



STATE OF NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
33 Plaza La Prensa
Santa Fe, N.M. 87507

REQUEST FOR PROPOSALS
FOR
FINANCIAL AND COMPLIANCE AUDIT

RFP NO. NM 36600-2016-00001

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

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PART I. INTRODUCTION AND GENERAL INFORMATION

The Public Employees Retirement Association (PERA) of New Mexico operates under the authority of the Public Employees Retirement Act, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended; the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-7, as amended; the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended; the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended; and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as amended. PERA is a public pension fund responsible for the investment of all moneys constituting the net assets of the Public Employees Retirement Fund, the Judicial Retirement Fund, the Magistrate Retirement Fund, the Volunteer Firefighters Retirement Fund and also the Deferred Compensation Plan. The retirement systems are treated as qualified plans under Section 401(a) and 457 of the Internal Revenue Code. The Funds' net assets are currently valued at approximately \$14 billion.

As further described below, the purpose of this Request for Proposals (RFP) is to invite responsible Offerors to submit competitive sealed proposals to provide financial and compliance audit services to PERA.

This RFP is governed by the New Mexico Procurement Code, 1.4.1 NMAC Procurement Code Regulations, and the New Mexico State Auditor's *Requirements for Contracting and Conducting Audits of Agencies* codified at 2.2.2 NMAC. This RFP may be canceled and any and all proposals may be rejected in whole or in part when it is in the best interests of PERA. This RFP shall not be modified except by written amendment, in accordance with the procedures set forth in 1.4.1 NMAC. In no event shall PERA be responsible for any costs of an Offeror incurred in the preparation, submission or modification of a proposal or travel to Santa Fe, New Mexico for an oral presentation to the RFP evaluation committee or proposal discussions or negotiations.

In order to be considered, all proposals must be received by Renada Peery-Galon, PERA Administrative Services Director and the Procurement Manager for this RFP, no later than 5:00 p.m., Mountain Time, on March 7, 2016. **NO FACSIMILE OR ELECTRONIC TRANSMISSIONS OF A PROPOSAL SHALL BE ACCEPTED.** Proposals shall not be opened publicly and shall not be available for public inspection until after contract award. All proposals shall become the property of PERA.

All proposals mailed, hand-delivered or delivered by express mail must be addressed as follows:

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
33 PLAZA LA PRENSA
SANTA FE, NM 87507
ATTENTION: RENADA PEERY-GALON

Offerors shall submit five (5) copies of their proposal to PERA. In order to ensure proper handling, proposals shall be submitted in a sealed envelope, box, or wrapping and should be labeled:

“SEALED PROPOSAL FOR AUDIT SERVICES”
RFP NO. NM 36600-2016-00001

Any proposal received by PERA after the date and time established above for receipt of proposals shall be considered late. Such late proposals can only be considered under very limited circumstances, in accordance with the provisions of 1.4.1 NMAC Procurement Code Regulations.

PERA shall require additional copies of the proposal from Offerors selected for oral presentations. (See Parts IV and V, below, for a description of the oral presentations.)

A proposal may be withdrawn or modified prior to the time and date established above for PERA's receipt of proposals, in accordance with the requirements of 1.4.1 NMAC Procurement Code Regulations. Any withdrawal, or modification received after the established time and date for delivery of proposals to PERA shall be considered late. Offerors shall bear in mind that such late withdrawals or modifications can only be considered under very limited circumstances, in accordance with the provisions of 1.4.1 NMAC Procurement Code Regulations.

Prospective Offerors may direct questions about this RFP in writing to Renada.Peery-Galon@state.nm.us. However, nothing stated by Ms. Peery-Galon orally or in writing shall operate to amend this RFP unless such statements are reduced to a written amendment in accordance with the GSD regulations noted above. **NO ORAL OR WRITTEN QUESTIONS CONCERNING THIS RFP SHALL BE DIRECTLY ADDRESSED BY OFFERORS OR POTENTIAL OFFERORS TO ANY OTHER MEMBER OF PERA STAFF OR TO PERA BOARD MEMBERS UNTIL A CONTRACT HAS BEEN AWARDED AND THE PROTEST PERIOD HAS EXPIRED.** The time for protests is governed by NMSA 1978, Section 13-1-172.

PART II. SCOPE OF WORK

The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from July 1, 2015 through June 30, 2016 with the option to extend for two successive one-year terms:

- Basic Financial Statements consisting of the Statement of Plan Net Position and Statements of Changes in Plan Net Position of the Public Employees Retirement Fund, Judicial Retirement Fund, Magistrate Retirement Fund and Volunteer Firefighters Fund, and the notes to the financial statements;

Supplemental Information (SI) consisting of:

- Administrative and Investment Expenses;
- Individual fund budget comparison statements for funds that have a legally adopted budget; and

The SI must be audited and included in the auditor's opinion (AAG-SLV 14.51)

Other Information, consisting of:

- Schedule of Vendors.

The Contractor shall apply certain limited procedures to the following Required Supplementary Information (RSI) and include it in the auditor's opinion (AAG-SLV 14.65).

- The Management Discussion and Analysis (MD&A);
- RSI data required by GASB 67 and 68 regarding defined benefit pension plans; and
- The Contractor shall audit and provide a separate report over the annual Schedule of Employer Allocations and Pension amounts, pursuant to AU-C 805, *Special Considerations – Audits of Single Financial Statement and Specific Elements, Accounts or Items of a Financial Statement*, in accordance with 2.2.2.10 DD.3 NMAC

Such audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, government auditing standards and *Requirements for Contracting and Conducting Governmental Audits* (2.2.2 NMAC).

The Contractor must agree to abide by the most recently issued State Audit Rule.

PERA prepares a Comprehensive Annual Financial Report (CAFR) in accordance with the Government Finance Officers Association (GFOA). The Contractor must also prepare an opinion for the financial statement section of the CAFR in accordance with current GAAFR guidelines each year.

CONDITIONS GOVERNING PROCUREMENT

Audit Commences

PERA wishes to have audit work commence after the contract is signed. It is the PERA's intent to make a selection shortly after the opening of bids and submit its selection to the New Mexico State Auditor for approval immediately after selection. Therefore, it is anticipated that audit work may commence the latter part of May.

PART III. MINIMUM QUALIFICATIONS

Each Offeror must certify that it meets all of the following minimum qualifications. In order to so certify, Offerors shall complete, sign, and submit all forms required by this RFP, including Appendix A and the attachments required by Appendix A. (Also see Part VII, Form of Proposals, for additional instructions in preparing the RFP.)

FAILURE TO MEET AND CERTIFY TO THE FOLLOWING SHALL RESULT IN THE REJECTION OF THE PROPOSAL FOR NONRESPONSIVENESS:

- A. The Offeror must be a firm registered with the New Mexico State Board of Public Accountancy and hold a current permit from such Board to practice as a certified public accountant. (The Offeror shall certify it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP.)
- B. The Offeror must have submitted a complete, accepted and approved firm profile to the State Auditor in accordance with 2.2.2 NMAC, Section 8.A. The firm must be a current approved firm on the State Auditor's list of approved firms for financial audits. (The Offeror shall certify that it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP.)
- C. The Offeror must maintain professional liability insurance, in accordance with Section 8.J of 2.2.2 NMAC, covering any error or omission committed during the term of any contract awarded to it under this RFP. (The Offeror shall certify that it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP and shall attach proof of insurance coverage to its proposal.)
- D. The Offeror must have an internal quality control system in place and external quality control reviews conducted in accordance with Section 14.B of 2.2.2 NMAC. (The Offeror shall certify that it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP and shall attach a copy of its most recent external quality control review to the proposal.)

- E. Those persons who are employed by the Offeror and would be responsible for planning, directing and conducting a substantial portion of the field work or reporting for the audit that is the subject of this RFP must be in compliance with the continuing education requirements of Section 14.A of 2.2.2 NMAC. (The Offeror shall certify that it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP.)
 - F. The Offeror must be a firm that is independent and warrants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required under any contract entered into by PERA and the Offeror. (The Offeror shall certify that it has met this requirement by signing the certification on pages 1 and 2 of Appendix A to this RFP.)
 - G. The Offeror must have a positive net worth as of the submission date of its proposal and shall maintain a positive net worth for the duration of any contract entered into with PERA.
 - H. The Offeror must have knowledge of the Governmental Accounting Standards and at least one year of experience conducting audits using Governmental Accounting Standards Board Statement No. 67 and Governmental Accounting Standards Board Statement No. 68 (GASB 67 and GASB 68).
 - I. The Offeror must have knowledge of and ability to provide guidance and ongoing oversight in the implementation of the Governmental Accounting Standards Board Statement No. 72 (GASB 72).
 - J. The Offeror must demonstrate pertinent experience and knowledge in auditing pension funds) with net assets exceeding \$1 billion for at least three years and the staff with that experience and knowledge must be assigned to the audit.
 - K. The Offeror must have demonstrated experience in auditing the following classes of investments:
 - Equity securities
 - Fixed income securities: MBS, ABS, corporate bonds, and structured products
 - Private securities: private equity, real assets, and real estate
 - Securities lending and collateral
 - Currencies
 - Derivatives: options, SWAPS, futures, and forwards
- Experience auditing these investments may be gained at a variety of different entities, such as mutual funds, insurance companies, banks, REIT's, and investment portfolios of a company or public pension fund.
- L. The Offer must take all reasonable and commercially accepted measures to ensure the security and confidentiality of information and data provided by PERA as detailed in Section 11 of Attachment B.

PART IV. EVALUATION OF PROPOSALS

The evaluation factors and assigned points to be applied to the proposals are set forth in the Contract Proposal Evaluation Form, which is attached to this RFP as Appendix C. Proposals that are non-responsive because of the failure to meet the minimum qualifications of this RFP (See Part III) or otherwise shall be eliminated from consideration.

The evaluation of proposals will be conducted by an RFP evaluation committee. The RFP evaluation committee shall evaluate responsive proposals under this RFP prescribed by the State Auditor in 2.2.2 NMAC, Section 8.G. Each responsive proposal shall initially be evaluated on the basis of the Offeror's experience and qualifications. (The experience and qualifications evaluation factors are set forth in Sections 1 through 4 of Appendix C of this RFP.) The top three selections from this initial step will then be evaluated on the basis of cost. In addition, at any stage of the evaluation process and at the option of the RFP evaluation committee, the committee may request that the top two or three Offerors make oral presentations to the RFP evaluation committee at a time set by the committee.

On or before April 28, 2016, the RFP evaluation committee's final recommendation for contract award shall be presented to the PERA Board for approval, subject to such conditions as the PERA Board deems appropriate. The PERA Board's recommendation for contract award shall be presented to the State Auditor for his approval subject to the provisions of 2.2.2 NMAC.

PART V. CONTRACTUAL REQUIREMENTS

The contract between PERA and the successful Offerors shall contain the terms and conditions in the sample contract attached to this RFP at Appendix B. The sample contract is in the form required by the State Auditor in 2.2.2 NMAC. PERA will not accept any terms and conditions that change the terms and conditions set forth in the sample contract attached hereto at Appendix B, which is the standard contract approved by the State Auditor. In addition, please note that PERA shall not agree to include in the final form of contract the optional liquidated damages provision referred to in 2.2.2.9.D NMAC. The proposal of any Offeror who is not willing to sign Appendix B will be deemed non-responsive.

No contract shall be effective or binding until approved in writing by the State Auditor and the New Mexico Department of Finance and Administration (DFA) - Contract Review Bureau (CRB). This RFP requires a multi-year proposal of a total of three (3) years. The initial term of the contract shall commence upon approval by the State Auditor and DFA-CRB and terminate on June 30, 2017. The term of the contract may be renewed, one year at a time, for up to two (2) additional years, if PERA recommends renewal of the contract and subject to the approval of the State Auditor and DFA-CRB. (See Appendix D, Fee Proposal for Audit Services Form.)

PERA may, in its sole discretion, conduct discussions or negotiations with Offerors, in accordance with the requirements of 1.4.1 NMAC Procurement Code Regulations. It should be clearly understood, however, that PERA reserves the right to accept proposals and make contract awards without conducting such discussions or negotiations. Furthermore, as a condition of submitting a proposal, all Offerors shall agree to provide the services required by this RFP and to adhere to all the requirements, specifications, terms, and conditions of this RFP. For these reasons, PERA strongly recommends that Offerors review the RFP with their legal counsel in advance of submitting a proposal. (Also see Part VII, Form of Proposals, below, and pages 1 and 2 of Appendix A, Company Questionnaire.)

If PERA elects to conduct discussions or negotiations with Offerors, PERA may establish a common date for submission of best and final offers in accordance with 1.4.1 NMAC Procurement Code Regulations, if appropriate. Offerors shall bear any and all costs incurred by them in the conduct of any discussions or negotiations, including travel to Santa Fe, New Mexico, if requested by PERA. Any additional terms and conditions which may be the subject of negotiation will be discussed only between PERA and the Offeror who suggests them and shall not be deemed an opportunity to amend the Offeror's proposal in any other respect.

PART VI. TIMETABLE FOR THE PROCUREMENT

PERA intends that the following schedule govern the procurement under this RFP. However, the exact date for concluding the evaluation of proposals under item number 5, and the dates for oral presentations, negotiations or contract award, if any, shall be set at PERA’s discretion without the need to amend this RFP. In addition, Offerors shall note that no contract is effective or binding until approved in writing by the State Auditor and DFA-CRB and the estimated effective date of the contract may vary as a consequence.

<u>Action</u>	<u>Responsibility</u>	<u>Date</u>
1. Release of RFP	PERA	February 10, 2016
2. Return of Acknowledgement of Receipt Form (Appendix E) & Deadline for Submission of Written Questions	Offerors	February 19, 2016
3. Response to Written Questions	PERA	February 26, 2016
4. Deadline for Submission of Proposals	Offerors	March 7, 2016
5. Evaluation of Proposals	RFP Evaluation Committee	March 14-25, 2016
6. Recommend Contract Award	Audit & Budget Committee	April 12, 2016
7. Approval of Contract Award Recommendation	PERA Board	April 28, 2016
8. PERA Board’s Recommended Contract Award Submitted to State Auditor	PERA	April 28, 2016
9. Estimated Effective Date of New Contract	Offeror	May 19, 2016

B. Further Description of Events

1. Release of RFP. The RFP will be released February 10, 2016. The RFP will be posted on PERA's website at www.nmpera.org and copies sent to firms that submit a request to Renada Peery-Galon, Administrative Services Director, at the address shown in Part I, above, or by email to Renada.Peery-Galon@state.nm.us or by calling Ms. Peery-Galon at (505) 476-9304.
2. (a) Return of Acknowledgement of Receipt Form. In order to request copies of answers to written questions, potential Offerors shall submit the Acknowledgement of Receipt Form (See Appendix E) to Renada Peery-Galon, by 5:00 p.m., Mountain Time, on February 19, 2016 at the address shown in Part I, above, or by email to Renada.Peery-Galon@state.nm.us.

(b) Deadline for Submission of Written Questions. Offerors may submit written questions to PERA concerning this RFP, no later than 5:00 p.m., Mountain Time, on February 19, 2016. Offerors must address all written questions to Renada Peery-Galon, Administrative Services Director, at the address shown in Part I, above, or by email to Renada.Peery-Galon@state.nm.us. Questions received after the deadline stated above will not be answered.
3. Response to Written Questions. PERA will provide written responses to all Offerors' written questions by February 26, 2016. Responses will be sent only to potential Offerors who submit the Acknowledgement of Receipt Form (See Appendix E). No written response shall be construed as a modification of the RFP unless PERA amends the RFP in accordance with 1.4.1 NMAC Procurement Code Regulations.
4. Deadline for Submission of Proposals. Proposals must be submitted to Renada Peery-Galon, Administrative Services Director, no later than 5:00 p.m. Mountain Time, March 7, 2016. **No fax or email transmittals of proposals will be accepted.**
5. Evaluation of Proposals. The evaluation of proposals is more fully described in Part IV of this RFP.
6. Recommended Contract Award. The selection of the successful Offeror and the award of the contract by the Board will occur at or before the April 28, 2016 PERA Board meeting.
7. PERA Board's Recommended Contract Award Submitted to State Auditor. The Board's recommendation for auditor will be submitted to the State Auditor on or before April 28, 2016.
8. Estimated Effective Date of New Contract. PERA intends the new contract take effect by May 19, 2016. However, all Offerors should note that no contracts are effective or binding until approved in writing by the New Mexico State Auditor and the New Mexico Department of Finance and Administration, Contract Review Bureau.

PART VII. FORM OF PROPOSALS

Any proposal that does not adhere to the following format, and does not address each question, specification and requirement within the applicable forms may be deemed non-responsive.

Each proposal submitted in response to this RFP must be submitted in the format described below, using the applicable forms attached hereto as Appendix A (Company Questionnaire) and Appendix D (Fee Proposal for Audit Services Form) and in accordance with the instructions in such forms. The Offeror

may not alter the forms, including the certifications in the forms. Each question or specification in Appendix A should be repeated in its entirety before the Offeror's answer. All proposals must be printed on standard 8 1/2 x 11 paper and should be bound together in some manner. Proposals should stress completeness, clarity, and succinctness. Appendix F, Checklist for Offeror's Submission of Proposal, is provided as an aid in determining that all necessary items have been included in the proposal submitted.

- A. Each Offeror shall complete and include in its proposal the attached Appendix A, Company Questionnaire. Page 2 of Appendix A shall be signed by a representative of the Offeror who has the authority to bind the Offeror. By having its representative sign Appendix A, the Offeror agrees to perform the services required by RFP NO. 36600-2016-00001 and to adhere to all requirements, specifications, terms and conditions of such RFP. By having its representative sign Appendix A, the Offeror also certifies that it meets the minimum requirements set forth on pages 1 and 2 of Appendix A.
- B. Each Offeror shall complete and include in the proposal Appendix D, Fee Proposal for Audit Services Form. The Offeror shall complete the form for each of the three (3) years appearing on the form.

At their option, Offerors also may include in their proposals such other supplementary material as they see fit to explain their proposals. If appropriate, Offerors may also request in writing the nondisclosure of confidential information contained in the proposal.

APPENDIX A

RFP NO. NM 36600-2016-00001

COMPANY QUESTIONNAIRE

**REQUEST FOR PROPOSALS
FOR FINANCIAL AND COMPLIANCE AUDIT
COMPANY QUESTIONNAIRE**

FIRM NAME: _____

ADDRESS: _____

TELEPHONE #: _____

FACSIMILE #: _____

FEDERAL EMPLOYER IDENTIFICATION # _____

NEW MEXICO TAX # (if any) _____

CONTACT PERSON FOR PROPOSAL _____
(Name & Title) _____

BY SIGNING THIS COMPANY QUESTIONNAIRE, THROUGH THE UNDERSIGNED REPRESENTATIVE WHO HAS THE AUTHORITY TO BIND THE OFFEROR, AND BY SUBMITTING A PROPOSAL IN RESPONSE TO RFP NO. NM 36600-2016-00001, THE OFFEROR:

1. AGREES TO PERFORM THE SERVICES REQUIRED BY RFP NO. NM 36600-2016-00001 AND TO ADHERE TO ALL REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS OF SUCH RFP;
2. CERTIFIES THAT IT IS REGISTERED WITH THE NEW MEXICO STATE BOARD OF PUBLIC ACCOUNTANCY AND HOLDS A CURRENT PERMIT FROM SUCH BOARD TO PRACTICE AS A CERTIFIED PUBLIC ACCOUNTANT;
3. CERTIFIES THAT IT HAS SUBMITTED A COMPLETE, APPROVED FIRM PROFILE TO THE OFFICE OF THE NEW MEXICO STATE AUDITOR IN ACCORDANCE WITH SECTION 8.B OF 2.2.2 NMAC;
4. CERTIFIES THAT IT POSSESSES PROFESSIONAL LIABILITY INSURANCE, IN ACCORDANCE WITH SECTION 8.J OF 2.2.2 NMAC, COVERING ANY ERROR OR OMISSION COMMITTED DURING THE TERM OF ANY CONTRACT AWARDED TO IT UNDER THIS RFP;
5. CERTIFIES THAT IT HAS AN INTERNAL QUALITY CONTROL SYSTEM IN PLACE AND EXTERNAL QUALITY CONTROL REVIEWS CONDUCTED IN ACCORDANCE WITH SECTION 14.B OF 2.2.2 NMAC;

6. CERTIFIES THAT THOSE PERSONS WHO ARE EMPLOYED BY THE OFFEROR AND WOULD BE RESPONSIBLE FOR PLANNING, DIRECTING AND CONDUCTING A SUBSTANTIAL PORTION OF THE FIELD WORK OR REPORTING FOR THE AUDIT THAT IS THE SUBJECT OF THIS RFP ARE IN COMPLIANCE WITH THE CONTINUING EDUCATION REQUIREMENTS OF SECTION 14.A OF 2.2.2 NMAC; AND
7. CERTIFIES THAT IT IS INDEPENDENT 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 ANY CONTRACT ENTERED INTO BY PERA AND THE OFFEROR.
8. CERTIFIES THAT IT HAS A POSITIVE NET WORTH AS OF THE SUBMISSION DATE OF ITS PROPOSAL AND THAT IT SHALL MAINTAIN A POSITIVE NET WORTH FOR THE DURATION OF ANY CONTRACT ENTERED INTO WITH PERA.
9. CERTIFIES THAT IT WILL COMPLY WITH CONFIDENTIALITY REQUIREMENTS AS STATED IN SECTION 11 OF THE AUDIT CONTRACT.
10. CERTIFIES THAT IT WILL COMPLY WITH ALL REQUIREMENTS OF THE MOST RECENT AUDIT RULE.

SIGNED BY: _____

Name (print): _____

Title: _____

Date: _____

A. COMPANY BACKGROUND AND GENERAL DESCRIPTION

1. Give a brief history of the firm including the year organized.
2. Provide a listing or chart detailing the organization of your firm, with the number of people in each position.
3. Describe the nature of the firm's ownership and specific details with regard to any affiliated companies or joint ventures.
4. Provide information on the financial condition of the firm, including status of net worth (positive or negative). Include a copy of the firm's most recent financial statements.
5. Describe the dollar levels of coverage for performance bonds, errors and omissions coverage and any other professional liability coverage which your firm carries. List the insurance carriers supplying the coverage. **In addition, the Offeror shall attach proof of insurance coverage to its proposal.**
6. Over the past five years, has your organization or its parent or any of its affiliates, or any officer or principal been involved in any business litigation or other legal proceedings related to your auditing activities? If so, provide a brief explanation and indicate the current status.
7. Describe any potential conflicts of interest your firm may have with regard to providing auditing services for PERA.

B. DETAILED COMPANY INFORMATION

1. List all key professional personnel to be assigned to the performance of the contract, including the percent of time and number of hours they will spend on the contract. Resumes describing the qualifications of personnel to be utilized in the performance of the contract must show, at a minimum:
 - Person's name
 - Highest college degree held
 - Position in the firm
 - Total years with the firm and total years in the accounting profession
 - Type of experience with the firm
 - List of continuing professional education courses completed in the last three years
 - Experience performing audits of pension, fiduciary, or endowment funds with net assets greater than \$1 billion
 - Experience performing audits of pension, fiduciary, or endowment funds with net assets less than \$1 billion
 - Experience performing state government financial and compliance audits in New Mexico
 - Experience relating to audits of investments,

2. Describe your procedures for internal and external training for auditors specific to pension funds.
3. Describe specific procedures your firm would follow in the event any professional staff assigned to this account should leave the firm.
4. Provide specific details on the following for the past three years (2013 - 2015):
 - Any restrictions imposed by the Office of the State Auditor that would impact this engagement.
 - Your firm's timeliness in reference to the State Auditor's report due dates.
 - Your firm's familiarity with State Auditor rules and regulations.
5. Provide a copy of the firm's most recent external quality control review.
6. Describe your staff's knowledge and experience performing information system assessments and testwork and identify the type of audit work your firm has performed in this area. Identify information system audit specialists who will be assigned to the performance of this contract.
7. Provide your proposed general audit work plan, which supports your ability to meet the State Auditor's deadline for submission of the audit report (no later than sixty days after the State Auditor receives notification from the Financial Control Division to the effect that an agency's books and records are ready and available for audit). In as much as the RFP calls for a proposal for a multi-year contract of up to three (3) years, describe the approach for planning and conducting the work efforts of subsequent years.
8. Provide a detailed description of your firm's recent experience in auditing the implementation of GASB 67 & 68.
9. List audit work related to investments for the past five years, specifically noting any work related to pension funds.

C. FEES

Fee proposals must be submitted for a multi-year proposal of up to three (3) years, using the Fee Proposal for Audit Services Form provided in Appendix D of this RFP. Hours and cost for CAFR review should be listed as per Section 3.C of the sample contract (Appendix B). Any out-of-pocket expenses, including travel, should be included in the fee proposal. All amounts represented in the fee proposal should be considered as "not to exceed" amounts.

D. CLIENT REFERENCES

1. Provide a statement of Offeror's relevant experience and expertise in the auditing of public funds. Include client's name, address, phone number, contact name and title for relevant jobs performed over the last three years.

2. Provide a statement of Offeror's relevant experience and expertise in the area of state and local government financial and compliance audits. Include client's name, address, phone number, contact name and title for relevant jobs performed over the last three years.
3. Provide a statement of Offeror's relevant experience and expertise in the area of public and private pension funds, including knowledge of investment practices, fiscal agent transactions, and computer-based information systems. Also, provide a statement of Offeror's relevant experience and expertise regarding Government Accounting Standards Board (GASB) pronouncements issued specifically for pension fund accounting. Include client's name, address, phone number, contact name and title for relevant jobs performed by Offeror over the last three years.

APPENDIX B

RFP NO. NM 36600-2016-00001

SAMPLE AUDIT CONTRACT

STATE OF NEW MEXICO
AUDIT CONTRACT
(State Agencies with DFA Approval)

_____ hereinafter referred to as the “Agency,” and

_____ hereinafter referred to as the “Contractor,” agree:

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

1. SCOPE OF WORK (Include in Paragraph 26 any expansion of scope)

A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from **July 1, 2014 through June 30, 2015:**

- (1) Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
- (2) Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules—Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor’s opinion (AAG-SLV 14.52);
- (3) Supplemental Information (SI) that must be audited and included in the auditor’s opinion (AAG-SLV 14.52), if applicable, consisting of:
 - (a) Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.20);

- (b) Combining financial statements;
 - (c) Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - (d) Remaining supplemental information on schedules as required by NMAC Section 2.2.2.10.A(2)(f).
- B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:
- (1) The Management Discussion and Analysis (MD&A);
 - (2) RSI data required by Statements 25, 27, 43 and 45 regarding pension plans and post-employment healthcare plans administered by defined benefit pension plans; and
 - (3) Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).
- C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).

2. **DELIVERY AND REPRODUCTION**

- A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor no later than **sixty days** after the Financial Control Division of the Department of Finance and Administration (FCD of DFA) provides the State Auditor with notice that the Agency's books and records are ready and available for audit, and in any event no later than **December 1, 2015**, and in accordance with NMAC Section 2.2.2.9:
- (1) an organized, bound and paginated hard copy of the Agency's audit report for review;
 - (2) a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C580;
 - (3) a Summary of Findings Form available at www.osanm.org; and
 - (4) a copy of the completed State Auditor Report Review Guide available at www.osanm.org;

- B. In accordance with FCD requirements, the Agency, with the help of the Contractor, shall identify a schedule of audit deliverables and agreed-to milestones for the audit to ensure that the Agency's books and records are ready and available for audit and the Contractor delivers services on time. The deadline of sixty days shall be based on the schedule of audit deliverables and agreed upon milestones; however, the deadline **shall not extend beyond December 1, 2015**. This requirement does not prevent the Contractor from performing interim audit work prior to receipt of the DFA notice of agency preparedness.
- C. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13.C. If the State Auditor does not receive copies of the engagement letter, management representation letter, summary of findings form and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.
- D. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.
- E. Pursuant to NMAC Section 2.2.2.8.Q, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency. The Contractor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.
- F. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **TWO** copies of the report and an electronic version of the audit report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver _____ copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.
- G. The Agency, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse designated by the Office of Management and Budget and each federal awarding agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

3. **COMPENSATION**

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

SERVICES	AMOUNTS
(1) Financial statement audit	
(2) Federal single audit	
(3) Financial statement preparation	
(4) Other nonaudit services, such as depreciation schedule updates	
(5) Other (i.e., foundations or other component units, specifically identified)	

Gross Receipts Tax = _____

Total Compensation = _____

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

4. **TERM**

- A. THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE STATE AUDITOR AND THE NEW MEXICO DEPARTMENT OF FINANCE AND ADMINISTRATION. Unless terminated pursuant to Paragraphs 5 or 19, this Contract shall terminate one calendar year after the date on which it is signed by the State Auditor and the Department of Finance and Administration.
- B. If awarded based on a multi-year proposal, each permitted annual extension of the Contract shall be executed by mutual agreement of the parties and approval of the State Auditor pursuant to NMAC Section 2.2.2.8.G(4) and the Department of Finance and Administration.

5. TERMINATION, BREACH AND REMEDIES

- A. This Contract may be terminated:
 - (1) By either party without cause, upon written notice delivered to the other party and the State Auditor at least ten (10) days prior to the intended date of termination.
 - (2) By either party, immediately upon written notice delivered to the other party and the State Auditor, if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the report in accordance with Paragraph 2 shall constitute a material breach of this Contract.
 - (3) By the Agency pursuant to Paragraph 19, immediately upon written notice to the Contractor and the State Auditor.
 - (4) By the State Auditor, immediately upon written notice to the Contractor and the Agency after determining that the audit has been unduly delayed, or for any other reason.
- B. By termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. If the Agency or the State Auditor terminates this Contract, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized to the extent required by Paragraph 3(E). If the Contractor terminates this Contract for any reason other than Agency's breach of this Contract, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.
- C. Pursuant to NMAC Section 2.2.2.8.D, the State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State Auditor on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.
- D. THE REMEDIES HEREIN ARE NOT EXCLUSIVE, AND NOTHING IN THIS SECTION WAIVES OTHER LEGAL RIGHTS AND REMEDIES OF THE PARTIES.

6. STATUS OF CONTRACTOR

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

7. **ASSIGNMENT**

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

8. **SUBCONTRACTING**

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

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

- A. 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 the prior written approval of the Agency and the State Auditor.
- B. Contractor acknowledges that the information and data provided by PERA for the purpose of audit services under this Agreement is not public information and is confidential in nature and unauthorized disclosure of which will cause PERA substantial harm. Contractor shall ensure that such information and data is kept confidential, not used for any other purpose and further acknowledges and agrees that this Agreement is subject to continuing efforts of PERA to maintain the confidentiality of such information. Contractor shall take all reasonable and commercially accepted measures to ensure the security and confidentiality of such information, including but not limited to password protection of all confidential information and data transmitted. PERA data shall be encrypted to at least the 128-bit Advanced Encryption Standard when transmitted via Contractor's Secure Portal, and such encryption shall be used on every laptop or desktop where PERA data may be stored. To the extent Contractor's servers are not encrypted, Contractor will use physical and network access controls to restrict access to PERA's information. Contractor shall make available to PERA its policies and procedures addressing 1) data security, 2) encryption policies, and 3) computer user security training.

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. The Contractor agrees that the FCD of DFA is free to use the audited financial statements in the statewide Comprehensive Annual Financial Report (CAFR) and that the Contractor's audit report may be relied upon during the audit of the statewide CAFR, if applicable. However DFA should not provide to any third party, other than the CAFR auditor, the draft audit report or its opinion letters or findings.

13. CONFLICT OF INTEREST

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

14. INDEPENDENCE

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

15. **AMENDMENT**

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

16. **MERGER**

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

17. **APPLICABLE LAW**

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

18. **AGENCY BOOKS AND RECORDS**

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

19. **APPROPRIATIONS**

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the legislature or the Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the legislature or the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and

shall be final. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A) NMSA 1978.

20. PENALTIES FOR VIOLATION OF LAW

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

21. EQUAL OPPORTUNITY COMPLIANCE

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

22. WORKING PAPERS

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

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is _____.

The

The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

24. INVALID TERM OR CONDITION

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

25. EMPLOYEE PAY EQUITY REPORTING

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

B. If this Contract was procured pursuant to a solicitation, and if Contractor has already submitted the required report accompanying their response to such solicitation, the report does not need to be re-submitted with this Agreement.

26. OTHER PROVISIONS

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

SIGNATURE PAGE

This Contract is made effective as of the date of the signature of the Department of Finance and Administration.

AGENCY

NAME: _____

BY: _____

TITLE: _____

DATE: _____

CONTRACTOR

NAME: _____

BY: _____

TITLE: _____

DATE: _____

AGENCY GENERAL COUNSEL

BY: _____

TITLE: GENERAL COUNSEL

DATE: _____

AGENCY CFO

BY: _____

TITLE: CFO

DATE: _____

This Contract has been approved by:

OFFICE OF THE STATE AUDITOR

BY: _____

TITLE: DEPUTY STATE AUDITOR

DATE: _____

**DEPT. OF FINANCE &
ADMINISTRATION
CONTRACTS REVIEW BUREAU**

BY: _____

DATE: _____

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

ID No. _____

By: _____

Date: _____

APPENDIX C

RFP NO. NM 36600-2016-00001

AUDIT CONTRACT PROPOSAL EVALUATION FORM

Name of Agency: Public Employees Retirement Association

Audit Firm Name: _____

RFP Number: NM 36600-2016-00001 _____

PART ONE

Evaluation Factors and Associated Points

Evaluation Factors and Associated Points		
Section I. Capability of Firm	Points	Points Awarded
A) The firm has the resources to perform the type and size of audit required. # of Firm Team Members _____ Total Audit Hours Available _____	0-5	
B) External Quality Control Review (Peer Review) 1. Peer review results: Obtain most recent copy of the external quality control review/ 2. Opinion Received _____ Unmodified 1 Modified 0	0-1	
If report is less than modified (adverse) STOP HERE. FIRM DOES NOT QUALIFY.	0-10	
3. Results of reference checks and site manager and corporate reference checks.	0-10	
C) Organization and completeness of proposal or bid for audit services.	0-10	
Section I Total Points:		
Section II. Work Requirements & Audit Approach	Points	Points Awarded
A) Auditor's knowledge of type of Agency needs and product to be delivered.	0-20	
B) Proposal contains a sound technical plan and realistic estimate of time to complete the audit. Interim: Start Date _____ End Date ____ Final: Start Date ____ End Date ____	0-10	
C) Plans for using agency staff, including internal auditors.	0-2	
D) If the proposal is for a multi-year contract, approach for planning and conducting the work efforts of subsequent years.	0-2	
Section II Total Points:		
Section III. Technical Experience	Points	Points Awarded
A) Governmental audit experience of audit firm. Name of partner _____ On-site manager _____	0-10	
B) Audit Team Experience: Specialization in your type of government (e.g., state agencies, schools, hospitals, counties, cities, etc.), including audit work related to investments.	0-15	
C) Plan for continued implementation of GASB 67 & 68.	0-10	
D) Policies and Procedures addressing data security, encryption policies and computer user security training.	0-2	
E) Knowledge of OSA Rule agency.	0-2	
Section III Total Points:		
Section IV. Firm Strength or Weaknesses	Points	Points Awarded
Specify:	0-5	
Section IV Total Points:		
Sections I – IV Total Points		

Submit a copy of this form for the proposal selected to the State Auditor along with the Agency recommendation letter.

Name of Agency: Public Employees Retirement Association

Audit Firm Name: _____

RFP Number: NM 36600-2016-00001 _____

Part Two

Cost is to be evaluated ONLY upon completion of Part One of this two-part evaluation form. Evaluation cost separately for the top THREE CHOICES ONLY from Part One. ADD parts One and Two in making your final recommendation.

EVALUATION OF AUDIT FEES							
Please note: If you have a multi-year proposal, add the total of each year together to arrive at one total for the combined three year period (example: 3 yr proposal, each years' fee is \$5,000, the combined total is \$15,000 which would be used in the calculation below.)					Maximum Points	Points Awarded	
COMPLETE THE CALCULATION:							
Insert the lowest cost proposal (from all proposals received) :					\$ _____	10	
Divide it by the cost of the proposal currently being evaluated:					\$ _____		
Times (x) by 10					x 10		
= Total Points Awarded							
OFFEROR'S SCORE- PART TWO							
					Maximum Points	Points Awarded	
Bring Forward Score from Part One of Evaluation Form					104		
OFFEROR'S TOTAL SCORE					114		
BREAKDOWN	Fiscal Year End 6/30/2016		Fiscal Year End 6/30/2017		Fiscal Year End 6/30/2018		
	1 st Year Hours	1 st Year Costs	2 nd Year Hours	2 nd Year Costs	3 rd Year Hours	3 rd Year Costs	
Financial Statement Audit							
AU-C 805							
Other allowed non-audit services							
Other (housing authorities, or other component units)							
SUB TOTAL							
Gross Receipts Tax							
TOTAL COMPENSATION							

Evaluated By:

Name and Title	Date

APPENDIX D

RFP NO. NM 36600-2016-00001

FEE PROPOSAL FOR AUDIT SERVICES FORM

NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**FEE PROPOSAL FOR
AUDIT SERVICES FORM**

FIRM NAME: _____

Note: This is a multi-year proposal. Complete for each of the three years.

	Year 1	Year 2	Year 3
1. Total estimated hours to complete audit and CAFR review (separate items per Sec 3.C of sample contract (Appendix B))			
2. Hourly rate			
3. Audit cost (1 X 2)			
4. Out-of-pocket expenses, including travel			
5. Audit cost including expenses (3 + 4)			
6. Applicable gross receipts tax (specify rate _____)			
7. Total audit cost (5 + 6)			

All costs represented in this cost proposal should be considered as “not to exceed” amounts.

Signature _____

Name _____

Title _____

Date _____

APPENDIX E

RFP NO. NM 36600-2016-00001

ACKNOWLEDGEMENT OF RECEIPT FORM

ACKNOWLEDGMENT OF RECEIPT FORM

Only potential Offerors who elect to return this form, and do so in a timely manner, are entitled to receive copies of PERA's written responses to Offerors' written questions concerning this RFP. This Acknowledgment of Receipt Form should be completed, signed and returned to the Procurement Manager (see below) no later than 5:00 p.m., Mountain Time, on February 19, 2016.

The undersigned firm hereby acknowledges that it has received a complete copy of the above-referenced RFP, which begins with a cover page and ends with Appendix E.

THIS FIRM INTENDS AT THIS TIME TO RESPOND TO RFP NO. NM 36600-2016-00001

NAME OF OFFEROR: _____

CONTACT PERSON: _____

TITLE: _____

ADDRESS: _____

CITY: _____

FAX NUMBER: _____ PHONE NUMBER: _____

E-MAIL ADDRESS _____

AUTHORIZED SIGNATURE: _____ DATE: _____

The above name, address, and fax number will be used by PERA to send its written responses to written questions to the firm.

**RETURN THIS FORM TO: PUBLIC EMPLOYEES RETIREMENT
 ASSOCIATION OF NEW MEXICO
 ATTENTION: RENADA PEERY-GALON
 ADMINISTRATIVE SERVICES DIRECTOR**

**MAIL, HAND-DELIVER OR EXPRESS MAIL TO:
 PERA BUILDING
 33 PLAZA LA PRENSA
 SANTA FE, N.M. 87507
 OR
 EMAIL TO: Renada.Peery-Galon@state.nm.us**

APPENDIX F

RFP NO. NM 36600-2016-00001

CHECKLIST FOR OFFEROR'S SUBMISSION OF PROPOSAL

NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

**CHECKLIST FOR OFFEROR'S
SUBMISSION OF PROPOSAL**

- _____ 1. Certify that the firm meets the minimum qualifications for the RFP by signing the Certification on pages 1 and 2 of Appendix A.
- _____ 2. Answer each question in Appendix A, Company Questionnaire, pages 3, 4 and 5, with each question given before its response.
- _____ 3. Attach Appendix D, Fee Proposal for Audit Services Form, with fees proposed for three years.
- _____ 4. Attach a copy of the current firm profile approval by the New Mexico State Auditor.
- _____ 5. Attach proof of professional liability insurance.
- _____ 6. Attach a copy of the firm's most recent external quality control review.
- _____ 7. Attach a copy of the Campaign Contribution Disclosure Form for each applicable representative.
- _____ 8. Submit five copies of the proposal.
- _____ 9. Submit the proposal to arrive at PERA on or before the deadline of **5:00 p.m. Mountain Time, March 7, 2016.**

APPENDIX G

RFP NO. NM 36600-2016-00001

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.

“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)