The acknowledgement of receipt should be signed and returned to the Procurement Manager, identified in Section I, Paragraph D of this RFP, no later than close of business **on the date described in Section II, Paragraph A, Sequence of Events**. 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 Agency's written responses to those questions as well as RFP amendments, if any are issued.

OFFEROR: _____

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.

Offeror does/does not (**circle one**) intend to respond to this Request for Proposals.

Must be delivered to:

Kathleen Branchal, Chief Procurement Officer
NM Corrections Department
P.O. Box 27116
Santa Fe, NM 87502-0116
Fax: (505) 827-8634
E-Mail: kathleen.branchal2@state.nm.us

APPENDIX B
Campaign Contribution Disclosure Form

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective contractor 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 may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective 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.

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

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND 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 statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor.

“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.

REQUEST FOR PROPOSALS
NMCD RFP 17-770-1000-0038
AUDITING SERVICES

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

“**Representative of a prospective 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.

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

DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE CONTRACTOR:

Contribution Made By: _____

Relation to Prospective Contractor: _____

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)

Contractor Name

APPENDIX C
New Mexico Employees Health Coverage Form

NEW MEXICO EMPLOYEES HEALTH COVERAGE FORM

- A. For all contracts solicited and awarded on or after January 1, 2008: 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 and offer that health insurance to those employees no later than July 1, 2010 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://insurenewmexico.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, \$500,000 or \$1,000,000.

Signature of Offeror: _____ Date _____

APPENDIX D
SUSPENSION AND DEBARMENT FORM

SUSPENSION AND DEBARMENT

A. Consistent with either 7 C.F.R. Part 3017 or 45 C.F.R. Part 76, as applicable, and as a separate and independent requirement of this PSC the Contractor certifies by signing this PSC, that it and its principals, to the best of its knowledge and belief: (1) are not debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal department or agency; (2) have not, within a three-year period preceding the effective date of this PSC, been convicted of or had a civil judgment rendered against them for: 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; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; (3) have not been indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with, commission of any of the offenses enumerated above in this Paragraph A; (4) have not, within a three-year period preceding the effective date of this PSC, had one or more public agreements or transactions (Federal, State or local) terminated for cause or default; and (5) have not been excluded from participation from Medicare, Medicaid or other federal health care programs pursuant to Title XI of the Social Security Act, 42 U.S.C. § 1320a-7.

B. The Contractor's certification in Paragraph A, above, is a material representation of fact upon which the NMCD relied when this PSC was entered into by the parties. The Contractor's certification in Paragraph A, above, shall be a continuing term or condition of this PSC. As such at all times during the performance of this PSC, the Contractor must be capable of making the certification required in Paragraph A, above, as if on the date of making such new certification the Contractor was then executing this PSC for the first time. Accordingly, the following requirements shall be read so as to apply to the original certification of the Contractor in Paragraph A, above, or to any new certification the Contractor is required to be capable of making as stated in the preceding sentence:

- (1) The Contractor shall provide immediate written notice to the NMCD's Program Manager if, at any time during the term of this PSC, the Contractor learns that its certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new or changed circumstances.
- (2) If it is later determined that the Contractor's certification in Paragraph A, above, was erroneous on the effective date of this PSC or has become erroneous by reason of new or changed circumstances, in addition to other remedies available to the NMCD, the NMCD may terminate the PSC.

C. As required by statute, regulation or requirement of this PSC, and as contained in Paragraph A, above, the Contractor shall require each proposed first-tier subcontractor whose subcontract will equal or exceed \$25,000, to disclose to the Contractor, in writing, whether as of the time of award of the subcontract, the subcontractor, or its principals, is or is not debarred, suspended, or proposed for debarment by any Federal department or agency. The Contractor shall make such disclosures available to the NMCD when it requests subcontractor approval from the NMCD. If the subcontractor, or its principals, is debarred, suspended, or proposed for debarment by any Federal, state or local department or agency, the NMCD may refuse to approve the use of the subcontractor.

OFFEROR: _____

SIGNED BY: _____

TITLE: _____ **DATE:** _____