

**REQUEST FOR PROPOSALS**

**FOR**

**AUDITING SERVICES**

LEGISLATIVE COUNCIL SERVICE  
411 STATE CAPITOL  
SANTA FE, NM 87501  
(505) 986-4600

ISSUE DATE: April 16, 2018

**NOTICE**

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.

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## **1. INTRODUCTION**

The Legislative Council Service (LCS) invites individuals (Offerors) to submit proposals in accordance with the outlines and specifications contained in this request for proposals (RFP). This RFP contains specific requests for information. In responding to this RFP, Offerors are encouraged to provide any additional information they believe is relevant.

## **2. SEQUENCE OF EVENTS**

| <u>Event</u>                             | <u>Date</u>     |
|--|-----------------|
| A. Release of RFP                        | April 16, 2018  |
| B. Submission of Proposals               | May 15, 2018    |
| C. Evaluation of Proposals and Selection | May 15-23, 2018 |

The selection date is subject to extension at the discretion of the LCS. The effective date of the Contract is tentative; it is dependent on the selection date, the length of time required for Contract negotiation and the length of time for processing the Contract.

The events identified in the schedule above are briefly described below.

A. Release of RFP. This RFP will be advertised in two (2) newspapers of general circulation pursuant to Sections 13-1-104 and 13-1-113 NMSA 1978, and prospective Offerors may direct questions about the RFP to Anesa Serna-Espinoza at the office of the LCS, 411 State Capitol, Santa Fe, New Mexico, 87501; telephone: (505) 986-4600.

B. Submission of Proposals. Two (2) copies of the proposal and supporting documentation must be submitted to the LCS. Proposals must be in the format specified in Paragraph 5 of this RFP and must be signed by the Offeror.

The deadline for receipt of proposals by the LCS is May 15, 2018 no later than 4:00 p.m. Proposals will be time-stamped upon receipt.

All proposals must be submitted in sealed envelopes marked "Proposal for Auditing Services". All proposals must be addressed to:

Legislative Council Service  
411 State Capitol  
Santa Fe, NM 87501

### **SEALED PROPOSAL**

A proposal may be modified by an Offeror prior to the deadline for submission of proposals by delivery of a written modification to the above address. The sealed envelope must be marked "Modification to Proposal for Auditing Services".

A proposal may be withdrawn prior to the deadline for submission of proposals by delivering written notice or by telephone notification to the person listed above.

Any proposal or modification received after the deadline for submission of proposals shall be considered late. Unless a late proposal is the only one received, no late proposal or late modification shall be considered unless it would have been timely but for the action or inaction of the LCS. Time limits shall not otherwise be waived.

Proposals will not be opened publicly and will not be open to public inspection until after award of the Contract.

C. Evaluation of Proposals and Selection of Offeror. Proposals will be evaluated by the LCS using the criteria listed in Paragraph 7 of this RFP. During the evaluation process, the LCS may seek clarification from Offerors but shall NOT negotiate with Offerors.

The individual selected to perform the work and those individuals not selected will be notified in writing by the LCS. Selection does NOT constitute an obligation to contract with the successful Offeror.

### **3. AMENDMENTS TO RFP**

If there are any amendments to this RFP, they shall be in writing and shall be sent to all individuals who have notified the LCS that they have received the RFP. Amendments shall be distributed with sufficient time to allow Offerors to consider the amendments in preparing their proposals. If necessary, the deadline for submission of proposals will be extended by the amendment.

### **4. CANCELLATION OF RFP; REJECTION OF PROPOSALS**

The LCS reserves the right to cancel this RFP at any time and for any reason.

Any and all proposals may be rejected in whole or in part when it is in the interest of the LCS to do so. The LCS is not responsible for the payment of any costs incurred by the Offeror in the preparation or submission of a proposal.

The issuance of this RFP, the receipt of proposals or the selection of a proposal in no manner obligates the LCS to the eventual purchase of services. This process is solely at the discretion of

the LCS and may be terminated without penalty or obligation at any time prior to the signing of a written Contract.

## **5. PROPOSAL FORMAT**

Offerors shall include the following information in their proposals:

### **A. Letter of Transmittal.** Include the following information:

- (1) the name, address and telephone number of the Offeror;
- (2) the signature of the Offeror;
- (3) the date of the proposal;
- (4) a statement that the Offeror, if awarded the Contract, will comply with the Contract terms and conditions set forth in this RFP; and
- (5) a statement that the Offeror's proposal is valid for thirty (30) days after the deadline for submission of proposals.

**B. Description of Services.** Describe how the services shall be provided or what tasks shall be performed to accomplish the scope of work contained in Paragraph 6 of this RFP. (The scope of work indicates "what" the Offeror is supposed to do; the description of services should show "how" the Offeror intends to perform the services.)

**C. Remuneration.** The Offeror shall state the maximum number of hours available for providing services to the LCS pursuant to the Contract. The Offeror shall state the hourly rate for which the services shall be provided. The Contractor will be compensated no more often than monthly at an hourly rate for work performed in the preceding month. The rate shall be that agreed upon by the LCS and the Contractor but not in excess of prevailing rates in the state for comparable services. The Contractor shall be reimbursed for incurred and separately stated applicable gross receipts taxes.

**D. Related Experience and Qualifications.** The Offeror shall include in the proposal educational degrees, prior experience and qualifications related to accomplishing the scope of work contained in Paragraph 6 of this RFP. This portion of the proposal shall demonstrate the extent to which the Offeror is qualified to perform both the scope of work outlined in this RFP and the specific services contained in the description of services portion of the Offeror's proposal.

The Offeror's ability to meet the evaluation factors contained in Paragraph 7 of this RFP must be stated in this section of the proposal.

## **6. SCOPE OF WORK**

The Contractor shall furnish auditing services to the LCS as generally requested and directed by the Director of the LCS, which services shall *not* include the annual audit of the LCS, Legislative Building Services Department, House interim and Senate interim accounts. Among the services to be provided by the Contractor shall be the following.

The Contractor shall conduct a financial and compliance audit of the general purpose financial statements and the combining, individual fund and account group financial statements of selected funds and subaccounts for the fiscal year ending June 30, 2018. Such audit shall be conducted in accordance with 2.2.2 *NMAC Audit Rule 2018 Requirements for Contracting and Conducting Audits of Agencies*.

The audit will consist of auditing the Capitol Kitchen Fund (fund 81100), the Legislature Fund (fund 13300), the House Session Fund (fund 20040) and the Senate Session Fund (fund 20030). The following is a summary of the funds to be audited. Offerors shall also include an estimate of costs for an audit of these funds for fiscal years 2019 and 2020. Please note that appropriations and receipts during a fiscal year in which the New Mexico Legislature (Legislature) meets for sixty (60) days (odd-numbered years) may be double the amounts for years that the Legislature meets for only thirty (30) days. Therefore, audit costs for even-numbered years should reflect this reduced activity.

| <b>FUND</b>  | <b>APPROPRIATIONS OR<br/>RECEIPTS (FY 2018)</b> |
|--|---|
| <b>Capitol Kitchen Fund (fund 81100)</b><br>(regular and special sessions) | \$ 56,167                                       |
| <b>Legislature Fund (fund 13300)</b><br>(regular and special sessions)     | \$ 7,594,461                                    |
| <b>House Session Fund (fund 20040)</b><br>(regular and special sessions)   | \$ 2,155,200                                    |
| <b>Senate Session Fund (fund 20030)</b><br>(regular and special sessions)  | \$ 1,904,800                                    |

## **7. EVALUATION**

The responsible Offeror whose proposal is most advantageous to the LCS will be selected to perform the services. The inclusion of cost as a factor does not require the LCS to select the lowest-cost proposal. The following evaluation factors will be considered in order of importance:

- (1) capability of firm (30%);
- (2) work requirements and audit approach (15%);

- (3) technical experience (40%);
- (4) firm strengths or weaknesses (5%); and
- (5) cost (10%).

## **8. CONTRACT TERMS AND CONDITIONS**

The Contract between the LCS and the successful Offeror will contain substantially the following terms and conditions in a form approved by the State Auditor. In the letter of transmittal, the Offeror shall include a statement agreeing to these terms and conditions.

A. Scope of Work. This portion of the Contract will be drafted following selection of a Contractor to perform the services. It will incorporate the scope of work in Paragraph 6 of this RFP and the description of services from the Offeror's proposal.

B. Compensation. The total compensation will not exceed the limit specified in the Contract. The total amount shall include applicable New Mexico gross receipts taxes for which the Contractor is responsible. The hourly rate will be specified in the Contract.

C. Term. The Contract will be effective on a date to be determined by the Director of the LCS. The Contract may be a multi-term contract and may contain provisions allowing for renewals cumulating not more than three (3) years from the effective date of the initial Contract.

D. Termination. The Contract may be terminated by either of the parties upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. A party may not nullify obligations or liabilities already incurred for performance or for failure to perform prior to the date of termination.

E. Status of Contractor. The Contractor is an independent contractor performing professional services for the LCS and is not an employee of the State of New Mexico. The Contractor shall not accrue leave, retirement, insurance, bonding, use of state vehicles or any other benefits afforded to employees of the State of New Mexico by virtue of the Contract.

F. Assignment. The Contractor may not assign or transfer any interest in the Contract or assign any claims for money due or to become due under the Contract without the prior written approval of the LCS.

G. Subcontracting. The Contractor shall not subcontract any portion of the services to be performed under the Contract without the prior written approval of the LCS.

H. Records and Audit. The Contractor shall maintain detailed time records that indicate the date, time and nature of services rendered. These records are subject to inspection by the LCS and the State Auditor. The LCS has the right to audit billings both before and after payment. Payment under the Contract does not foreclose the right of the LCS to recover excessive or illegal payments.

I. Release. The Contractor shall, upon final payment of the amount due under the Contract, release the LCS, its officers and employees and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under the Contract. The Contractor shall not purport to bind the State of New Mexico to any obligation not assumed in the Contract by the State of New Mexico, unless the Contractor has express written authority from the LCS to do so, and then only within the strict limits of that authority.

J. Confidentiality. Any information provided to or developed by the Contractor in the performance of the Contract shall be kept confidential and shall not be made available to any individual or organization without the prior written approval of the LCS.

K. Product of Service; Copyright. All work and rights to work produced, developed or acquired by the Contractor under the Contract, including ownership of any copyrights to work produced under the Contract, shall be transferred to and become the exclusive property of the State of New Mexico, and all materials developed or acquired under the Contract shall be delivered to the LCS not later than the termination date of the Contract. The Contractor and the LCS acknowledge that the compensation paid to the Contractor is due consideration for transfer of ownership of any copyrights for work produced under the Contract.

L. Conflict of Interest. The Contractor shall warrant that the Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict with the performance of services required under the Contract.

M. Amendment. The Contract may not be altered, changed or amended except by an instrument in writing executed by the parties.

N. Merger. The Contract incorporates all of the agreements, covenants and understandings between the parties thereto concerning the subject matter thereof. No prior agreement or understanding, verbal or otherwise, of the parties is valid or enforceable unless embodied in the Contract.

O. Applicable Law. The Contract will be governed by the laws of the State of New Mexico.

P. Waiver. No waiver of any breach of the Contract or any of its terms or conditions shall be a waiver of any other or subsequent breach; a waiver is not valid unless it is in writing and signed by the party granting the waiver.

Q. Appropriation. The terms of the Contract are contingent upon sufficient appropriations and authorization being made to the LCS by the New Mexico Legislature or other funding agency. If sufficient appropriations and authorization are not made by the New Mexico Legislature or other funding agency, the Contract terminates immediately upon the Contractor's receipt of written notice of termination from the LCS. The LCS's decision of whether sufficient appropriations and authorization are made by the Legislature shall be accepted by the Contractor and is final.

R. Insurance. The Contractor shall maintain professional liability insurance covering any error



or omission committed during the term of the Contract. The Contractor shall provide proof of such insurance to the State Auditor with the firm profile. The amount maintained should be commensurate with risk assumed. The Contractor shall provide to the State Auditor, prior to expiration, updated insurance information.

S. Notice. 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.

T. Equal Opportunity Compliance. The Contractor shall comply with all federal and state laws pertaining to equal employment opportunity. In accordance with all such laws, the Contractor shall assure that no person in the United States will, on the grounds of race, color, national origin, sex, sexual preference, age or disability, 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 the Contract. If the Contractor is found to be not in compliance with these requirements during the life of the Contract, the Contractor shall take appropriate steps to correct these deficiencies.