FARMINGTON MUNICIPAL SCHOOLS
3401 East 30th Street
FARMINGTON, NM 87402

REQUEST FOR PROPOSALS
AUDIT SERVICES
RFP 2024-05

PROPOSAL OPENING DATE/TIME
APRIL 22, 2024, 3:00PM

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AUDIT SERVICES
RFP 2024-05
APRIL 22, 2024 3:00PM

In acknowledgment of receipt of the AUDIT SERVICES RFP distribution packet #2024-05 the undersigned agrees that he/she has received a complete copy, beginning with the title page and ending with "ATTACHMENT C", for a total of 26 pages.

The acknowledgement of the receipt should be signed and returned to the District no later than APRIL 16, 2024. Only potential Offerors who elect to return this form will receive copies of all future communications, including amendments to RFP 2024-05, if issued.

FIRM_____

REPRESENTED BY: _____

TITLE: _____ PHONE NO:_____
FAX NO: _____
ADDRESS: _____

CITY:_____ STATE:_____ ZIP CODE:_____

SIGNATURE:_____DATE:_____

This name and address will be used for all correspondence related to document RFP 2024-05. Offeror **does/does not** (circle one) intend to respond to AUDIT SERVICES.

If Offeror **does not** intend to reply, please give a brief reason for not responding. _____
_____.

RETURN TO:

Lisa Evans
Chief Procurement Officer
Farmington Municipal Schools
3401 East 30th Street
Farmington, NM 87402
Telephone No. (505) 324-9840, ext 1518
Email levans@fms.k12.nm.us

EMAILED COPIES OF THIS FORM WILL BE ACCEPTED.
FAXED RESPONSES TO RFP WILL NOT BE ACCEPTED.

REQUEST FOR PROPOSALS

AUDIT SERVICES

RFP 2024-05

OPENING DATE: APRIL 22, 2024
3:00 PM

Farmington Municipal Schools District
3401 East 30th Street
Farmington, NM 87402

IMPORTANT – PROPOSALS MUST BE SUBMITTED IN A SEALED ENVELOPE WITH THE RFP NUMBER AND OPENING DATE CLEARLY INDICATED ON THE BOTTOM LEFT HAND SIDE OF THE FRONT OF THE ENVELOPE.

FAXED/EMAILED PROPOSALS WILL NOT BE ACCEPTED.

Sealed proposals will be received until the above specified date and local time, and then opened at the Farmington Municipal Schools District Purchasing Department. The opening of proposals shall be conducted in private in order to maintain the confidentiality of the contents of all proposals during the negotiation process.

The undersigned declares that the amount and nature of the service to be furnished is understood and that the nature of this proposal is in strict accordance with the conditions set forth and is part of this proposal, and that the undersigned Offeror has read and understands the scope and conditions of the proposal.

The undersigned, in submitting this proposal, represents that Offeror is an equal opportunity employer, and will not discriminate with regard to race, age, religion, color, national origin, ancestry, sex, or physical or mental handicap as specified in Sec. 28-1-7NMSA 1978 in the performance of this contract.

The undersigned hereby proposes to perform necessary professional services for the amount and upon the conditions stated in this proposal after notice of award.

This proposal is subject to the Purchase Order "Terms and Conditions", Proposal Requirements and Scope of Work.

OFFEROR MUST COMPLETE THE FOLLOWING:

COMPANY NAME /MAILING ADDRESS/CITY/STATE/ZIP CODE

CONTACT PERSON PHONE NO.

X

TO BE A VALID OFFER, OFFEROR MUST SIGN HERE **TITLE**

If you have any questions regarding this RFP please contact:
Lisa Evans, Chief Procurement Officer
Phone No.: (505) 324-9840 ext. 1518

GENERAL CONDITIONS

As required by 13-1-111 NMSA 1978 the Farmington Municipal Schools District is requesting proposals for AUDIT SERVICES.

Proposals must include but are not limited to the requirements set forth in the "Scope of Services". Proposals deposited with the school district may be withdrawn or modified prior to the time set for opening of proposals by delivering written or telegraphic notice to the District Finance Office. Offerors submitting proposals may be afforded an opportunity for discussion and revision of proposals. Revisions may be permitted after submissions of proposals and prior to award for the purpose of obtaining best and final offers.

The opening of proposals shall be conducted in private in order to maintain the confidentiality of the contents of all proposals during the negotiation process.

Negotiations may be conducted with all responsible Offerors who submit proposals found to be reasonably likely to be selected for award.

After obtaining best and final offers, the award shall be made to the responsible Offeror or Offerors whose proposal is most advantageous to the Farmington Municipal Schools District, taking into consideration the evaluation factors set forth in the request for proposals. The award of a contract for professional services may be made based upon the criteria, which does not include price.

The District Finance Office and the District Audit Committee will open and evaluate all proposals; determine the need for, and conduct any negotiations; and make a final recommendation to the Board of Education for award of the contract.

The District Finance Office and the District Audit Committee reserves the right to reject any or all proposals or to waive irregularities at its option when in the best interest of the school district.

Award of the contract is contingent upon the budgeting and appropriation of funds for continuation of the professional services contemplated by this Request for Proposal.

The Proposal total shall exclude all applicable taxes including applicable state gross receipts tax or applicable local option tax. The school district will pay for any taxes due on the contract and will pay any increases in applicable taxes which become effective after the date the contract is entered into in addition to the Proposal total based upon separate billings which the successful Offeror shall submit with each request for payment. Taxes shall be shown as a separate amount on such billing or request for payment and shall separately identify each tax being billed.

To assist the school district with budget preparation, the Offeror shall identify by name each tax Offeror believes to be applicable to this contract and shall estimate the amount of each tax, which will be charged, on the entire contract.

NOTICE TO OFFERORS

Competitive sealed proposals will be received by the Farmington Schools District 5, San Juan County, Farmington, New Mexico, at the Central Office, 3401 East 30th Street, Farmington, NM 87402.

The proposals duly delivered and submitted will be opened and evaluated for supplying the following, on the dates and times reflected below:

AUDIT SERVICES
RFP 2024-05
APRIL 22, 2024
3:00PM

Any Proposal received after stated closing time will be returned unopened. If proposals are sent by mail to the Assistant Superintendent for Business and Finance Office, the Offeror shall be responsible for actual delivery of the proposal to the Assistant Superintendent for Business and Finance Office before the advertised date and hour for the opening. Proposals, which are delayed, will not be considered and will be returned unopened.

Proposal documents may be received by visiting the Farmington Municipal Schools website or by calling District Finance Office, Purchasing Department and requesting Document Number 2024-05 for details and criteria or award may also be obtained at the above referenced Farmington Municipal Schools address, or by calling (505) 324-9840. The Farmington Municipal Schools District reserves the right to accept any or all proposals.

Until the final award by the Board of Education, the District reserves the right to reject any and/or all proposals, to waive technicalities, to re-advertise, to otherwise proceed when the best interest of said District will be realized. Proposals will be submitted sealed and plainly marked with the date and time of opening.

Publication Date: April 7, 2024

Opening Date: APRIL 22, 2024

SEQUENCE OF EVENTS

The District will make every effort to adhere to the following schedule:

#	Action	Responsibility	Date
1	Issuance of RFP	District	04/7/2024
2	Ack of Receipt	Potential Offerors	04/16/2024
3	Deadline to Submit Written Questions	Potential Offerors	1:00PM 04/16/2024
4	Response to Written Questions/RFP Amendments	District	04/17/2024
5	Proposal Submission	Offeror	04/22/2024
6	Proposal Evaluation	Audit Committee	04/23/2024-04/26/2024
9	Contract Award	Board of Education	04/26/2024
10	Submission of District Recommendation to State Auditor	District	04/29/2024

Board Resolution Approval 05/07/2024

Submission of the District's recommendation to the State Auditor's Office is required by May 1, 2024.

INSTRUCTIONS TO OFFERORS

I. DIRECTIONS FOR SUBMISSION

A. The Offeror shall submit one (1) original and five (5) copies of their proposal (**excluding the fee proposal**) in a sealed envelope plainly marked as RFP 2024-05 Audit Services. The fee proposal (Attachment B) shall be submitted in a separate sealed envelope properly identified as RFP 2021-04 Fee Proposal. The Offerors proposal shall contain any supplemental information, which will assist the District in selecting an Offeror.

B. The Offeror shall be prepared to respond to request by the District for any clarifications, and any other areas deemed necessary to assist in the detailed evaluation process. All expenses associated with this RFP and presentation shall be borne by the Offeror.

II. CONTACTS

A. All questions regarding this proposal shall be submitted in writing or by e-mail, by 1:00PM, April 17, 2024. All inquiries shall be directed to the Chief Procurement Officer as stated herein. Oral explanations or instructions given prior to the award of a contract shall not be binding.

B. Questions and/or suggestions concerning this proposal shall be directed to:

Lisa Evans
Chief Procurement Officer
Phone No: (505) 324-9840, ext 1518
Farmington Municipal Schools
3401 East 30th Street
Farmington, NM 87402
E-mail: levans@fms.k12.nm.us

C. Offerors shall not contact any other District official, evaluation committee member, or school district employee regarding this proposal or Offerors may be disqualified. The only approved contact shall be with the above referenced purchasing staff.

III. SCOPE OF WORK

A. The audit shall be conducted in compliance with generally accepted auditing standards and the terms and conditions of the State of New Mexico Audit Contract incorporated herein by reference, the current State of New Mexico Office of the State Auditor Audit Rule 2021.

B. 2.2.2 NMAC: Requirements for Contracting and Conducting Audits of Agencies. The financial audit

shall cover the entire financial entity including a component unit (New Mexico Virtual Academy - NMVA). A single audit is required. Please see Attachment A for a sample of the contract.

C. Audit reports shall meet deadlines as established by Farmington Municipal Schools and by the State Auditor. The district is requiring that the entire draft audit report including any audit findings is completed and submitted to the district three (3) weeks prior to the due date established by the Office of the State Auditor.

D. Preliminary work can begin prior to June 30, of the fiscal year and the books will be ready for auditing by July 31 of the fiscal year. Space will be provided for the audit at the Administrative Office, 3401 East 30th Street, Farmington, New Mexico.

E. All progress payments will be in accordance with Section 2.2.2.8 N of 2.2.2 NMAC Audit Rule 2021. Progress Payments from 70% to 90% require State Auditor approval after being approved by the district.

IV. EVALUATION CRITERIA

The response should be in the sequence listed below:

Section I. CAPABILITY OF FIRM – (30 Points)

A. A description of the respondent's resources that will be dedicated to the school district's audit that includes the number and type of staff to be utilized and projected staff hours to be utilized.
B. A description of the work, if any, performed for the Farmington Municipal Schools over the last three years along with a statement of personal or organizational independence from any relationship or situation that might be viewed as potential or actual conflict of interest with the school district.
C. A copy of the respondent's most recent external quality control review (peer review) report including letter of comments.
D. A listing of at least three client references similar to the Farmington Municipal Schools that will attest to the respondent's level of performance inclusive of the proposed audit team members.
E. A copy of the New Mexico State Office of the State Auditor's desk review results and timeliness.
F. A statement indicating compliance with due dates for all compliance and financial audits of other school districts or government audits.

Section II. WORK REQUIREMENTS AND TECHNICAL APPROACH – (20 Points)

A. A statement describing the respondent's understanding of the scope of work, objectives, school district needs and final product.
B. A description of the respondent's approach to the project that includes a technical plan, starting and ending dates for major work segments (i.e. planning, interim fieldwork, fieldwork, and reporting).
C. A description of the respondent's need for school district staff, including a realistic time schedule of the amount of time and resources required.

D. Approach for planning and conducting the work efforts of subsequent years if the contract is renewed.

Section III. TECHNICAL EXPERIENCE – (30 Points)

A. Resumes of the proposed on-site manager and other personnel whom the offeror will use to perform the audit that includes years of governmental audit experience, years of supervisory experience, experience with school districts, and level of audit complexity.
B. A description of the audit team governmental specialization (e.g. state agencies, schools, hospitals, counties, cities, or higher education).
C. Attendance at annual State Auditor continuing education seminars or meetings on auditing, accounting and regulations directly related to New Mexico Audits.
D. Attendance at other continuing education seminars on auditing and accounting directly related to school district audits and other local government audits.

Section IV. FIRM STRENGTHS OR WEAKNESSES - (10 Points)

A. Please provide additional information that would indicate your firm's qualifications for this contract including familiarity with Farmington Municipal School financial management system software, SunGard's BusinessPlus; ability to conduct an information system audit of the financial management system.

Section V. FEE PROPOSAL - (10 Points)

In a separate sealed envelope, properly identified on the outside as RFP 2024-05 Fee Proposal, submit your fee proposal in the format provided in Attachment B. Price must be a fixed dollar amount for the Fiscal Year Audit. Prices quoted must be inclusive of all costs, including, but not limited to, clerical assistance, photocopies, travel, etc. but shall exclude applicable taxes. Applicable taxes shall be shown as a separate item. The contracting agency shall be required to pay applicable tax including any increase effective after date of contract.

V. PRICING

A. The subsequent agreement is considered a FIRM FIXED-PRICE AGREEMENT. The fee schedule proposed shall remain firm and shall include all charges that may be incurred in fulfilling the terms of the agreement

VI. PERIOD THAT PROPOSAL SHALL REMAIN VALID

A. All proposals shall remain firm for a period of 120 calendar days after date specified for receipt of proposal.

VII. RESIDENT BUSINESS AND RESIDENT VETERAN BUSINESS

A. To receive a resident business or a resident veteran business preference pursuant to Section 13-4-2 NMSA 1978, offeror shall submit with its proposal a copy of a valid resident business certificate or valid resident veteran business certificate issued by the taxation and revenue department.

VIII. BRIBERY AND KICKBACKS

A. As required by Section 13-1-191, NMSA, 1978; it should be noted that it is a third-degree felony under New Mexico law to commit the offense of bribery of a public officer or public employee (Section 30-24-1, NMSA, 1978); it is a third-degree felony to commit the offense of demanding or receiving a bribe by a public officer or public employee (Section 30-24-2, NMSA, 1978); it is a fourth-degree felony to commit the offense of soliciting or receiving illegal kickbacks (Section 30-41-1, NMSA, 1978); it is a fourth-degree felony to commit the offense of offering or paying illegal kickbacks (Section 30-41-2, NMSA 1978). Respondents are required to complete and return within its proposal a CAMPAIGN CONTRIBUTION FORM enclosed within this RFP as Attachment (C).

IX. CONFLICT OF INTEREST

A. Offeror warrants that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of service under this contract.

X. PROPRIETARY INFORMATION

A. All proposals will be kept confidential until a contract is awarded. Following award of a contract, all documents pertaining to the proposals will be open for public inspection, except for any material, which is designated by the Offeror as proprietary or confidential. The school district will not disclose or make public any pages of a proposal on which the Offeror has stamped or imprinted “proprietary” or “confidential”. Confidential data are normally restricted to confidential financial information concerning the Offerors 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. Such data must be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion. If a request is received for disclosure of data for which an Offeror has made a written request for confidentiality, the Purchasing Department shall examine the Offerors proposal and make a written determination which specifies which portions of the proposal should be disclosed in accordance the applicable New Mexico law. Unless the Offeror takes action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

XI. BEST AND FINAL OFFERS

A. Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers. Best and final offers may be clarified and amended at the request of the school district. The scheduled deadline for best and final offer, if requested by the school district, will be determined at this time and notifications will be issued to the finalist Offerors.

XII. PROTEST DEADLINE

A. 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 Board of Education contract award. Protests must be in writing and must include the name and address of the protestor and the request for proposal number. It must also contain a statement of grounds for protest including appropriate supporting exhibits. The protest must be delivered to the Chief Procurement Officer

Lisa Evans
Chief Procurement Officer
Farmington Municipal Schools
3401 East 30th Street
Farmington, NM 87402

Protests received after the deadline will not be accepted.

XIII. TERMINATION

A. If, through any cause, Offeror fails to fulfill in a timely and proper manner Offerors obligations under this RFP or if Offeror violates any of the covenant agreements or stipulations of the Agreement, the school district may order Offeror by written notice to stop the services or any portions of them until the cause for such order has been eliminated. If Offeror fails to correct the cause within time period specified in this notice, which time period shall be reasonable under the circumstances, school district shall have the right to immediately terminate the Agreement. The Offeror shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

B. The school district may terminate the Agreement at any time by giving at least thirty (30) days notice in writing to the Offeror. If this Agreement is terminated due to the fault of Offeror, item "12.A" above relative to termination shall apply and no compensation or reimbursement to Offeror shall be due. If terminated for any other reason, school district will reimburse Offeror for all documented out-of-pocket expenses incurred in connection with this agreement.

ATTACHMENT A: SAMPLE CONTRACT

Contract No. _____

STATE OF NEW MEXICO
AUDIT CONTRACT
(Schools)

_____
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 25 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, 2023 through June 30, 2024**

(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.).

D. If this contract is for a school district, the audit will include the audit of any related charter schools and their respective foundations that qualify as component units of those charter schools in accordance with the provisions specified in NMAC Sections 2.2.2.10.A(1) and 2.2.2.12.C. If a 501(c)(3) component unit organization had a gross annual income in excess of $250,000, Section 6-5A-4, NMSA 1978 requires that entity to be audited regardless of materiality.

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 on or before **November 15, 2024** 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. 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.

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

D. 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.

E. 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.

F. 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., 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. 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.

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).

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 SECTION5WAIVESOTHERLEGALRIGHTSANDREMEDIESOFTHEPARTIES.

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

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

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

Nothing developed or produced, in whole or in part, by the Contractor under this Contract shall be the subject of an application for copyright by or on behalf of the Contractor. The Agency and the State Auditor may post an audited financial statement on their respective websites once it is publicly released by the State Auditor.

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

24. INVALID TERM OR CONDITION

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

25. OTHER PROVISIONS

For the Agency and each component unit thereof, the Contractor shall:

(a) Prepare a schedule detailing the sources of and earmarked or special designated funding. "Earmarked or special designated funding" means educational funding intended to target a specific group, including without limitation funds for education of the disadvantaged under Title I of the Elementary and Secondary Education Act; funds for Indian education under Title VII of the Elementary and Secondary Education Act; and funds to address sex-based discrimination in education under Title IX.
(b) Perform expenditure tests on expended earmarked or special designated funding, to ensure the funds were expended appropriately, to be performed on the greater of (i) 5% of the total expenditures or (ii) at least 20 transactions to be selected in a stratified manner.

SIGNATURE PAGE

This Contract is made effective as of the date of the signature of the Office of the State Auditor.

AGENCY	**CONTRACTOR**
NAME:_____	NAME: _____
BY:_____	BY:_____
TITLE:_____	TITLE:_____
DATE:_____	DATE: _____

This Contract has been approved by:

OFFICE OF THE STATE AUDITOR

BY:_____

TITLE: DEPUTYSTATEAUDITOR

DATE: _____

State Auditor Contract_____
No. **15 –**

ATTACHMENT B: FEE PROPOSAL FORM

Farmington Municipal Schools
RFP 2024-05
AUDIT SERVICES
Fee Proposal

	1st Year Hours FYE 6/30/24	1st Year Cost FYE 6/30/24	2nd Year Hours FYE 6/30/25	2nd Year Cost FYE 6/30/25	3rd Year Hours FYE 6/30/26	3rd Year Cost FYE 6/30/26
Financial Statement Audit						
Federal Single Audit						
Financial Statement Preparation						
Component Unit: NMVA						
GFOA Certification						
Other allowed nonaudit services						
Other: _____						
SUB TOTAL						
Gross Receipts Tax		_____		_____		_____
TOTAL COMPENSATION		_____		_____		_____

COMPANY (Please print) _____

Name of Agent (Please print) _____

Signature _____

Title _____

Date _____

ATTACHMENT C: CAMPAIGN CONTRIBUTION DISCLOSURE FORM

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body **for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources** must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"**Applicable public official**" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"**Campaign Contribution**" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"**Family member**" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"**Pendency of the procurement process**" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"**Person**" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

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

"**Representative of a prospective contractor**" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By:

_____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made:

_____

_____

Amount(s) of Contribution(s)

_____

_____

Nature of Contribution(s)

_____

_____

Purpose of Contribution(s)

_____

_____

(Attach extra pages if necessary)

_____ _____

Signature Date

_____

Title (position)

--OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

_____ _____

Signature Date

_____

Title (position)