

**STATE OF NEW MEXICO**

**NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
4308 CARLISLE NE, SUITE 104  
ALBUQUERQUE, NEW MEXICO, 87107**



**REQUEST FOR PROPOSALS**

**21-343-0380-00001**

**AUDIT SERVICES**

**March 9, 2020**

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# I. INTRODUCTION

## A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The New Mexico Retiree Health Care Authority (NMRHCA) is requesting proposals for qualified Independent Public Accountants (IPAs) to perform the annual financial and compliance audit of the Authority's financial statements for the fiscal year ending June 30, 2020. The Department reserves the option of renewing the initial contract on an annual basis for two (2) additional successive fiscal years pursuant to Section 13-1-150 NMSA 1978 and State Auditor's Rule (2.2.2.8 (B) (4) NMAC). Pursuant to the Audit Act, Section 12-6-3 (A) NMSA 1978.

*The financial affairs of every agency shall be thoroughly examined and audited each year by the State Auditor and personnel of his office designated by him or by independent auditors approved by him. The audits shall be conducted in accordance with generally accepted auditing standards.*

The purpose of the Request for Proposal (RFP) is to select an IPA (offeror) to perform the annual audit services.

## B. SCOPE OF WORK SUMMARY

### 1. Audit Services

The audits shall be conducted in accordance with government auditing standards including compliance with pertinent State Statutes, Rules and Regulations, and 2.2.2 NMAC 2020 Audit Rule DRAFT 2-17-20.

The contract shall begin on the approval date issued by the State Purchasing Department, Contract Review Bureau and end on June 30, 2021. The Term of the contract shall be for one year with the option to extend for two successive one-year terms, terms and conditions as was stated in the original multi-year proposal. Exercising such option to extend must be by mutual agreement of the parties to the contract and with the approval of the State Auditor and the State Purchasing Department, Contract Review Bureau (SPD/CRB).

Other services shall include: Financial Reporting for Postemployment Benefits Other Than Pension Plans, GASB 74 required by Section 2.2.2.10CC. NMAC 1978. Also, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, GASB 75. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

### 2. Proposal Discussions with Individual Offerors

The NMRHCA reserves the right to conduct discussions with responsible offerors who submit acceptable or potentially acceptable proposals.

### 3. Amendments

This RFP shall not be modified in any way except by written amendment. Offerors shall acknowledge receipt of any and all amendments in writing.

C. SCOPE OF PROCUREMENT

The scope of procurement is to establish a professional services contract with a qualified offeror to perform audit services and financial statement preparation. The initial agreement will end one (1) year from the date of award. NMRHCA reserves the option of extending the contract on an annual basis for two (2) additional years, or any portion thereof. In no case will the contract, including all amendments thereof, exceed a total of three (3) years in duration.

D. PROCUREMENT MANAGER

The NMRHCA has designated a Procurement Manager who is responsible for the conduct of this procurement whose name, address, e-mail and telephone numbers are listed below:

Ms. Peggy Martinez, Chief Financial Officer  
New Mexico Retiree Health Care Authority  
4308 Carlisle Blvd. NE, Suite 104  
Albuquerque, New Mexico 87107  
Email: [peggy.martinez@state.nm.us](mailto:peggy.martinez@state.nm.us)  
Phone: (505) 222-6406  
Fax: (505) 884-8611

All deliveries via express carrier should be addressed as follows:

Ms. Peggy Martinez, Chief Financial Officer  
New Mexico Retiree Health Care Authority  
4308 Carlisle Blvd. NE, Suite 104  
Albuquerque, New Mexico 87107

Any inquiries or requests regarding this procurement must be submitted to the Procurement Manager in writing.

E. DEFINITION OF TERMINOLOGY

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

“Authority” means the New Mexico Retiree Health Care Authority of the State of New Mexico.

“Contract” means an agreement for the procurement of items of tangible personal property or services.

“Contractor” means the offeror selected by the Authority pursuant to this Request for Proposals.

“Determination” means the written documentation of a decision of the Procurement Manager and the Evaluation Committee including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.

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

“SPD/CRB” means the State Purchasing Department, Contract Review Bureau for the State of New Mexico.

“Evaluation Committee” means a body appointed by the Authority’s Management to perform the evaluation of offeror proposals.

“Evaluation Committee Report” means a report prepared by the Procurement Manager and the Evaluation Committee for submission to the State Purchasing Agency or the State Auditor’s Office for contract award that contains all written determination resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

“Finalist” is defined as an offeror who meets all the mandatory specifications of the Request for Proposals and whose score on evaluation factors is sufficiently high to qualify that offeror for further consideration by the Evaluation Committee.

“IPA” means Independent Public Accountant. Per Audit Rule 2020, only Certified Public Accountants (CPAs) holding a current permit to practice issued by the New Mexico State Board of Public Accountancy Board and whose firm is registered with the Board shall audit financial statements.

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

“NMRHCA” means the New Mexico Retiree Health Care Authority of the State of New Mexico.

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

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

“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 this 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 aspects to the requirements set forth in the request for proposals. Material aspects of responses to the request for proposals include, but are not limited to, price, quality, quantity, or delivery requirements.

“Office of the State Auditor” or “OSA” means the Auditor for the State of New Mexico or a designated representative.

“State Purchasing Agent” or “SPA” means the Purchasing Agent for the State of New Mexico or designated representative.

“SHARE” is the New Mexico Statewide Human Resource, Accounting, and Management Reporting System.

## F. BACKGROUND INFORMATION

NMRHCA is a public entity created pursuant to the Retiree Health Care Act Sections 10-7C-1 through 10-7C-19 NMSA 1978. It is primarily charged with providing comprehensive core

insurance programs for eligible retirees and their dependents of participating New Mexico public sector employers. NMRHCA provides medical, prescription drug, dental, vision and life insurance coverage to approximately 64,000 members in the Medicare, Non-Medicare and Voluntary plans. Located in Albuquerque and Santa Fe, the Authority has 26 full time employees. The 11 member Board of Directors consists of representation by participating entities, retirees, active employees and one governor appointed member. The NMRHCA Board of Directors and the allocation of governmental revenue streams by the Legislature on a “pay as you go” basis provide financing through the setting of premiums for retirees.

Agency Financial and Budget Information

The Authority currently utilizes PeopleSoft (SHARE) for its financial accounting system.

NMRHCA’s Fiscal Year 2020 Operating Budget is \$361,200,800. \$357,993,100 is allocated to the Health Care Benefit Fund and \$3,207,700 is allocated to the Program Support Fund.

OFFICE LOCATIONS:

New Mexico Retiree Health Care Authority, Main Office  
 4308 Carlisle Blvd. NE, Suite 104  
 Albuquerque, New Mexico 87107

New Mexico Retiree Health Care Authority, Santa Fe Office  
 33 Plaza La Prensa  
 Santa Fe, New Mexico 87507

**II. CONDITIONS GOVERNING THE PROCUREMENT**

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

A. SEQUENCE OF EVENTS

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

#	Action	Responsibility	Date
1	Issuance of RFP	Authority	3/09/2020
2	Distribution List Response Due/Acknowledgement of Receipt	Potential Offerors	3/23/2020
3	Deadline to Submit Written Questions	Potential Offerors	3/24/2020
4	Response to Written Questions/RFP Amendments	Authority	3/25/2020
5	Submission of Proposal	Offeror	4/03/2020
6	Proposal Evaluation	Evaluation Committee	4/03/2020-4/10/2020
7	Selection & Notification of Finalist(s)	Evaluation Committee	4/14/2020
8	Oral Presentation (if required)	Offeror	4/20/2020
9	Submission of NMRHCA Recommendation to State Auditor	Authority	4/21/2020
10	Contract Negotiations/Finalize Contract	Authority, Offeror	4/27/2020
11	Contract Award	Authority	On SPD/CRB Approval
12	Protest Deadline	Offeror	+15 days from Contract Award

B. EXPLANATION OF EVENTS

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

1. Issuance of RFP

The New Mexico Retiree Health Care Authority is issuing this RFP on the date specified in the Sequence of Events. It will be available on that date from the NMRHCA Internet website <http://www.nmrhca.org/> by selecting the "Request for Proposals" link.

2. Distribution List Response Due

Potential offerors should hand deliver or return by facsimile or by registered or certified mail the "Acknowledgment of Receipt Form" (Appendix A) that accompanies this document to have their organization placed on the procurement distribution list. The form should be signed by an authorized representative of the organization, dated and returned by 5:00 p.m. on **March 23, 2020**. The procurement distribution list will be used for the distribution of written responses to questions and any RFP amendments.

Failure to return this form shall constitute a presumption of receipt and rejections of the RFP, and the potential offeror's organization name shall not appear on the distribution list.

3. Deadline to Submit Written Questions

Potential offers may submit written questions about the RFP until 5:00 p.m. on **March 24, 2020**. All written question must be addressed to the Procurement Manager.

4. Response to Written Questions/RFP Amendments

Written responses to written questions and any RFP amendments will be distributed on **March 25, 2020**, to all potential Offerors whose organization name appears on the procurement distribution list. An Acknowledgment of Receipt Form will accompany the distribution package. The form should be signed by the offeror's representative, dated, and hand-delivered or returned by facsimile or by registered or certified mail by the date indicated thereon.

Additional written requests for clarification of distributed answers and/or amendments must be received no later than five (5) days after the answers and/or amendments were issued.

5. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE **NO LATER THAN 3:00 PM MOUNTAIN DAYLIGHT TIME April 3, 2020**. Proposal received after this date and time will not be accepted. The date and time will be recorded on each proposal. Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph D. Proposals must be labeled on the outside of the package to clearly indicate that they are in RESPONSE TO THE AUDIT SERVICES REQUEST FOR PROPOSALS. Proposals submitted by facsimile will not be accepted. A public log will be kept of the names of all offeror organizations that submit proposals. Pursuant to Section 13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing offerors prior to contract award.

6. Proposal Evaluation

An evaluation committee appointed by NMRHCA Staff and members of the Audit Committee will perform the evaluation of proposals. This process will take place between **April 3, 2020 and April 10, 2020**. During this time, the Procurement Manager may, at her option, initiate discussions with offerors who submit responsive or potentially responsive proposals, but proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the offerors.

7. Selection of Finalist(s)

The Evaluation Committee will select potential finalists on **April 14, 2020** and the Procurement Manager will notify potential finalists also on **April 14, 2020**. Only finalist(s) will be invited to participate in the subsequent steps of the procurement. If the Evaluation Committee requests an oral presentation, the schedule for the oral presentation will be determined at that time.

8. Oral Presentation by Finalist(s)

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 in the New Mexico Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, New Mexico. Each presentation will be limited to one (1) hour in duration. Oral presentations, if deemed necessary by the Evaluation Committee, will be tentatively scheduled on **April 20, 2020**.

9. Submission of Agency Recommendation to State Auditor

After the Evaluation Committee finalizes its selected recommendation of an auditor, it will be submitted to the Office of the State Auditor by **April 21, 2020**.

10. Contract Negotiation/Finalize Contract

The contract will be finalized with the most advantageous offeror by **April 27, 2020**. This date is subject to change at the discretion of the Authority's management. In the event that mutually agreeable terms cannot be reached within the time specified, the Authority reserves the right to finalize a contract with the next most advantageous offeror without undertaking a new procurement process.

11. Contract Award

After approval and execution of the contract by NMRHCA Management, and the New Mexico State Purchasing Department, Contract Review Bureau, NMRHCA will award the contract. This date is subject to change at the discretion of the NMRHCA Management and upon approval of the State Purchasing Department, Contract Review Bureau.

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

The award is subject to appropriate State approvals.



## 12. Protest Deadline

Any protest by an offeror must be timely and in conformance with Section 13-1-172 NMSA 1978, and applicable procurement regulations. The fifteen (15) day protest period for responsive offerors shall begin on the day following the contract award and will end as of close of business on the 15<sup>th</sup> day at 5:00 PM Mountain Daylight Time. Protests must be written and must include the name and address of the protestor and the Request for Proposals number. It must also contain a statement of grounds for protest including appropriate supporting exhibits, and it must specify the ruling requested from the Procurement Manager. The protest must be delivered to the Procurement Manager at the following address:

Peggy Martinez, Chief Financial Officer  
New Mexico Retiree Health Care Authority  
4308 Carlisle Blvd. NE, Suite 104  
Albuquerque, New Mexico 87107  
Email: [peggy.martinez@state.nm.us](mailto:peggy.martinez@state.nm.us)  
Phone: (505) 222-6406  
Fax: (505) 884-8611

Protests received after the deadline will not be accepted.

## C. GENERAL REQUIREMENTS

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

### 1. Acceptance of Conditions Governing the Procurement

Offerors must indicate their acceptance of the Conditions Governing the Procurement (Section III of this RFP) in the letter of transmittal. Submission of a proposal constitutes acceptance by the firm of the conditions contained in this RFP, the New Mexico State Auditor's Rule 2.2.2 NMAC, and the evaluation factors contained in Section V of this RFP.

### 2. Incurring Cost

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

### 3. Prime Contractor Responsibility

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

### 4. Subcontractors

SAO Contract Section 8 requires that subcontractors be CPAs (IPAs must also be CPAs per Rule 2.2.2.8.A. NMAC).

Contractors shall not subcontract any portion of the services to be performed under the audit contract without the prior written approval of the State Auditor.

The contractor may subcontract with IPA's who have submitted a completed and approved firm profile to the State Auditor per 2.2.2.8.NMAC.

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

5. Amended Proposals

An offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The Agency 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 due date for the receipt of a best and final offer if one is submitted.

8. Disclosure of Proposal Contents

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

Proprietary or confidential data shall be readily separable from the proposal 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 cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of data for which an offeror has made a written request for confidentiality, the Procurement Manager shall examine the 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 in conformity with the Procurement Manager's determination. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

9. No Obligation

This procurement in no manner obligates the State of New Mexico or any of its agencies to the eventual rental, lease, purchase, etc., of any equipment, software, or services offered until a valid written contract is approved by NMRHCA, the State Auditor, and State Purchasing Department Contract Review Bureau.

10. Termination

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

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Sending written notice to the contractor will effect such termination. The contractor as final will accept the Authority's decision as to whether sufficient appropriations and authorizations are available.

12. RFP Requirements Binding

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

13. Governing Law

The laws of the State of New Mexico shall govern this procurement and any agreement with offerors that may result.

14. Basis for Proposal

Only information supplied by NMRHCA 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 NMRHCA and a contractor will follow the format specified by NMRHCA and contain the terms and conditions set forth in Appendix B, under Sample Audit Contract. However, NMRHCA reserves the right to negotiate provisions in addition to those contained in this RFP with the successful offeror. The contents of this RFP, as revised and/or supplemented, and the successful offeror's proposal will be incorporated into the contract.

Should an offeror object to any of NMRHCA terms and conditions, as contained in this Section or in Appendix B, that offeror must propose specific alternative language that would be acceptable to NMRHCA and the State Auditor. General references to the offeror's terms and conditions or attempts at complete substitutions are not acceptable to NMRHCA and will result in disqualification of the offeror's proposal.

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

All contracts for professional services are subject to the review and approval of SPD/CRB pursuant to 13-1-118 NMSA 1978.

16. Offeror's Terms and Conditions

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

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 Sections 13-1-83 and 13-1-85 NMSA 1978.

18. Right to Waive Minor Irregularities

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

19. Change in Contractor Representatives

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

20. Notice

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

21. Agency Rights

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

22. Right to Publish

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

23. Ownership of Proposals

All documents submitted in response to this Request for Proposals shall become the property of the Authority and the State of New Mexico.

24. New Mexico State Auditor's Rule 2.2.2 NMAC

Firms submitting proposals must comply with the New Mexico State Auditor's Rule 2.2.2 NMAC as issued by the New Mexico State Auditor. A copy of the rule for 2019 may be obtained at [www.saonm.org](http://www.saonm.org).

### III. RESPONSE FORMAT AND ORGANIZATION

#### A. NUMBER OF RESPONSES

Offerors shall submit only one proposal.

#### B. NUMBER OF COPIES

Offerors shall deliver one (1) original and (4) copies of their proposal and a copy in Portable Electronic Format (PDF) to the location specified in Section I, Paragraph D on or before the closing date and time for receipt of proposals.

#### C. PROPOSAL FORMAT

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

##### A. 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, unless marked optional.

###### Section 1

- a) Letter of Transmittal
- b) Table of Contents
- c) Proposal Summary
- d) Response to Mandatory Specifications
- e) Response to Business Specifications (Optional)

###### Section 2

- f) Completed Cost Response Form
- g) Response to NMRHCA Terms and Conditions (Optional)
- h) Offeror's Additional Terms and Conditions (Optional)

###### Section 3

- i) Other Supporting Material (Optional)

Within each section of their proposal, offerors should address the items in the order in which they appear in this RFP. All forms provided in the RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must appear only in Section 2 with the Cost Response Form.

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 “Other Supporting Material” in Section 3.

B. Letter of Transmittal

A letter of transmittal must accompany each proposal. The letter of transmittal MUST:

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

## IV. SPECIFICATIONS

A. DETAIL SCOPE OF WORK

The detailed specifications are described in (Scope of Work) of Appendix B.

B. MANDATORY SPECIFICATIONS

The failure of an offeror to meet a mandatory specification will result in disqualification of the proposal.

1. Offeror Experience

Offeror must provide a detailed statement of relevant experience in the area of state and local government fiscal and compliance audits. In addition, the offeror must specifically identify experience in auditing public pension funds, including names of three (3) clients and audit work performed. Client reference information should include company name, contact name, contact title, phone number, type of services performed, and dates services were provided.

Offeror must also include a statement as to its independence with respect to NMRHCA.

2. On-site Manager and other on-site personnel

Offeror must provide the names and resumes/profiles of the on-site manager and other personnel whom the offeror will use to perform the audit.

3. Resumes

Resumes shall include education, position in the firm, total years and types of experience relevant to performance of this contract, and a listing of continuing professional education (CPE) courses completed in the last three (3) years.

Offerors must meet the continuing professional education requirements contained in Section 2.2.2.14 of the NMAC 2019 Audit Rule Draft 5-28-2019.

4. External Quality Control Review

Offeror shall provide a copy of the offeror's latest external quality control review, including a copy of the corresponding management letter. The external quality control review must include the date the review was performed and the names of the reviewers.

5. Technical Plan

The offeror must propose a technical plan for performing the audit. The technical plan shall include the start and end dates and an estimate of time to complete major segments of the audit (planning, interim fieldwork, fieldwork, and reporting). The offeror should describe its plans for using NMRHCA staff throughout the audit engagement.

6. Cost

Offerors must propose an hourly composite rate and a breakdown of hours and costs for each of the three (3) years. The hourly composite rate should include the following elements:

- a. Personnel services, fringe benefits, overhead costs for contractor personnel as well as subcontract personnel, and
- b. Any travel and lodging expense.

Offeror must provide a completed Appendix D, Cost of Proposal Form, to detail its cost proposal. Gross receipts taxes must be separately listed on the Cost Proposal Form.

C. BUSINESS SPECIFICATIONS

1. Time Frame

The audit needs to be completed and the required number of copies of the audit report delivered to the Office of the State Auditor by November 25, 2020 in accordance with New Mexico Office of the State Auditor Rule 2.2.2 NMAC 2020 Audit Rule Draft 2-17-20. For the fiscal year ended June 30, 2020 the Authority is planning to present the draft of the final audit report to the Audit Committee Board Members at a designated scheduled meeting in November. A final presentation upon approval from the Office of the State Auditor will be conducted at the following regularly scheduled Board Meeting.

2. Agency Support

NMRHCA will assign staff to facilitate the contractor. Such staff will assist the contractor in obtaining pertinent information, setting up meetings and otherwise facilitating the work. This Agency support does not relieve the contractor of the primary responsibility of completion of the audit.

3. Facilities

For the purpose of performance of the audit, NMRHCA will make every effort to provide space for up to three personnel and the use of a telephone and a copy machine.

4. New Mexico Gross Receipts

The successful offeror shall be compensated for New Mexico gross receipts taxes owed on audit services rendered under this RFP.

## V. EVALUATION OF PROPOSALS

### A. EVALUATION PROCESS

- A. 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.
- B. The Procurement Manager may contact the offeror for clarification of the Proposal as specified in Section II, Paragraph B.6.
- C. The Evaluation Committee may contact the offeror for clarification of the Proposal as specified in Section II, Paragraph C.17.
- D. Responsive proposals will be evaluated on the basis of the factors (criteria) in Appendix C (Evaluation Form) that have been assigned a point value. Responsible offerors with the highest scores will be selected as finalist offerors. Finalist offerors who are asked or choose to submit revised proposals as best and final offers will have their points recalculated accordingly. The responsible offeror whose proposal is most advantageous to the Agency, taking into consideration the evaluation factors in Appendix C, will be recommended for selection and will be submitted to the Office of the State Auditor for approval. If the State Auditor approves NMRHCA selection, NMRHCA Management will award the contract as specified in Section II, Paragraph B.11. Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection of the offeror's proposal regardless of overall score.



## **Appendix A. ACKNOWLEDGEMENT OF RECEIPT FORM**

New Mexico Retiree Health Care Authority  
AUDIT SERVICES REQUEST FOR PROPOSALS

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

The acknowledgment of receipt should be signed and returned to the Procurement Manager no later than close of business on March 23, 2020. Only potential offerors who elect to return this form will receive copies of all offeror written questions and the Authority's written responses to those questions, as well as RFP amendments, if any are issued. (Please refer to Section II B. 2 for more information)

<b>FIRM:</b>		
<b>REPRESENTED BY:</b>	<b>TITLE:</b>	
<b>ADDRESS:</b>		
<b>CITY:</b>	<b>STATE:</b>	<b>ZIP CODE:</b>
<b>PHONE:</b>	<b>FAX:</b>	
<b>E-MAIL:</b>		

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

<b>SIGNATURE:</b>	<b>DATE:</b>
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The name and address indicated above will be used for all correspondence related to this Request for Proposals.

**RETURN THIS FORM TO:**

Peggy Martinez, Chief Financial Officer  
New Mexico Retiree Health Care Authority  
4308 Carlisle Blvd. NE, Suite 104  
Albuquerque, New Mexico 87107  
Email: [peggy.martinez@state.nm.us](mailto:peggy.martinez@state.nm.us)  
Phone: (505) 222-6406  
Fax: (505) 884-8611

## **Appendix B. SCOPE OF WORK**

### New Mexico Retiree Health Care Authority AUDIT SERVICES REQUEST FOR PROPOSALS

#### **Scope of Work:**

1. The Professional Audit Services to be rendered include:
  - A. Financial Statement Audit;
  - B. Financial Statement Preparation
  - C. Other OPEB Statements as described in the below paragraph.
  
2. Also, other services shall include: Financial Reporting for Postemployment Benefits Other Than Pension Plans, GASB 74 required by Section 2.2.2.10CC. NMAC 1978. Also, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, GASB 75. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. For benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Preparation of employer allocation tables and the OPEB Reporting Guide.

#### **Sample Audit Contract:**

For a current Audit Contract sample, please visit the Office of the State Auditor at:  
<http://osanm.org/procuring-contracts>

## Appendix C. EVALUATION FORM

### New Mexico Retiree Health Care Authority AUDIT SERVICES REQUEST FOR PROPOSALS

The following is a summary of evaluation factors with point values assigned to each category. These factors will be used in the evaluation of individual offeror proposals.

<b>Evaluation Criteria: Part One</b>			
<b>Section I. Capability of Offeror</b>			
		<b>Points</b>	<b>Points Awarded</b>
A.	The offeror has the resources to perform the type and size of audit required.	0 - 5	
B.	External Quality Control Review (Peer Review)	0 - 10	
	1. Peer Review Results 2. Opinion Received: Unqualified (10) to Qualified (5) <b>If report is less than modified (adverse) STOP HERE. FIRM DOES NOT QUALIFY.</b>		
	3. Results of reference checks and Authority's prior experience with firm. (i.e. timeliness, planning, technical expertise, etc.)	0 - 10	
C.	Organization and completeness of proposal or bid for audit services.	0 - 5	
<b>Section I Total</b>			
<b>Section II. Work Requirements and Audit Approach</b>			
		<b>Points</b>	<b>Points Awarded</b>
A.	Knowledge of audit objectives, the Authority needs and delivered product.	0 - 5	
B.	Proposal or bid contains a sound technical plan and realistic estimate of time to complete major segments of the audit: planning, interim fieldwork, fieldwork and reporting (including the start and end date).	0 - 5	
C.	Plans for using Authority's staff, including internal auditors.	0 - 3	
D.	If the proposal or bid is for a multi-year contract, approach for planning and conducting the work efforts of subsequent years.	0 - 2	
<b>Section II Total</b>			
<b>Section III. Technical Experience</b>			
		<b>Points</b>	<b>Points Awarded</b>
A.	The governmental audit experience of the audit firm.	0 - 20	
B.	Audit Team Experience:	0 - 15	
	1. Specialization in State Agencies (e.g., state agencies, public pensions, schools, counties, cities, etc.) 2. Experience with GASBE 25-28, 31, 34, 35, 40, 53, 54, 57, 67, 68, 74, 75 and 87.		
C.	Attendance at continuing professional education seminars or meetings on auditing, accounting and regulations directly related to state and local government audits and the Authority.	0 - 5	
<b>Section III Total</b>			
<b>Section IV. Firm Strengths or Weaknesses</b>			
		<b>Points</b>	<b>Points Awarded</b>
A.	Specify specific strengths or weaknesses.	0 - 5	
<b>Section IV Total</b>			
<b>Total of Sections I - IV</b>			

<b>Evaluation Criteria: Part Two</b>			
<b>Evaluation of Audit Fees</b>			
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-year proposal, each year's fee is \$5,000. The combined total is \$15,000. The \$15,000 amount would be used in the calculation below.			
			<b>Points</b>
			<b>Points Awarded</b>
A.	Complete the Calculation:		
	1. Insert the lowest cost proposal (from all proposals received):	\$	
	2. Divide it by the cost of the proposal the Authority is evaluating:	\$	
	3. Multiply by 10 (This equals the total points awarded)		0 - 10
<b>Part Two Total</b>			

<b>SCORE SECTION</b>			
			<b>Maximum Points</b>
			<b>Points Awarded</b>
Part One:	Enter the total score from Part One of the Evaluation Form		90
Part Two:	Enter the total score from Part Two of the Evaluation Form		10
<b>Final Score</b>			

## Appendix D. SAMPLE COST PROPOSAL FORM

New Mexico Retiree Health Care Authority  
AUDIT SERVICES REQUEST FOR PROPOSALS

<b>BREAKDOWN</b>	1 <sup>ST</sup> Year Hours  6/30/2020	1 <sup>ST</sup> Year Cost	2 <sup>nd</sup> Year Hours  6/30/2021	2 <sup>nd</sup> Year Cost	3 <sup>rd</sup> Year Hours  6/30/2022	3 <sup>rd</sup> Year Cost	Total Costs 3 Years
AGENCY CONTRACTS							
Financial Statement Audit	_____	_____	_____	_____	_____	_____	
Federal Single Audit	_____	_____	_____	_____	_____	_____	
Financial Statement Preparation	_____	_____	_____	_____	_____	_____	
Other Allowed Nonaudit Services	_____	_____	_____	_____	_____	_____	
Other (GASB 74 & 75)	_____	_____	_____	_____	_____	_____	
SUBTOTAL	_____	_____	_____	_____	_____	_____	
Gross Receipts Tax	_____	_____	_____	_____	_____	_____	
TOTAL COMPENSATION		<b>_____</b>		<b>_____</b>		<b>_____</b>	<b>_____</b>