

**SANTA FE COUNTY
FINANCE DIVISION**

REQUEST FOR PROPOSALS



**FINANCIAL AND COMPLIANCE
AUDIT SERVICES**

RFP #2022-0185-FIN/CW

Commodity Codes: 91804, 91849 & 94611

MARCH - 2022

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I. ADVERTISEMENT

**REQUEST FOR PROPOSALS
SANTA FE COUNTY FINANCIAL AND COMPLIANCE
AUDIT SERVICES
RFP No. 2022-0185-FIN/CW
Commodity Codes: 91804, 91849 & 94611**

Santa Fe County is requesting proposals from certified public accountants approved by the New Mexico Office of the State Auditor for the purpose of procuring auditing services for the County's Annual Financial and Compliance Audit for Fiscal Year 2022. The County must procure Financial and Compliance Audit Services under the State of New Mexico Audit Act §§ 12-6-1 to 12-6-14, NMSA 1978. The County is also seeking agreed upon procedures for a Lodger's Tax Audit.

All proposals submitted shall be valid for ninety (90) days subject to action by the County. Santa Fe County reserves the right to reject any and all proposals in part or in whole. A completed proposal shall be submitted in a sealed container indicating the proposal title and number along with the Offeror's name and address clearly marked on the outside of the container. **All proposals must be received by 2:00pm Mountain Daylight Time (MDT) on April 18, 2022, at the Santa Fe County Purchasing, 102 Grant Avenue, Santa Fe, New Mexico 87501.** To combat the spread of the recent COVID-19 illness, the submission of Proposals **will also be accepted electronically** utilizing a DropBox. Please utilize this link to upload your proposal submission.

<https://www.dropbox.com/request/Xo7CR50Fe6p3gietBl6p>

By submitting a proposal for the requested services each Offeror is certifying that its proposal complies with regulations and requirements stated within the Request for Proposals.

EQUAL EMPLOYMENT OPPORTUNITY: All qualified Offerors will receive consideration of contract(s) without regard to race, color, religion, sex or national origin, ancestry, age, physical and mental handicap, serious medical condition, disability, spousal affiliation, sexual orientation or gender identity.

Request for proposals will be available by contacting Coralie G. Whitmore, Procurement Specialist Senior, 102 Grant Avenue, Santa Fe, New Mexico 87501, by telephone at (505) 996-6337 or by email at cgwhitmore@santafecountynm.gov or on the County's website at

https://www.santafecountynm.gov/asd/current_bid_solicitations

PROPOSALS RECEIVED AFTER THE DATE AND TIME SPECIFIED ABOVE WILL NOT BE CONSIDERED AND WILL BE REJECTED BY SANTA FE COUNTY.

Santa Fe County Finance Division
Published: March 27 and 28, 2022

II. INTRODUCTION

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

Santa Fe County Finance Division requests proposals from independent public accounting firms (IPA) approved by the New Mexico Office of the State Auditor to conduct the financial and compliance audit for Santa Fe County. Interested Offerors must be certified public accountants with current permits to practice in the State of New Mexico and registered with the New Mexico State Board of Public Accountancy. An electronic version of the County's FY 2021 Audit Report is available online at the County's website: https://www.santafecountynm.gov/finance/financial_reporting.

COUNTY INFORMATION

Background

Santa Fe County (County) was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (sheriff, fire, emergency communications, and corrections), highways and streets, sanitation, health and social services, low rent housing assistance, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County's financial statements and notes are prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. County staff prepares the entire Annual Comprehensive Financial Report (ACFR) including the financial statements and notes and submits it to the Government Finance Officers Association (GFOA) for review under the Certificate of Excellence in Financial Reporting Program. Certificates of excellence have been achieved every year since the County received the certificate for fiscal year 2011.

Reporting Entity

The County's financial statements present the entire County. There are no component units.

The County's major operations include public safety - sheriff and fire protection, emergency communication operations, adult detention operations; public works – roads, solid waste, projects and facilities management, utilities (water and wastewater operations); certain health, social and community services; general administrative services; planning and zoning; low income housing assistance and the collection and distribution of property taxes.

Fund Structure

The County uses funds to report its financial position and the results of its operations. Fund accounting demonstrates legal compliance and aids financial management by segregating transactions related to certain County functions or activities. The following table summarizes the number and type of funds that are being used in Fiscal Year 2022:

General Fund	1
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Special Revenue Funds	35
Capital Project Funds	17
Debt Service Funds	5
Proprietary Funds	4
Internal Service Fund	1
Other Custodial Fiduciary Funds	<u>8</u>
	<u>71</u>

Budgets

The County adopts an annual budget, for 49 of its funds, that includes proposed expenditures and the means to finance them. Encumbrance accounting is used in all funds. Budgets are adopted on a budgetary basis, which differs from the modified accrual basis for governmental fund types and the accrual basis for proprietary funds. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, and proprietary funds. Project budgets are adopted for the life of the project; unspent funds are budgeted each year until the project is complete.

Financial Management System

The County uses an integrated financial management system (Tyler MUNIS) that includes the following significant subsystems: general ledger, human resources, budget, fixed assets, purchase orders and contracts, accounts payable, inventory, cash collections, accounts receivable, utility billing, work order, and activity-based (Project) costing. The County also uses other systems that are not integrated with the financial management system. These include property tax, ambulance billing, recreation point of sale/scheduling and business licensing.

B. SCOPE OF WORK

Financial and Compliance Audit Services

The successful independent public auditor (IPA) will be expected to perform the audit in compliance with the most recent revision of GAGAS issued by the United States government accountability office; U.S. auditing standards-AICPA (clarified); uniform administrative requirements, cost principles, and audit requirements for federal awards (uniform guidance); AICPA audit and accounting guide, government auditing standards and single audits, (AAG GAS) latest edition; AICPA audit and accounting guide, state and local governments (AAG SLV) latest edition; and 2.2.2 NMAC, requirements for contracting and conducting audits of agencies, latest edition. It is the responsibility of the IPA to be aware of these requirements.

The audit must cover the entire operations of Santa Fe County for the Fiscal Year Ended June 30, 2022 (and respective FY2023, FY2024 and FY2025). The scope of the audit shall include the County's basic financial statements consisting of the governmental activities, the business-type activities, and the aggregate discretely presented component units; each major fund and the aggregate remaining fund information; budgetary comparison statements for the general fund and major special revenue funds that have legally adopted annual budgets (when budget information is available on the same fund structure basis as the GAAP fund structure, the state auditor requires that the budgetary comparison statements be included as part of the basic financial statements consistent with GASBS 34 fn. 53, as amended, and AAG SLV 11.12 and 11.13); and the related

notes to the financial statements.

In addition, the auditor shall apply procedures and report in the auditor's report on the following RSI (if applicable) pursuant to AU-C 730: management's discussion and analysis (GASBS 34.8-.11); RSI data required by GASBS 67 and 68 for defined benefit pension plans; RSI schedules required by GASBS 43 and 74 for postemployment benefit plans other than pension plans; RSI schedules required by GASBS 45 and 75 regarding employer accounting and financial reporting for postemployment benefits other than pensions; and infrastructure modified approach schedules derived from asset management systems (GASBS 34.132-133).

The auditor shall report on the remaining supplementary information (SI) in an other-matter paragraph following the opinion paragraph in the auditor's report on the financial statements pursuant to AU-C 725. The following SI schedules are required to be included in the AU-C 725 opinion if the schedules are applicable to the agency: primary government combining and individual fund financial statements for all non-major funds (GASBS 34.383); the schedule of expenditures of federal awards required by uniform guidance; the schedule of pledged collateral required by Subsection P of 2.2.2.10 NMAC; the financial data schedule (FDS) of housing authorities pursuant to Subsection B of 2.2.2.12 NMAC; any other SI schedule required by this rule.

The County's Finance staff will draft, copy, and distribute the approved annual comprehensive financial report. The financial report including IPA reports are due to the Office of the State Auditor no later than December 1, 20xx following each fiscal year end. The County anticipates the report will be completed and submitted to the Office of the State Auditor prior to the Thanksgiving holiday, and expects the successful IPA to plan its work to meet this goal.

All work must be performed in accordance with NMAC Section 2.2.2, Audit Rule 2022, Requirements for Contracting and Conducting Audits of Agencies. The 2022 Audit Rule is available from the Office of the State Auditor at www.saonm.org. This procurement will only be valid once the County receives notification from the State Auditor that it is designated for audit by an independent auditor.

Lodger's Tax Audit

As required by the Santa Fe County 1999-10 Lodgers' Occupancy Tax Ordinance, an audit of a random sample of lodging entities will be performed each year. The Contractor shall follow attestation standards established by the AICPA and all other applicable professional standards. The scope of the procedures may vary for each lodging establishment. The County is subject to compliance with the following:

Santa Fe County's 1999-10 Lodgers' Occupancy Tax Ordinance:

<https://www.santafecountynm.gov/documents/ordinances/Ordinance99-10.pdf>
https://www.santafecountynm.gov/documents/ordinances/Ordinance_2020-1-p0001_-_p0002.pdf

3.38-17 NMSA 1978 – Collection of taxes

3-38-17.2 NMSA 1978 – Financial reporting

The County is seeking accounting and audit services to perform the following procedures:

Review the lodging establishments that have been paying occupancy to tax to the County and compare the businesses presently in the County that may be subject to the Lodger's Tax Ordinance, (via internet, phonebook, business licenses, etc.)

Identify any establishments within the County of Los Alamos that may not be in compliance with the Lodger's Tax Ordinance.

On County determined sample size and vendors subject to the occupancy tax:

- A. Maintain Vendee correspondence by letter and arrange to conduct procedures on financial records.
- B. Review tax remittances during the Fiscal Year July 1, 20xx to June 30, 20xx and:
 - a. Agree rental receipts reported in each of the 5 columns, as applicable, reported on the Santa Fe County Lodgers' Tax report to the facility's general ledger, bank statements, and/or financial statements.
 - b. Agree receipts to room records or other supporting documentation to determine if all income from occupied rooms was reported.
 - c. Agree the yearly amount of revenue reported to the facility's financial statements or tax returns.
 - d. Verify the tax calculation is accurate.
 - e. Verify the facility submitted the reports and payment on by the due date as required in the Ordinance.
 - f. Verify the facility submitted penalty and interest for any late filings.
 - g. Verify the facility submitted the reports even if no tax was due, as applicable.
- C. Agree the yearly amount of revenue reported to the entity's financial statements and/or income tax returns.

Provide a summary of the agreed upon procedures in a report due on or before November 1, 2022 (and respective November 1, 2023, 2024, and 2025).

C. QUALIFICATIONS

- 1. The Offeror must be an independent public accounting firm (IPA) approved by the New Mexico Office of the State Auditor to conduct audits and agreed-upon procedures (AUPs) engagements of New Mexico governmental entities.
- 2. The Offeror must include a current copy of a City or County of Santa Fe Business Registration Number if the Offeror is a City or County of Santa Fe business. Offeror must include a copy of New Mexico Taxation and Revenue Tax Identification Number and Federal TIN (Tax Identification Number).

D. DESIGNATED PROCUREMENT SPECIALIST

The County has designated a Procurement Specialist who is responsible for the conduct of this procurement whose name, address and telephone number is listed below. All deliveries via express carrier should be addressed as follows:

**Coralie G. Whitmore
Procurement Specialist, Senior
Santa Fe County Purchasing
102 Grant Avenue
Santa Fe, New Mexico 87501
Phone (505) 996-6337
cgwhitmore@santafecountynm.gov**

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

E. INSURANCE REQUIREMENTS

The insurance required by Offeror are listed below.

1. General Conditions. Contractor shall submit evidence of insurance as is required herein. Policies of insurance shall be written by companies authorized to write such insurance in New Mexico.
2. General Liability Insurance, Including Automobile. Contractor shall procure and maintain during the life of this Agreement a comprehensive general liability and automobile insurance policy with liability limits in amounts not less than \$1,000,000 combined single limits of liability for bodily injury, including death, and property damage for any one occurrence. Said policies of insurance shall include coverage for all operations performed for County by Contractor; coverage for the use of all owned, non-owned, hired automobiles, vehicles and other equipment, both on and off work; and contractual liability coverage under which this Agreement is an insured contract. County of Santa Fe shall be a named additional insured on the policy.
3. Workers' Compensation Insurance. Contractor shall comply with the provisions of the Workers' Compensation Act.
4. Professional Liability Insurance. The Contractor shall procure and maintain during the life of this Agreement a Professional Liability Insurance.
5. Increased Limits. If, during the life of this Agreement, the Legislature of the State of New Mexico increases the maximum limits of liability under the Tort Claims Act (NMSA 1978, §41-4-1 through §41-4-29, as amended), Contractor shall increase the maximum limits of any insurance required herein.

F. DEFINITION OF TERMINOLOGY

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

“BCC” means the Santa Fe County Board of County Commissioners.

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

“Contract” or “Agreement” 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.

“County” means Santa Fe County.

“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.

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

“Evaluation Committee” means a body appointed by the Procurement Manager to perform the evaluation of Offeror proposals.

“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.

“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.

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

“Procurement Specialist” means the person or designee authorized by the County to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

“Purchasing” means the Santa Fe County Purchasing, Finance Division, County Manager Office.

“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 its 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.

III. CONDITIONS GOVERNING THE PROCUREMENT

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

A. SEQUENCE OF EVENTS

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

<u>Action</u>	<u>Responsibility</u>	<u>Date</u>
1. Issuance of RFP (Advertises)	Purchasing	March 27 & 28, 2022
2. Acknowledgement Form Due	Offerors	April 4
3. Deadline to Submit Additional Written Questions	Offerors	April 6
4. Response to Written Questions	Purchasing	April 7
5. Submission of Proposal (2:00pm MDT)	Offerors	April 18, 2022
6. Proposal Evaluation Review	Evaluation Committee	April 19-22
7. Selection of Finalists (if applicable)	Evaluation Committee	April 22
8. Contract Negotiations	County & Offeror	April 26
9. Contract Award	Purchasing & State Auditor	May, 2022

B. EXPLANATION OF EVENTS

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

1. Issuance of RFP

This RFP is being issued by the Santa Fe County Finance Division and Purchasing.

2. Pre-Proposal Conference (If applicable) - NO PRE-PROPOSAL CONFERENCE. Please e-mail all questions to Procurement Specialist.

Questions may be submitted up until the date indicated in the "Sequence of Events" at Section III.A.

3. Acknowledgement of Receipt Form

Potential Offerors should hand-deliver, return by facsimile or e-mail the "Acknowledgement of Receipt Form" provided as Appendix A to have their name and firm placed on the procurement distribution list. The form should be signed by an authorized representative of the organization, dated and returned by close of business on the date indicated in the "Sequence of Events" at Section III.A.

The procurement distribution list will be used for the distribution of written responses to questions and any RFP addenda.

4. Deadline to Submit Additional Written Questions

Potential Offerors may submit written questions regarding this RFP until the close of business on the date indicated in the "Sequence of Events" at Section III.A. All written questions must be addressed to the Procurement Manager, listed in Section II, Paragraph D and sent via facsimile or e-mail. **Any contact with any other County staff member other than the Procurement Manager named in this solicitation may be grounds for rejection of your proposal.**

5. Response to Written Questions

Written responses to written questions and any RFP addenda will be distributed on the date indicated in the "Sequence of Events" at Section III.A, to all potential Offerors whose names appear on the procurement distribution list.

Additional written requests for clarification of distributed answers or addenda must be received by the Procurement Manager no later than one (1) day after the answers or addenda were issued.

6. Submission of Proposals

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 2:00pm. MOUNTAIN DAYLIGHT TIME (MDT) ON TUESDAY, APRIL 18, 2022. 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 below. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the County's Request for Proposals for **Financial and Compliance Audit Services** and refer to **RFP No. 2022-0185-FIN/CW**.

Proposals may be submitted electronically via Dropbox at the link provided below.

<https://www.dropbox.com/request/Xo7CR50Fe6p3gictBl6p>

**Proposals Must Be Delivered to:
Coralie G. Whitmore, Procurement Specialist Senior
Santa Fe County Purchasing
102 Grant Avenue
Santa Fe, New Mexico 87501**

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 any proposal shall not be disclosed to competing Offerors prior to contract award.

7. Proposal Evaluation

The evaluation of proposals will be performed by an Evaluation Committee appointed by the Procurement Manager. This process will take place during the timeframe indicated in the "Sequence of Events" at III.A. 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 the Offerors.

8. Selection of Finalists (If Applicable)

The Evaluation Committee may select and the Procurement Manager may notify the Finalist Offerors on the date indicated in the "Sequence of Events" at Section III.A. Only Finalists will be invited to participate in the subsequent steps of the procurement if the Finalist process is used.

9. Best and Final Offers from Finalists (If applicable)

Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by the date indicated in the "Sequence of Events" at Section III.A.

10. Oral Presentation by Finalists (If applicable)

Finalist Offerors may be required to present their proposals to the Evaluation Committee. The Procurement Manager will schedule the time for each Offeror presentation. All Offeror presentations will be held at the Santa Fe County Purchasing, 142 W. Palace Avenue (Second Floor), Santa Fe, New Mexico. Each presentation will be limited to one (1) hour.

11. Contract Negotiations

A contract will be finalized with the most advantageous Offeror during the

timeframe indicated in the "Sequence of Events" at Section III.A. In the event that mutually agreeable terms cannot be reached within the time specified, the County reserves the right to finalize a contract with the next most advantageous Offeror without undertaking a new procurement process.

12. Contract Award

The County anticipates awarding the contract on the date in the "Sequence of Events" at Section III.A. These dates are subject to change at the discretion of the Santa Fe County Purchasing Manager.

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

13. Right to Protest

Any protest by an Offeror must be timely and in conformance with NMSA 1978, §13-1-172 and applicable procurement regulations. 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.

Written protests must be submitted to the Santa Fe County Purchasing:

Santa Fe County
Attn: Procurement Office
P.O. Box 276
Santa Fe, New Mexico 87504

***Protests will not be accepted by facsimile or other electronic means.
Protests received after the deadline will not be accepted.***

C. GENERAL REQUIREMENTS

This procurement will be conducted in accordance with Chapter 13, NMSA 1978, NMAC Section 1.4.1 and to the extent not in conflict with the Santa Fe County Procurement Regulations.

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 terms and conditions and supplemental terms and conditions attached hereto as Appendix E.

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

Prime contractor is solely responsible for fulfillment of the contract with the County. The County 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. County personnel will not merge, collate, or assemble proposal materials.

6. Offerors' Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request signed by the Offeror's duly authorized representative addressed to the Procurement Manager. The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.

7. Proposal Offer Firm

Responses to this RFP, including proposal prices, will be considered firm for ninety (90) days after the due date for receipt of proposals or sixty (60) days after receipt of a best and final offer if one is submitted.

8. Disclosure of Proposal Contents

Proposals are not open to public inspection until after an Offeror(s) has been selected for award of a contract.

An Offeror may request non-disclosure of confidential information in its proposal. 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 qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, §57-3A-1 to §57-3A-7, NMSA 1978. The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of information for which an Offeror has made a written request for confidentiality, the Procurement Manger 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 statutory prohibition on the disclosure of confidential data.

9. No Obligation

This procurement in no manner obligates Santa Fe County or any of its departments 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 County determines such action to be in the best interest of the County.

11. Sufficient Appropriation

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

12. Legal Review

The County requires that all Offerors agree to be bound by all 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 County in writing 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 the County and the Contractor will follow the format specified by the County and contain the terms and conditions set forth in Appendix E.

16. Contract Deviations

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

17. Offeror Qualifications

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

18. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor technical irregularities. This right is at the sole discretion of the Evaluation Committee, subject to Procurement Manager approval.

19. Change in Contractor Representatives

The County reserves the right to require a change in contractor representatives if the assigned representatives are not, in the opinion of the County, meeting its needs adequately. Any change in contractor representative must receive prior County approval.

20. Notice

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

21. County Rights

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

22. Right to Publish

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

23. Ownership of Proposals

All documents submitted in response to this Request for Proposals shall become the property of the County. However, any technical or user documentation submitted with the proposals of non-selected Offerors shall be returned after the expiration of the protest period.

24. Electronic Mail Address Recommended

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). It is recommended that Offeror should have a valid e-mail address to receive this correspondence.

25. Preferences in Procurement by Santa Fe County

A. *New Mexico In-state Preference.*

New Mexico law, §13-1-22 NMSA 1978, provides a preference in the award of a public works contract for an “**in-state resident business.**” Application of a resident business preference for any Offeror requires the Offeror to provide a copy of a valid and current certificate as a resident business. Certificates are issued by the New Mexico Taxation and Revenue Department.

If an Offeror submits with its proposal a copy of a valid and current in-state resident business certificate, 5% of the total weight of all evaluation factors used in the evaluation of proposals may be awarded or added to the Offerors score.

Certification by the New Mexico Taxation and Revenue Department for the resident business takes into consideration such activities as the business or contractor’s payment of property taxes or rent in the state and payment of unemployment insurance on employees who are residents of the state.

OR

B. *New Mexico Resident Veteran Preference.*

New Mexico law, §13-1-22 NMSA 1978, provides a preference in the award of a public works contract for a “**resident veteran business**”. Certification by the New Mexico Taxation and Revenue Department for the resident veteran business requires the Offeror to provide evidence of annual revenue and other evidence of veteran status.

An Offeror who wants the veteran business preference to be applied to its proposal is required to submit with its proposal the certification from the Department of Taxation and Revenue and the sworn affidavit attached hereto as Appendix C.

If an Offeror submits with its proposal a copy of a valid and current resident veteran business certificate, 10% of the total weight of all the evaluation factors used in the evaluation of proposals may be awarded or added to the Offeror’s score, depending on the business’ annual revenue.

The resident business preference is not cumulative with the resident veteran business preference.

AND

B. *Santa Fe County Preference*

Santa Fe County Ordinance 2012-4 provides for a **County preference** for a “Santa Fe County business.” Application of the County preference in procurement requires an Offeror to obtain and provide a Santa Fe County Business Certificate issued by the Santa Fe County Procurement Manager. Certification by the Procurement Manager takes into consideration the business’ corporate standing in the state, business licensure or registration, the duration of the business’ primary office location and the payment of taxes.

If an Offeror submits with its proposal a copy of its Santa Fe County Business Certificate issued by the Purchasing Manager, 5% of the total weight of all the evaluation factors used in the evaluation of proposals may be awarded to the Offerors score.

The in-state, veteran or County preferences do not apply to procurement of services or goods involving federal funds or federal grant funds.

Additional information about obtaining the certificate as a resident business and resident veteran business may be found at:

<http://www.tax.newmexico.gov/Businesses/in-state-veteran-preference-certification.aspx> and information about the Santa Fe County business Certificate at:

http://www.santafecountynm.gov/ordinances_and_resolutions (Quick link

Ordinances and Resolutions).

26. Double-Sided Documents

All submitted bid / proposal documents shall be double-sided, pursuant to Santa Fe County resolution 2013-7, Adopting Sustainable Resources Management Principles, Section 2.A. Waste Reduction and Reuse ...” and documents are to be double-sided, including those that are generated by outside entities using County funds and by consultants and contractors doing business with the County.”

27. Living Wage

Contractor shall comply with the requirements of Santa Fe County Ordinance No. 2014-1 (Establishing a Living Wage).

THIS SECTION INTENTIONALLY LEFT BLANK

IV. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

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

B. NUMBER OF COPIES

Offerors shall deliver one (1) original and four (4) identical copies of their proposal to the location specified in Section II, Paragraph D on or before the closing date and time for receipt of proposals.

If the Offeror prefers to provide the original via DropBox, only one submission of the proposal is necessary: <https://www.dropbox.com/request/Xo7CR50Fe6p3gictBl6p>
The technical proposal must be a separate document from the cost proposal when uploaded to DropBox.

C. PROPOSAL FORMAT

All proposals shall be **limited to twenty** (20) pages, with exception of any required attachments and those added as appendices. The document shall be typewritten on standard 8 1/2 x 11 paper, with a font **no smaller than 12 pt. pitch**, with nominal 1” margins and normal line spacing. Proposals shall be bound with tabs delineating each section.

1. Proposal Organization

The proposal must be organized and indexed in the following format and must contain, at a minimum, all listed items in the sequence indicated.

- a) Letter of Transmittal (required—not counted in the 20-page limit)
- b) Table of Contents (required—not counted in the 20-page limit)
- c) Proposal Summary (optional—not counted in the 20-page limit)
- d) Response to *Scope of Work and Evaluation Criteria* – (limited to 20 pages)
- e) Response to County Terms and Conditions
- f) Appendices
 - Campaign Contribution Disclosure Statement
 - Preferences and Certificates
 - Insurance Certificates
 - Additional Offeror Attachments (i.e., certifications/licensing, resumes, sample promotional materials, sample website and social media campaign scripts, storyboards, and other appropriate documents, etc.)
- g) *Offeror's Cost Proposal* (One in a separate sealed envelope with the original proposal submission only)

)

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.

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

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, email address and telephone number of the person authorized to negotiate the contract on behalf of the organization;
- d) Identify the names, titles, email address and telephone numbers of persons to be contacted for clarification;
- e) **Explicitly** indicate Acceptance of the Conditions Governing the Procurement stated in Section III, 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; and,
- h) Acknowledge and accept the terms and conditions of the Agreement attached as Appendix D.

V. EVALUATION CRITERIA and 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**

Time Frame

The contract is scheduled to begin in July 2022. Santa Fe County intends on awarding a contract for one (1) year with the option to renew for three (3) additional years not to exceed four (4) years in duration.

B. **EVALUATION CRITERIA**

A brief explanation of each specific evaluation criteria is listed below. Offerors **must** respond to the evaluation criteria, providing the required responses, documentation and assurances, and completing all forms attached. **In the Offeror's response to the evaluation criteria, the elements of the Scope of Work (Section II. B.) are to be included and discussed.** Offerors are encouraged to fully address each criterion completely, as points are assigned for responses to each.

Introduction

- Provide an overview of the firm/contract team, including a brief history in the State of New Mexico, and evidence of being a qualified firm/contract team.
- State the firm's mission and vision and explain how that is applicable to the firm's performance of the County's service needs.

1. **Technical Competence and Specialized Experience**

- a. Summarize the contract team/firm's knowledge, skills, and abilities, highlighting the strengths for successful development, implementation and maintenance of the required services.
- b. Provide an overview of current and prior experience in work comparable to the Scope of Work required in this RFP and specify the years of experience providing auditing services for similar government entities of comparable size and complexity;
- c. Provide resumes of team members detailing the background, qualifications, education, training and years of experience for the scope of work;
- d. Explain the firm's experience with all applicable accounting standards to which a local government must comply;
- e. Demonstrate experience with component units such as housing authorities or other special districts.

2. **Evidence of Understanding Scope of Work**

- a. Provide an in-depth response to the requested Scope of Work with an itemized description of services to be offered;

- b. Note any services that cannot be provided as required shall be noted;
- c. List all affiliations relevant to Scope of Work (local, regional, national and international).

3. Capacity and Capability

- a. Provide a description of the audit approach along with a realistic time frame to complete the major components of the audit: planning, interim fieldwork, fieldwork and reporting. Provide the estimated start and completion date for the engagement;
- b. Provide a description of the audit approach along with a realistic time frame to complete the major components of the audit: planning, interim fieldwork, fieldwork and reporting. Provide the estimated start and completion date for the engagement. For a multi-year contract, include the approach for planning and conducting the scope of work for the following years;
- c. Include plans for using County staff.

2. Past Record of Performance

- a. Demonstrate past performance indicating the ability of the Offeror to perform the required services in a timely, effective and efficient manner.
- b. Include a minimum of five (5) client references, names and telephone numbers of clients for which similar services have been performed, currently or in the recent past. Reference checks will be conducted regarding the prior work experience, timing, planning and technical expertise of the Offeror's audit performance.

3. Cost Proposal – provide in a sealed envelope with the original proposal only

- a. Offeror shall provide a detailed cost proposal based on the breakdown of the first, second, third, and fourth years per Appendix D attached to the Request for Proposal. This is based on the tasks and activities in the following areas:
 - Financial Statement Audit
 - Federal Single Audit
 - Financial Statement & Preparation
 - Other – Preparation of FDS Schedule as required by H.U.D. and subsequent successful REAC submission

This cost proposal is informational for the County and a basis for opening negotiations with the successful Offeror

4. Offeror's proposal contains a valid certificate as an In-state Resident Business, the preference in accordance with §13-1-21 NMSA 1978, will be applied.
5. Offeror's proposal contains a valid certificate as a Resident Veteran Business, the preference in accordance with §13-1-21 and §13-1-22 NMSA 1978, will be applied.

- 6. Offeror’s proposal contains a valid certificate as a Santa Fe County Business, the preference in accordance with Santa Fe County Ordinance #2012-4, will be applied.

I. EVALUATION

A. EVALUATION POINT SUMMARY

If any criteria are not adequately addressed by the Offeror his/her proposal may be determined non-responsive. Points will be awarded on the basis of the following evaluation factors:

Factors

- 1. Technical Competence and Specialized Experience 400 points
- 2. Evidence of Understanding Scope of Work 200 points
- 3. Capacity and Capability 300 points
- 4. Past Record of Performance 100 points

TOTAL POINTS 1000

PREFERENCES

If a proposal contains an In-State Resident Business Certificate or Resident Veterans Business Certificate and/or Santa Fe County Business Certificate, the applicable preference will be applied.

- 1. Proposal contains a valid N.M. Resident Business Certificate **50 points**

OR

- 2. Proposal contains a valid Resident Veteran Business Certificate **100 points**

AND

- 3. Proposal contains a valid Santa Fe County Business Certificate **50 points**

B. EVALUATION PROCESS

The evaluations will be scored based upon comparison of the information submitted by the Offerors against the evaluation criteria. The evaluation process will follow the steps listed below:

1. All Offeror proposals will be reviewed for compliance with the mandatory requirements stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Specialist may contact the Offeror for clarification of the response as specified in Section III, Paragraph B.7.
3. The Evaluation Committee may use other sources of information to perform the evaluation as specified in Section III, Paragraph C.17.
4. Responsive proposals will be evaluated on the factors in Section VI that have been assigned a point value. The responsible Offerors with the highest scores will be selected as finalist Offerors based upon the proposals submitted. Finalist Offerors who are asked or choose to submit revised proposals for the purpose of obtaining best and final offers will have their points recalculated accordingly. Points awarded from the oral presentations will be added to the previously assigned points to attain final scores. The responsible Offeror whose proposal is most advantageous to the County, taking into consideration the evaluation factors in Section VI, will be recommended for contract award as specified in Section III, Paragraph B.10. Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.
5. Offeror will provide a detailed cost proposal describing the tasks and activities set forth in the Scope of Work in Section II. The information shall be broken down to include proposed staff, hourly rates. The hourly rates shall include all overhead, and direct or indirect costs associated with the work. Offeror will provide a separate category for proposed travel for reimbursable items.

APPENDIX A

ACKNOWLEDGEMENT OF RECEIPT FORM

RFP No. 2022-0185-FIN/CW
**FINANCIAL AND COMPLIANCE
AUDIT SERVICES**

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 E.

The acknowledgement of receipt should be signed and returned to the Procurement Manager no later than close of business on **April 4, 2022**. 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 County's 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 Proposals.

Coralie G. Whitmore
Santa Fe County Purchasing
102 Grant Avenue (Second Floor)
Santa Fe, New Mexico 87501
(505) 996-6337
cgwhitmore@santafecountynm.gov

APPENDIX B

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

APPENDIX C

RESIDENT VETERANS PREFERENCE CERTIFICATION

_____ (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 discount 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 §13-1-21 or §13-1-22 NMSA 1978, which 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 of the Business.

The representations made by checking the box above constitutes a material representation by the business. Any finding that the statements are incorrect may result in denial of an award or un-award of the procurement involved.

SIGNED AND SEALED THIS _____ DAY OF _____, 2019.

NOTARY PUBLIC

My Commission Expires:

APPENDIX D
COST SHEET (PART I)

BREAKDOWN (With Financial Statement Preparation)

	1st Year Hours FYE 6/30__	1st Year Cost FYE 6/30__	2nd Year Hours FYE 6/30__	2nd Year Cost FYE 6/30__	3rd Year Hours FYE 6/30__	3rd Year Cost FYE 6/30__
Financial Statement Audit	_____	_____	_____	_____	_____	_____
Federal Single Audit	_____	_____	_____	_____	_____	_____
Financial Statement Preparation	_____	_____	_____	_____	_____	_____
Other (Housing Authority)	_____	_____	_____	_____	_____	_____
SUB TOTAL	_____	_____	_____	_____	_____	_____
Gross Receipts Tax		_____		_____		_____
TOTAL COMPENSATION		=====		=====		=====

**APPENDIX D (Cont.)
COST SHEET (PART II)**

BREAKDOWN (Without Financial Statement Preparation)

	1st Year Hours FYE 6/30__	1st Year Cost FYE 6/30__	2nd Year Hours FYE 6/30__	2nd Year Cost FYE 6/30__	3rd Year Hours FYE 6/30__	3rd Year Cost FYE 6/30__
Financial Statement Audit	_____	_____	_____	_____	_____	_____
Federal Single Audit	_____	_____	_____	_____	_____	_____
Other (Housing Authority)	_____	_____	_____	_____	_____	_____
SUB TOTAL	_____	_____	_____	_____	_____	_____
Gross Receipts Tax		_____		_____		_____
TOTAL COMPENSATION		=====		=====		=====

APPENDIX E
SAMPLE AUDIT CONTRACT

STATE OF NEW MEXICO AUDIT CONTRACT

Santa Fe County

hereinafter referred to as the "Agency," and

TBD

hereinafter referred to as the "Contractor," agree:

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

1. SCOPE OF WORK (Include in Paragraph 25 any expansion of scope)

A. The Contractor shall conduct a financial and compliance audit of the Agency for Fiscal Year **2022** in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Audit Act, Sections 12-6-1 through 12-6-15, NMSA 1978, and the Audit Rule (Section 2.2.2.1 NMAC *et seq.*).

2. DELIVERY AND REPRODUCTION

A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the documents required by Section 2.2.2.9 NMAC to the State Auditor on or before the deadline set forth for the Agency in Section 2.2.2.9 NMAC.

B. Reports delivered electronically by 5:00 p.m. of the Agency's due date will be considered received by the due date for purposes of Section 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 NMAC. If the State Auditor does not receive copies of the management representation letter and the completed Report Review Guide with the audit report or prior to delivery of the audit report, the State Auditor will not consider the report submitted to the State Auditor.

C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor in accordance with Section 2.2.2.9 NMAC.

D. Pursuant to Section 2.2.2.10 NMAC, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency.

E. After its review of the audit report pursuant to Section 2.2.2.13 NMAC, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days after the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor an electronic version of the audit report, in PDF format, and the electronic copy of the Excel version of the Summary of Findings Form, and any other required schedule (if applicable). After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver **15** copies of the audit report to the Agency. The Agency or Contractor shall ensure that every member of the Agency's governing authority shall receive a copy of the report.

3. COMPENSATION

A. The total amount payable by the Agency to the Contractor under this Contract shall not exceed **\$TBD** including applicable gross receipts tax.

B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this Contract prior to approval by the State Auditor.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS

(1) Financial statement audit	<u>\$TBD</u>
(2) Federal single audit	<u>\$TBD</u>
(3) Financial statement preparation	<u>\$TBD</u>
(4) Other nonaudit services, such as depreciation schedule updates	<u>\$TBD</u>
(5) Other (i.e., component units, specifically identified)	<u>\$TBD</u>

Gross Receipts Tax = \$TBD

Total Compensation = \$TBD including applicable gross receipts

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

E. The State Auditor may authorize progress payments to the Contractor by the Agency; pursuant to Section 2.2.2.8(M)(3) NMAC; 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. If requested by the State Auditor, the Agency shall provide a copy of the progress billings. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

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

5. **TERMINATION, BREACH AND REMEDIES**

A. This Contract may be terminated:

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

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

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

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

6. **STATUS OF CONTRACTOR**

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

7. **ASSIGNMENT**

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

8. **SUBCONTRACTING**

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

9. **RECORDS**

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

10. **RELEASE**

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

11. **CONFIDENTIALITY**

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

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

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

13. **CONFLICT OF INTEREST**

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

14. **INDEPENDENCE**

The Contractor represents and warrants its personal, external and organizational independence from the Agency in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States, and Section 2.2.2.8 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 with the prior written approval of the State Auditor. Any amendments to this Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978.

16. **MERGER**

This Contract supersedes all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract. Contractor and Agency shall enter into and execute an engagement letter pursuant to Section 2.2.2.10 NMAC, consistent with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS). **The engagement letter and any associated documentation included with or referenced in the engagement letter shall not be interpreted to amend this Contract. Conflicts between the engagement letter and this Contract are governed by this Contract, and shall be resolved accordingly.**

17. **APPLICABLE LAW**

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

18. **AGENCY BOOKS AND RECORDS**

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

19. **APPROPRIATIONS**

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

20. **PENALTIES FOR VIOLATION OF LAW**

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

21. **EQUAL OPPORTUNITY COMPLIANCE**

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

22. **WORKING PAPERS**

- A. The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years after the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor, the Contractor shall deliver the original or clear, legible copies of all working papers to the requesting entity.
- B. The Contractor should follow the guidance of AU-C 210 A.27 to A.31 and AU-C 510 .A3 to .A11 in communications with the predecessor auditor and to obtain information from the predecessor auditor's audit documentation.

23. **DESIGNATED ON-SITE STAFF**

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

24. **INVALID TERM OR CONDITION**

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

25. **OTHER PROVISIONS**

SIGNATURE PAGE

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

AGENCY

Santa Fe County

CONTRACTOR

TBD

PRINTED
NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINTED
NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

State Auditor Contract No. 22 - 5026