

Northern New Mexico College



# REQUEST FOR PROPOSALS

RFP: #2020-005

Audit Services

Issue Date: Tuesday, April 28, 2020

Due Date: 4:00 p.m. MT, Thursday, May 14, 2020

Office of Finance and Administration  
931 Paseo de Oate  
Española, NM 87532

CONTACT: Cheryl James, CPO  
505.747.2162  
cheryl.james@nmmc.edu

## I. INTRODUCTION

### A. Purpose of this Request for Proposals

Northern New Mexico College (Northern) requests multi-year proposals for an Independent Public Accountant (IPA) to perform annual audit(s) of Northern’s financial statements and the financial statements of Northern’s Discretely-Presented Component Unit for the years ending June 30, 2020, June 30, 2021, and June 30, 2022. Qualified IPAs in good standing with the Office of the State Auditor are requested to submit proposals. This audit shall be performed in accordance with applicable Generally Accepted Auditing Standards (GAAS), Generally Accepted Governmental Auditing Standards (GAGAS/Yellow Book), Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) Statements, OMB Circular Compliance Supplements to include all requirements for federal funding received and Requirements of the State Auditor Rule (2.2.2 NMAC).

Terms of the contract shall be one (1) year with the option to extend for two (2) successive one-year terms at the same price, terms and conditions as stated on the original proposal. The scope of procurement shall encompass the Scope of Work in Section C of this RFP. The contract shall become effective beginning June 15, 2020 or upon signature of the State Auditor. Northern shall have the option to extend the contract for two one-year terms or any portion thereof. In no event shall the contract exceed duration of three (3) years including all extensions and renewals.

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Due Date of Proposal:	4:00 p.m. MT Thursday, May 14, 2020
Northern Point of Contact:	Cheryl James, CPO Email: cheryl.james@nmmc.edu Phone: (505) 747-2162

NIGP Code: 84111500 Accounting services

Proposals **may be emailed** in PDF format to the Procurement Manager by 4:00pm MT on Thursday, May 14, 2020. Email submissions must clearly indicate that they are in response to the Audit Services RFP: #2020-005 and formatted per the guidelines provided in Section D below.

### B. Background Information

Northern is a state-funded institution of higher education, managed by a five member Board of Regents appointed by the Governor of the State of New Mexico. Northern was founded in 1909 by the New Mexico Territorial legislature with an original mission to teach English to Spanish-speaking teachers in the area. Historically, Northern has been a community/technical college, but in 2005, the college began offering four-year degree programs. Currently, Northern is an accredited, two-year and four-year degree granting institution of higher learning and offers degrees in biology, business administration, elementary education, engineering, environmental science, information technology, and nursing. The college primarily serves rural communities within a 40-mile radius of its main campus in Espanola, New Mexico; it also has a branch location in El Rito,

NM that is about 30 miles north of its main campus. Northern’s mission is to provide accessible, affordable, community-based learning opportunities that meet the educational, employment, and enrichment needs of our culturally diverse region.

### **C. Scope of Work**

Northern is soliciting services from qualified certified public accountants licensed in the State of New Mexico to perform annual audit services. Professional Audit Services to be rendered include:

- a) Audit of Northern Financial Statements
- b) Audit of the Financial Statements of Northern Component Unit Northern Foundation
- c) GAGAS/Yellow Book Audit of Northern
- d) 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- e) Additional reporting required or desired by oversight agencies

Offerors are encouraged to be as responsive as possible to each item above in their response.

### **D. Detailed Scope of Work**

Deliverables that the Independent Public Accountant (IPA) is responsible for providing include:

1. Engagement Letter and Provided By Client Listing (PBC) – to be provided to Northern within ten days after the audit entrance conference.
2. Financial Statements – draft copy to be completed and submitted to Northern management for review two weeks before the submission due date for subsequent years.
3. Final Audit Report – to be submitted to the Office of the State Auditor, and Northern President, Interim Vice President for Finance & Administration, Vice President for Academic Affairs (Provost).
4. Secretary of the Department of Finance and Administration on or before the required due date as mandated by the State Audit Rule– Including Independent Auditor’s Report; Management Discussion and Analysis; Financial Statements; Financial Statements Footnotes; Supplemental Schedules; Schedule of Expenditures of Federal Awards; Audit Findings; Status of Prior Year Findings; and all other materials required by Federal and or State audit oversight entities.
5. IPA to conduct Audit Progress Meetings, at least bi-weekly, with Northern Executive Management and other faculty and/or staff as appropriate.
6. IPA to provide the State of New Mexico’s Department of Higher Education with any information required, including Audit Plan, and Audit Schedule with milestones.
7. To provide other audit related procedures, and information as requested and/or required by Northern’s management, or Federal oversight agencies; Office of the State Auditor; State Treasurer’s Office; Department of Finance and Administration; Higher Education Department and the Legislative Finance Committee.
8. IPA to present the audit report to Northern’s Board of Regents representatives, Northern’s Executive Management and financial staff, and the Office of the State Auditor, at the exit conference. Northern’s executive management may require audit

- workshop(s) to review the annual audit report and any areas of interest or concern regarding Northern’s annual audit.
9. IPA to prepare the federally-required “Data Collection Form” and provide it to the Interim Vice President for Finance & Administration, no later than 30 days after release of the audit report by the Office of the State Auditor, for transmittal to the Federal Audit Clearinghouse.

**Time Frame:**

The contract is scheduled to begin at a mutually agreed upon date. Due date of the final draft will be mutually agreed-upon due to timing of the issuance of this RFP; however, every attempt will be made by Northern and the IPA to complete the final draft of the audit by the November 1, 2020 due date.

**E. Submission Requirements**

Offerors shall submit only one (1) proposal. The proposal shall be formatted for standard 8 1/2 x 11 paper size, in 12 point type font with page numbers, and organized in the following format:

**File A:**

- Transmittal Letter;
- Table of Contents;
- Summary of proposed services;
- Response to Mandatory Specifications;
- Supporting material and/or technical documentation; and
- The Campaign Contribution Disclosure Form.
- Any applicable preferences.

**File B:**

- Itemized proposed fixed costs\*, including set-up fees, annual fees, other fees, and hour rates as applicable (i.e. technical support, training, consulting); and
- Offeror’s Additional Terms and Conditions (optional).

\*All discussion of proposed costs, rates or expenses shall occur only in File B.

**Due to the college’s COVID-19 response, Northern asks that all Proposals be emailed in PDF format to the Procurement Manager by the specified time/date. Email submissions must clearly indicate that they are in response to the Audit Services RFP #2020-005.**

Please see Section III Specifications for details regarding mandatory specifications.

**F. Procurement Manager**

Offerors may contact **ONLY** the Procurement Manager regarding this procurement. Other Northern staff and faculty **do not** have the authority to respond on behalf of Northern with regard to this procurement. Please address all questions and RFP responses to:

Cheryl James, CPO – Procurement Manager  
 Northern New Mexico College  
 921 N. Paseo de Oñate  
 Espanola, New Mexico 87532  
 Office Telephone Number: 505.747.2162  
 Email: [cheryl.james@nnmc.edu](mailto:cheryl.james@nnmc.edu)

## F. Procurement Library

The Procurement Manager has established a Procurement Library. All documents listed in the Procurement Library are hereby incorporated into this RFP by reference. Offerors are encouraged to review the material contained in the Procurement Library by accessing the documents from Northern’s website at <https://nnmc.edu/home/facultystaff-gateway/business-services/information-on-current-rfp-s/>. Other than Offeror-reproduced copies, materials cannot be removed from the library.

The library contains information listed below:

- RFP and associated Appendixes
- Response to written Offeror questions
- Other relevant documents

## II. CONDITIONS GOVERNING THE PROCUREMENT

### A. RFP Conditions

Northern reserves the right to accept proposals, in whole or in part that most closely meet the criteria described herein. Northern also reserves the right to cancel this RFP in whole or in part at any time if it is in its best interests. An award will not be based solely on the lowest fee; instead, it will be based on several weighted criteria, as provided herein that will be used to determine the most advantageous offer. The successful Offeror will enter into a service contract with Northern. A sample of the contract is included as Appendix E.

**All listed Appendixes on page 13 are an integral part of this RFP and should be reviewed prior to submission of a proposal.**

### B. Sequence of Events

<u>Action</u>	<u>Responsible Party</u>	<u>Target Date</u>
1. Issuance of RFP	Northern	April 28, 2020 (Tuesday)
2. Last Day to Submit Written Questions	Potential Offerors	5:00 p.m., May 6, 2020 (Wednesday)
3. Response to Written Questions	Procurement Manager	May 8, 2020 (Friday)

4. Deadline for Submission of Proposals	Potential Offerors	<b>4:00 p.m. MDT, May 14, 2020</b> (Thursday)
5. Proposal Evaluation	Evaluation Committee	May 18, 2020 (Monday)
6. Selection and Notifications of Finalist(s)	Evaluation Committee	May 20, 2020 (Wednesday)
7. Oral Presentations- if necessary	Finalists	May 27, 2020 (Wednesday)
8. Selection of Recommended IPA	Evaluation Committee	June 3, 2020 (Wednesday)
9. Submission of Recommended IPA Selection to OSA	Northern	June 4, 2020 (Thursday)
10. OSA Approval	OSA	June 17, 2020 (Wednesday)
11. Finalize Contract	Northern/Finalist	June 19, 2020 (Friday)
12. Anticipated Contract Award	Northern/Finalist	June 22, 2020 (Monday)
13. Protest Deadline	Offerors	15 days after contract award

### C. Explanation of Events

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

- a. Issuance of RFP: This RFP is being issued on behalf of Northern on Tuesday, April 28, 2020.
- b. Deadline to Submit Written Questions: Offerors may submit written questions to the Procurement Manager to clarify information presented in this RFP until 5:00 p.m. MT Thursday, May 6, 2020 as indicated in the sequence of events.
- c. Response to Written Questions: The Procurement Manager will distribute responses to written questions publically by close of business on Friday, May 8, 2020 via Northern's webpage at <https://nmmc.edu/home/facultystaff-gateway/business-services/information-on-current-rfp-s/>.
- d. Submission of Proposal: All Offeror proposals must be received for review and evaluation by the Procurement Manager or designee, **no later than 4:00 p.m. MT on Wednesday, May 14, 2020. Proposals received after this deadline will not be accepted or considered.** Pursuant to Section 13-1-116 NMSA 1978, the contents of proposals shall not be disclosed to competing potential Offerors prior to contract award. Proposals may be sent by email in PDF format to the Procurement Manager listed above. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals.
- e. Proposal Evaluation: An Evaluation Committee will evaluate proposals per the Sequence of Events above. The Evaluation Committee will be appointed by Northern management. During this time, the Procurement Manager may initiate discussions with Offerors for the purpose of clarifying aspects of the proposals if deemed necessary. Discussions shall not be initiated by the Offerors. The most advantageous proposal may or may not have received the most points.
- f. Selection of Finalists: The Procurement Manager will notify finalists and proceed to Best and Final Offers if applicable above.

- g. Oral Presentations: If selected as a finalist, Offerors agree to provide the Evaluation Committee the opportunity to interview proposed staff members identified by the Evaluation Committee, at the option of Northern. The Evaluation Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Evaluation Committee to ask questions and seek clarifications.
- h. Selection of Recommended IPA: The Evaluation Committee recommendation for IPA, based on the evaluation process, as noted in section IV below, will be submitted to the President for approval before submission to the OSA.
- i. OSA approval: Northern will submit to the OSA for approval. OSA must be secured before a contract can be finalized with the Recommended IPA.
- j. Contract Finalization and Award: After Northern management’s review and acceptance of a) the Evaluation Committee’s recommendation, b) any Contractor requested modifications of the proposed contract, and/or c) any Contractor specific terms and conditions; an award will be issued on the date indicated in the Sequence of Events, or as soon thereafter as possible. This date is subject to change at the discretion of the Chief Procurement Officer. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the time specified, Northern reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.
- k. Protest Deadline: Any protest by an Offeror must be timely and in conformance with Section 13-1-172 NMSA 1978 and applicable procurement regulations. A Protest Manager has been named in this RFP, pursuant to NMSA 1978, § 13-1-172. ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this RFP. The 15-calendar day protest period shall begin on the day following the award of contracts and will end at 5:00 pm MT on the 15th day. Written protests must include the name and address of the protestor, the RFP number, a statement of the grounds for protest, (including appropriate supporting exhibits), and it must specify the ruling/remedy requested. Protests received after the deadline will not be accepted. The protest must be delivered to:

Cheryl James, CPO – Protest Manager  
 Northern New Mexico College  
 921 N. Paseo de Oñate  
 Espanola, NM 87532

### **III. SPECIFICATIONS**

#### **A. Mandatory Specifications**

Offerors must provide a written response and/or a reference to an appropriate paragraph(s) in supporting technical documentation for each specification. The proposal response must follow the order in which the specifications are listed. All specifications are **mandatory**. Offerors

should respond in the form of a thorough narrative to each specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

1. Letter of Transmittal

Each proposal must be accompanied by a completed Letter of Transmittal signed by a person authorized to obligate the company. The letter of transmittal **must**:

- a) Identify the submitting organization;
- b) Identify the name, title, telephone number, and e-mail address of the person authorized by the organization to contractually obligate the organization;
- c) Identify the name, title, telephone number, and e-mail address of the person authorized to negotiate the contract on behalf of the organization;
- d) Identify the names, titles, telephone numbers, and e-mail addresses of persons to be contacted for clarification;
- e) Explicitly indicate acceptance of the conditions governing the procurement (per Appendix B – General Requirements);
- f) Be signed by the person authorized to contractually obligate the organization; and
- g) Acknowledge receipt of any and all amendments to this RFP.

2. Summary of Proposed Services

Offerors shall submit a summary of proposed services in response to Northern's audit needs as detailed in the Scope of Work with special attention to demonstrating an understanding of the college's audit history. Offerors must identify, within the summary, any anticipated potential audit problems, resolutions approach, and any assistance that will be requested from Northern in order to meet the audit submission deadline and preclude the necessity for scope expansion and/or contract amendments.

3. Offeror's Higher Education Experience

Offerors shall submit a statement regarding their experience working with higher education intuitions, including experience of subcontractors, if applicable.

4. Offeror's Company Experience

Offerors must:

- a) State the size of the firm, size of the governmental audit staff, location of the office from which the work on this engagement is to be performed, number and nature of the professional staff to be employed in this engagement on a full-time basis, and the number and nature of the staff to be employed on a part-time basis.
- b) Offeror must be licensed to practice public accounting in New Mexico. A statement of concurrence and a copy of the applicable license(s) are required. In addition, all Offerors-IPAs must appear on the Office of the State Auditor's list of IPAs eligible to conduct State audits for the State of New Mexico. A statement of concurrence is required.
- c) Offerors must list all engagements within the last five (5) calendar years, ranked on the basis of total staff hours, for the State of New Mexico by type of engagement (i.e. audit, management advisory services, other). For each



engagement, the Offeror shall indicate the scope of work, beginning and ending dates that the engagement was performed, and the name and telephone number of the principal client contact.

- d) Offerors are also to submit a copy of the report of its most recent external quality control review (peer review) and a statement whether that quality review included a review of specific governmental engagements.
- e) Provide the results of any Federal or State of New Mexico desk reviews, or field reviews of its audits during the last three (3) years and disclose any circumstances and status of disciplinary actions taken or pending with state regulatory bodies or professional organizations.
- f) Offerors should also provide a copy of the profile submitted to the Office of the State Auditor, in accordance with NMAC 2.2.2; a list of subcontractors, including qualifications and area(s) of responsibility; and, a completed Campaign Contribution Disclosure Form as required by Senate Bill 344, signed into law March 6, 2006.

#### 5. Offeror's Company References

Offeror's proposals shall include three (3) external references from clients who are willing to validate the Offeror's past performance on similar contracts. The minimum information that shall be provided for each client reference follows:

1. Name of the contact person;
2. Name of the company or governmental entity;
3. Address of the contact person;
4. Telephone number of contact person;
5. Email address of the contact person;
6. A description of the products and services provided and dates the products provided.

#### 6. Proposed Key Personnel Experience and Qualifications

Offerors shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialist, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in New Mexico. Narratives(s) should include a thorough description of the staff's education, knowledge, and relevant experience, as well as certifications or other professional credentials.

#### 7. Project Plan

Offerors shall provide a work plan with milestones, including audit timing and an explanation of the methods and technologies that will be used to perform the services required. The work plan should reference sources of information such as Northern's budget and related materials, organizational charts, manuals and programs, financial and other management information systems.

#### 8. Samples of Work Products/Tools and Techniques

Offerors shall provide samples of relevant work products provided to previous clients.

9. Oral Presentations: Statement of Concurrence

If selected as a finalist, Offerors must concur to provide the Evaluation Committee an oral presentation of the proposal as an opportunity for the Evaluation Committee to ask questions and seek clarifications.

10. Cost

Offerors shall provide itemized proposed costs, including a breakout of the following:

- Hourly rates to be charged by type of personnel, if applicable.
- Monthly rate and number of hours estimated to complete the scope of services (this may be presented in phases of work).
- Additional items to be included in cost such as travel, per diem, applicable overhead, etc.

11. Financial Stability

Offerors shall submit with their proposal an independently audited financial statements from the most recent year, as well as those for the preceding year if they exist. The submission shall include the audit opinion, the balance sheet, statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist for the Offeror, the Offeror shall state the reason and, instead, submit sufficient information (e.g. D & B Report, unaudited financial reports, bank statements) to enable the Evaluation Committee to determine the financial stability of the Offeror. Offerors shall provide additional financial documents upon request by the Procurement Manager.

12. Campaign Disclosure Form

A completed Campaign Contribution Disclosure Form is required for all contracts secured by competitive sealed bid pursuant to NMSA 1978 13-1-191.1.

13. New Mexico Employees Health Coverage Form

The Offeror must agree with the terms and submit a signed New Mexico Employees Health Coverage Form with the submittal of their proposal. (See Appendix D)

14. Resident Business Preference

Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident business possessing a valid resident business certificate shall receive an additional 50 points. The Offeror's proposal must contain a copy of a valid Resident Business Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference. Please note: An Offeror may only receive one preference.

15. Resident Veterans Preference

Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident veteran possessing a valid New Mexico Resident Veterans Preference Certificate shall receive an additional 100 points. The Offeror's proposal must contain a valid Resident Veterans Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference. Please note: An Offeror may only receive one preference.

## IV. EVALUATION

**A. Evaluation Point Summary**

The following is a summary of evaluation factors with point value assigned to each.

<u>FACTOR</u>	<u>POINTS AVAILABLE</u>
1. Letter of Transmittal	Pass/Fail
2. Summary of Proposed Services	175
3. Higher Education Experience	100
4. Company Experience	100
5. Company References	50
6. Proposed Personnel Experience and Qualifications	50
7. Project Plan	125
8. Sample Work Products/Tools or Techniques	100
9. Oral Presentations	100
10. Cost	200
11. Financial Stability	Pass/Fail
12. Campaign Contribution Disclosure Form	Pass/Fail
13. New Mexico Employees Health Coverage Form	Pass/Fail
<b>SUBTOTAL</b>	<b>1,000</b>
<b>Additional Optional Points</b>	
14. New Mexico Resident Business Preference; <u>or</u>	50
15. New Mexico Resident Veteran Preference	100

**B. Evaluation Factors**

Points will be awarded on the basis of the following evaluation factors:

1. Letter of Transmittal (Pass or Fail).
2. Summary of Proposed Services (200 points)  
Points will be awarded based on upon the Offeror's proposed services and responsiveness to Northern's audit service needs as detailed in the Scope of Work that demonstrate awareness of Northern's audit history.
3. Offeror's Higher Education Experience (100 points)  
Points for company experience working with Institutions of Higher Education will be awarded based upon an evaluation of the Offeror's work for previous clients receiving similar services to those proposed by the Offeror for this contract.
4. Offeror's Company Experience (100 points)  
Points will be awarded based upon and evaluation of the documented company experience including subcontractors, if applicable, on similar projects and engagements.
5. Offeror's Company References (50 points)  
Points for company references will be awarded based upon an evaluation of the Offeror's

work for previous clients receiving similar services to those proposed by the Offeror for this contract.

6. Proposed Personnel Experience and Qualifications (50 points)  
Points for personnel experience will be awarded based upon an evaluation of each staff member's experience and qualification as they relate to their proposed role and the needs of this contract.
7. Project Plan (150 points)  
Points will be awarded for this evaluation factor based upon the quality and thoroughness of the project plan for completing the audit services within a concise period of time to compliment timeliness of Northern's fiscal year 2020 audit efforts.
8. Samples of Work Products/ Tools and Techniques (150 points)  
Points will be awarded based upon an evaluation of the applicability and quality of the provided samples of work and any proposed tools and/or techniques to be used for the project.
9. Oral Presentation (100 points):  
Points will be awarded based on Finalist's preparedness, thoroughness, and ability to answer questions from the Evaluation Committee. Points awarded for the oral presentations will be added to the previously assigned points to attain final scores.
10. Cost (200 points)  
The evaluation of each Offeror's fixed price cost proposal will be calculated using the following formula:  
  

$$\frac{\text{Lowest Responsive Offer Total Cost}}{\text{This Offeror's Total Cost}} \times 200 = \text{Award Points}$$
11. Financial Stability (Pass/Fail)
12. Campaign Contribution Disclosure Form (Pass/Fail)  
A completed Campaign Contribution Disclosure Form is required for all contracts secured by competitive sealed bid pursuant to NMSA 1978 13-1-191.1.
13. New Mexico Employees Health Coverage Form (Pass/Fail)  
A completed New Mexico Employees Health Coverage Form is required for this RFP.
14. Resident Business Preference (50 points)  
Fifty (50) points will be awarded if the proposal contains a copy the New Mexico Taxation and Revenue Department's resident business preference certificate unless a Resident Veterans Preference Certificate is also submitted in which case the higher number of points from the Resident Veterans Preference shall be awarded instead.
15. Resident Veterans Preference (100 points)

One hundred (100) points will be awarded if the proposal contains a copy of the Taxation and Revenue Department's Resident Veterans Certificate.

**C. Evaluation Process**

The evaluation process will follow the steps listed below:

1. All Offeror proposals will be reviewed for compliance with the mandatory requirements stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Manager may contact the Offeror for clarification of proposal responses.
3. The Evaluation Committee may use other sources of information to perform the evaluation.
4. Responsive proposals will be evaluated on the factors that have been assigned a point value. Responsible Offerors with the highest scores will be selected as Finalists. Finalists who are asked to submit revised proposals for the purpose of obtaining best and final offers will have their points recalculated accordingly. The responsible Offeror whose proposal is most advantageous to the Agency will be recommended for contract award. Please note: a serious deficiency in the response to any one factor may be grounds for non-selection regardless of overall score.

**Appendixes**

- Appendix A – Letter of Transmittal
- Appendix B – General Requirements
- Appendix C – Campaign Contribution Disclosure Form
- Appendix D – New Mexico Employees Health Coverage Form
- Appendix E – Sample Professional Service Contract
- Appendix F – RFP Mandatory Requirements Checklist