



**RFP 2024-834**

**Annual Financial Audit Services**

**Proposals Due:**  
**July 24, 2023 by 5:00 PM**  
201 W. Chaco St  
Aztec, NM 87410

**Deadline for Questions**  
**July 19, 2023 before 5:00 PM**

For further information, please contact:

Kathryn Graham  
Purchasing Specialist  
City of Aztec  
Phone: 505-334-7686  
Fax: 505-334-7649  
Email: [kgraham@aztecnm.gov](mailto:kgraham@aztecnm.gov)

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**NOTICE OF REQUEST FOR PROPOSALS**  
**City of Aztec, NM – Annual Financial Audit Services**  
**RFP # 2024-834**  
**July 24, 2023, 5:00 P.M.**

Request for Proposal (RFP) documents may be obtained online by accessing the City's purchasing webpage through [www.aztecnm.gov](http://www.aztecnm.gov) , by contacting Kathryn Graham (505-334-7686) or [kgraham@aztecnm.gov](mailto:kgraham@aztecnm.gov) , or by accessing Vendor Registry at [www.vendorregistry.com](http://www.vendorregistry.com) . Sealed proposals will be received by the City of Aztec, 201 W. Chaco St, Aztec, New Mexico 87410, until the hour of 5:00 p.m. on July 24, 2023 at which time those duly delivered will be recorded and submitted for evaluation. Proposals may be submitted via physical delivery to the City Purchasing Office or submitted online via Vendor Registry at [www.vendorregistry.com](http://www.vendorregistry.com).

The Scope of Work includes but is not limited to; an Independent Public Accountant approved by the NM Office of the State Auditor, to provide professional auditing services to the City for the fiscal year ending June 30, 2023 with consulting services and an option to renew the contract annually for two successive fiscal years.

Questions may be submitted to [kgraham@aztecnm.gov](mailto:kgraham@aztecnm.gov) through Wednesday, July 19, 2023 at, 5:00 P.M.

Publication Date:	7-10-2023	Farmington Daily Times
	7-10-2023	Albuquerque Journal

## I. INTRODUCTION

### A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The City of Aztec (City) is requesting proposals (RFPs) for Independent Public Accountants (IPAs), approved by the NM Office of the State Auditor (OSA), to provide professional auditing services to the City, for the fiscal year ending June 30, 2023 consulting services (Offerors) with an option to renew the contract annually for two successive fiscal years.

### B. SUMMARY SCOPE OF WORK

The Offeror shall follow the procedures and criteria outlined in 2.2.2 NMAC Audit Rule 2017 (Requirements for Contracting and Conducting Audits of Agencies), posted on the State Auditor's website at [http://www.saonm.org/state\\_auditor\\_rule](http://www.saonm.org/state_auditor_rule) as it applies to municipalities, and shall follow the contract format contained in the State of New Mexico Audit Contract. Selection of the independent auditor is subject to the approval of the State Auditor.

In compliance with 2.2.2.8 NMAC, Audit Rule 2017, all Offerors submitting proposals are required to have submitted approved firm profiles with the State Auditor. The City shall verify all Offerors have received approval from the State Auditor prior to evaluating proposals.

The City currently has approximately 17 funds including a joint utility fund comprised of electric, water, stormwater, wastewater and a solid waste fund.

The Offeror will be required to perform an exit conference with City Management and presentation of the released report to the City Commission.

- i. Financial Statement Audit
- ii. Federal Single Audit (may or may not be required for FY23, FY24 and FY25)
- iii. Financial Statement Preparation
- iv. Other Reports and Schedules as may be required.

The Offeror will be required to present the final draft of the audit report to the City's Finance Director **on or before November 15th for review. The CAFR shall be submitted to the Office of the State Auditor on or before December 15th.** The due date and the number of copies to be submitted to the State Auditor shall be in accordance with the Audit Rule 2017 and the State of New Mexico Audit Contract.

### C. QUALIFICATIONS OF OFFERORS

Offerors must be on the “NM Office of the State Auditor’s 2017 Approved Firm List”

[http://www.saonm.org/approved\\_audit\\_firms](http://www.saonm.org/approved_audit_firms)

### D. INFORMATION PROVIDED BY CITY

Offerors are solely responsible for conducting their own independent research, due diligence or other work necessary for the preparation of proposals, negotiation of agreements, and the subsequent delivery of services pursuant to any agreement. In no event may Offerors rely on any oral statement.

Should an Offeror find discrepancies in or omissions from, this RFP and related documents, or should Offeror be in doubt as to meaning, Offeror shall immediately notify the City’s designated representative and, if necessary, a written addenda will be emailed to each Offeror who has returned the “Acknowledgement of Receipt” form, included in this document as Exhibit A. Each Offeror requesting an interpretation will be responsible for the delivery of such requests to the City’s designated representative in writing as outlined in this RFP. The City will not be bound by, nor responsible for, any explanation or interpretation of the proposed documents other than those given in writing.

### E. INTENT

It is the intent of the City to award the contract to the most qualified, responsible Offeror(s) as detailed in the Scope of Work and with consideration of the potential cost for services. The City will negotiate with the Offeror(s) deemed most qualified by the City to address the specific services to be provided, the time and order of services, staffing, areas of responsibility and proposed fee structure, including the amount and method of payment.

### E. DEFINITION OF TERMINOLOGY

This paragraph contains definitions that are used throughout this Request for Proposals (RFP), including appropriate abbreviations.

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

**“City”** means the City of Aztec.

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

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

**“Desirable”**—The terms “may,” “can,” “should,” “preferably,” or “prefers” identify a desirable or discretionary item or factor (as opposed to “mandatory”).

**“Determination”** means the written documentation of a decision of a purchasing agent and the Selection Committee including findings of fact supporting a decision. A determination becomes part of the procurement

file to which it pertains.

**“DFA”** means the Department of Finance and Administration for the State of New Mexico.

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

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

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

**“Purchasing Specialist”** means the person or designee authorized by the City to manage or administer a procurement requiring the evaluation of competitive sealed proposals.

**“Request for Proposals”** or **“RFP”** means all documents, including those attached or incorporated by reference, used for soliciting proposals.

**“Responsible Offeror”** means an offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources production, or service facilities, personnel, service reputation, and experience are adequate to make satisfactory delivery of the services or items of tangible personal property described in the proposal.

**“Responsive Offer”** or **“Responsive Proposal”** means an offer or proposal, which conforms in all material aspects to the requirements set forth in the request for proposals. Material aspects of responses to the request for proposals include, but are not limited to, price, quality, quantity or delivery requirements.

**“Selection Committee”** means a body appointed by the Purchasing Agent to perform the evaluation of offeror proposals.

**“Selection Committee Report”** means a report prepared by the Purchasing Agent and the Selection Committee for submission to the for contract award that contains all written determinations resulting from the conduct of a procurement requiring the evaluation of competitive sealed proposals.

**“State (the State)”** means the State of New Mexico.

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

## II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP outlines and tentatively describes the major events of the Selection Process and

specifies general requirements.

#### A. SEQUENCE OF EVENTS

It is the City's intent to adhere to the following schedule. However, the City reserves the right to modify this schedule.

#### PRELIMINARY SCHEDULE

Activity	Date
Issue Date	July 10, 2023
Acknowledgement Form Due	July 13, 2023 by 5:00 PM
Deadline For Questions	July 19, 2023 by 5:00 PM
RFP Amendments	July 20, 2023 at 5:00 PM
Proposal Due Date	July 24, 2023 by 5:00 PM
Interview Candidates in Person	July 31 – August 3, 2023
Recommendation to City Commission	August 8, 2023
Recommendation to State Auditor	August 10, 2023

#### B. EXPLANATION OF EVENTS

1. Issue Date - This RFP is issued by the City of Aztec in accordance with the provisions of Sections § 13-1-120 through 13-1-122 NMSA 1978.
2. Acknowledgement Form Due - Potential offerors should hand deliver or return by facsimile, email or by registered or certified mail the "Acknowledgement of Receipt of Request for Proposals Form" that accompanies this document (Exhibit A) to have their organization placed on the procurement distribution list. This form should be signed by an authorized representative of the organization, dated, and returned by close of business on **July 13, 2023 by 5:00 PM** to the purchasing agent. The procurement distribution list will be used for the distribution of written responses to questions and any RFP amendments.
3. Deadline for Questions – Questions and/or clarifications concerning this RFP will be accepted in writing through **July 19, 2023 5:00 PM**. Requests may be transmitted via facsimile (505-334-7649) or email ([kgraham@aztecnm.gov](mailto:kgraham@aztecnm.gov)). Written responses to all written inquiries will be provided and distributed to all recipients of this RFP. Responses and addenda to this RFP, if necessary, are scheduled to be issued by **July 20, 2023, 5:00 PM**. No Offeror may rely upon oral responses made by any City employee or any representative of the City.

4. RFP Amendments - RFP amendments will be distributed on **July 20, 2023 by 5:00 PM**, to all potential offerors whose organization name appears on the procurement distribution list. Amendments will also be posted to the website.
5. Proposal Due Date - Proposals must be submitted in sealed envelopes by **July 24, 2023, 5:00 PM**, addressed to:

City of Aztec Finance Department  
RFP #: 2024-834 Annual Financial Audit Services  
201 W Chaco St  
Aztec, NM 87410

PROPOSALS RECEIVED AFTER THE DEADLINE WILL BE DEEMED NON- RESPONSIVE AND WILL NOT BE CONSIDERED FOR AWARD.

A public log will be kept of the names of all offeror organizations that submitted proposals. Pursuant to §13-1-116 NMSA 1978, the contents of any proposal shall not be disclosed to competing offerors prior to contract award.

Proposals will be reviewed for completeness and compliance with requirements by the Purchasing Agent. If any proposal submitted is deemed non-responsive by the Purchasing Agent, the Offeror will be notified in writing of such determination and the method of protesting that determination (see Section II.C.1.).

6. Proposal Evaluation - The Selection Committee will review each Offerors proposal. Points will be allocated, by each member, as outlined in Section IV of this RFP. Each member's point totals will be translated into a numeric ranking of all proposals. The individual member rankings will be totaled together to determine the overall ranking of proposals. The Selection Committee may hold interviews with the three highest-ranked proposals if deemed necessary. The Selection Committee may award the selection based on the results of the interviews. If fewer than three proposals are received the Selection Committee may recommend an award to the City Commission for approval or direct that the RFP be reissued.
7. Interviews with Finalists - For those proposals selected for interview, notices to finalists will include the interview date and time. Interviews are generally held at the City Commission Room, 201 W Chaco, Aztec, New Mexico. The interview location may be changed at the discretion of the Selection Committee. Scoring for the interview will be based on responses to the questions presented at the pre-interview meeting. Interview scoring will total approximately 100 points. The points will be equally divided between the prepared questions and points will be allocated, by each member. Each member's point totals will be translated into a numeric ranking of all interviewed firms. The individual member rankings will be totaled together to determine the overall ranking of firms for the interview.
8. Recommendation to City Commission - After review of the Selection Committee Report, the recommendation of City management, and the signed contract, the City Commission will award the contract on or before August 31, 2023. This date is subject to change.



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

9. Submission of Recommendation to State Auditor – City will submit selection recommendation and completed contract to the State Auditor for approval.

## C. GENERAL REQUIREMENTS

The General Requirements section contains specific information about the process and conditions under which this RFP is issued and conditions concerning how the project will be completed.

1. Protests - In accordance with § 13-1-172 NMSA 1978, any Offeror who is aggrieved in connection with the award of a contract may protest to the City of Aztec Finance Department. The protest must be submitted in writing within fifteen (15) calendar days after knowledge of the facts or occurrences giving rise to the protest to:

Kathryn Graham  
City of Aztec  
201 W Chaco St  
Aztec, NM 87410

The 15-day protest period shall begin on the day following the date of written notice of action from the Finance Department. Protests must include the name and address of the protestant, the solicitation number, and a statement of grounds for protest, including appropriate supporting exhibits. Protests received after the deadline will not be accepted.

2. Incurring Cost - Any cost incurred by the Offeror in preparation, transmittal, or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror.
3. Subcontractors - All work that may result from this procurement must be performed by the contractor and payments will only be made to the contractor. Use of consultants identified in the proposal is permitted, but since the award is made on a quality-based evaluation process, subcontracting of the work is not acceptable.
4. Amended Proposals - An Offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. Purchasing Office personnel will not collate or assemble proposal materials.
5. Offeror's Rights to Withdraw Proposal - Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal

request signed by the Offerors duly authorized representative addressed to the Purchasing Agent. The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is at the discretion of the Purchasing Agent.

6. Disclosure of Proposal Contents - The content of proposals will be kept confidential until written notice of a contract award has been made by Purchasing Specialist of the Finance Department. At that time, all proposals will be open to the public, except for the material, which is, or has previously been noted and deemed as proprietary or confidential.

Confidential data is normally restricted to confidential financial information concerning the Offeror's organization and data that qualifies as a trade secrets in accordance with the Uniform Trade Secrets Act, 57-3A-1 to 57-3A-7 NMSA 1978. Any pages of a proposal on which the Offeror has stamped or imprinted "proprietary" or "confidential" must be readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal.

7. Termination - This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the Purchasing Agent determines such action to be in the best interest of the City of Aztec.
8. Sufficient Appropriation - Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such termination will be effected by sending written notice to the contractor. The City's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.
9. Standard Contract - The City does not deviate from the State of New Mexico Audit Contract (exhibit D). Any Offeror questions about any provision(s) of the contract terms and conditions must be promptly brought to the attention of the Purchasing Agent of the City of Aztec.
10. Offeror Qualifications - The Selection Committee may make such investigations as necessary to determine the ability of the Offeror to adhere to the requirements specified within this RFP. The Purchasing Agent will reject the proposal of any Offeror who the Committee deems is not a responsible Offeror or fails to submit a responsive offer as defined in Sections 13-1-83 and 13-1-85 NMSA 1978.
11. Right to Waive Minor Irregularities - The Purchasing Agent reserves the right to waive minor irregularities. The Purchasing Agent also reserves the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Purchasing Agent.
12. Bribery and Kickbacks – By law (Section 13-1-191, NMSA 1978) the City is required to inform Offerors of the following: (1) 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); (2) 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); (3) it is a fourth-degree felony to commit the offense of soliciting or receiving illegal kickbacks ((Section 30-41-1 NMSA 1978); (4) it is a fourth-degree felony to commit the offense of offering or paying illegal kickbacks (Section 30-41-2 NMSA 1978).

13. Debarment, Suspension and Ineligibility – By submitting a response to this solicitation (RFQ , Bid, RFP) the business (Bidder/Offeror/Contractor) represents and warrants that it is not debarred, suspended, or placed in ineligibility status under the provisions of Federal Executive Order 12549.
13. Release of Information - Only the City is authorized to release information about services covered by this RFP. The Offerors must refer to the City any requests to release any information that pertains to the work or activities covered by any action or award related to this RFP.

### **III. RESPONSE FORMAT AND ORGANIZATION**

#### **A. NUMBER OF RESPONSES**

Only one proposal may be submitted by each individual entity for the one project, which is the subject of this RFP.

#### **B. NUMBER OF COPIES**

Offerors shall provide five (5) identical copies of their proposal and one electronic version to the location specified in Section II, paragraph B.5 on or before the closing date and time for receipt of proposals.

#### **C. PROPOSAL FORMAT**

To facilitate comparison and evaluation, Offerors must follow the format outlined in this section. Failure of an Offeror to follow the required format, may, at the sole discretion of the City, result in the rejection of the submittal. Proposals shall contain concise written material and illustrations that enable a clear understanding and evaluation of the capabilities of the Offeror. Legibility, clarity, and completeness are essential. The City, at its sole discretion, may reject any proposal which is unclear in any way.

#### **D. PROPOSAL ORGANIZATION**

All pages should be numbered, all foldout pages shall be counted as two (2) pages and should be numbered as such. Proposals should be organized in the same order as the evaluation criteria which is listed on page 13-14 of this document. Please submit line 4 – 9 page 12 in order on the forms provided, with supporting documentation as needed.

- 1) Cover Letter – The cover letter shall constitute a firm offer to the City and be utilized to introduce the Offeror. Cover letters should contain the following information:
  - a. Designation of the business entity that will contract with the City;
  - b. Identification of the principal contact person for the Offeror and an alternate contact person together with addresses, telephone and facsimile numbers, and e-mail address;
  - c. A clear statement indicating that the attached proposal constitutes a firm and binding offer by the Offeror to the City; and
  - d. A clear statement indicating that all information in support of the proposal is accurate, truthful, and factual.
- 2) Table of Contents - Proposals should contain a detailed table of contents listing major sections and subsections which correspond to the requirements of the RFP. The table of contents should also list all tables, exhibits, figures, etc. contained in the proposal.
- 3) Qualifications and Experience - Professional Resumes of each key staff member, specifying those which will work on the audit, organized as follows:
  - a. Professional background
  - b. Current and past relevant experience
  - c. Education
  - d. Certifications
  - e. A listing of directly relevant projects of similar nature which includes the project name, project description, and role of staff member in project.
- 4) Request for Proposals Submittal Form – The submittal form, exhibit B of this RFP, must be completed, signed and incorporated into the submitted proposal. Failure to do so may result in disqualification.
- 5) Campaign Contribution Disclosure Form – The campaign disclosure form is included as exhibit C and must be completed, signed and incorporated into the submitted proposal. Failure to do so may result in disqualification.
- 6) NM Preference Residential, Residential Veteran, Residential Native American Certification - NM Preference Certification is exhibit D and must be turned in with the proposal to ensure adequate consideration and application of NMSA 1978 13-1-21 (as amended)
- 7) Debarment / Suspension Certification Form - exhibit E must be filled out and returned with proposal for all public procurements over \$60,000.00.
- 8) Cost Proposal – The cost proposal is included as Exhibit F and must be completed, signed and incorporated into the submitted proposal. Failure to do so may result in disqualification.
- 9) Organizational Reference Questionnaire - exhibit G should be filled out by a business reference of the company submitting a proposal, and be turned in with the proposal for consideration.

#### **d. EVALUATION**

##### **a. EVALUATION CRITERIA**

1. The City will receive proposals from firms approved by the Office of the State Auditor (OSA) and having specific experience, resources and qualifications in the proposed scope of work.

Proposals for consideration must contain evidence of the firm's experience and abilities in the specified area and other disciplines directly related to the proposed services. Other information required by the City to be submitted in response to this RFP is included elsewhere in this solicitation.

The Selection Committee will evaluate the proposals and may conduct interviews with Offerors applying for selection. The selection committee will have only the response to this solicitation to review for selection of finalists and, therefore, it is important that Offerors emphasize specific information considered pertinent to the services to be provided.

The evaluation of the responses will be based on the following criteria:

30 Points	Experience with municipal audits including Single Audit experience in accordance with OMB Circular A-133;
15 Points	Experience with municipal electric utility audits
30 Points	Firm qualification and team proposed to conduct the audit. Size of staff and qualifications of each member to be assigned and fulfillment of CPEs related to governmental audits. History of audit reports to the Office of the State Auditor, peer review report, references, and organization and completeness of proposal will be evaluated.
10 Points	Approach to, scheduling and timing of field work; how the firm will approach conducting the audit and any contracted special services provided to the agency, and deadline date on reports to be submitted; proposed start date, completion date and total hours proposed.
10 Points	The cost will not be the primary factor in the selection of the audit firm. The dollar cost should contain all pricing information relative to performing the audit engagement as described in this request for proposals
5 Points	Points for local office where principals involved in audit are employed, and where work papers and other audit records will be filed
10 Points	Current In-State Preference Certificate up to 5 points or Current In-State/Veterans

Preference up to 10 points

2. Interview - Approximately 100 points are possible in scoring each interview for this RFP. The Selection Committee will provide at the interview meeting, a list of questions relevant to the project. These questions shall be addressed by the firms at the interview. Each question will carry equal point value. The interview will allow time for a question and answer session in response to the prepared questions.

b. EVALUATION PROCESS

1. Notice of Non-Responsiveness - For any proposal submitted which is deemed non-responsive by the City, the Offeror will be notified in writing of such determination and the method for protesting the determination. (See Section II, paragraph C.)
2. Interviews with Finalists - For those firms included in the interview (If applicable), notice to finalists will include the interview date and time. Interviews are generally held at the City of Aztec Commission Room, 201 W Chaco, Aztec, NM 87410 unless otherwise scheduled at the discretion of the committee. Scoring for the interview will be based on responses to the questions presented at the pre-interview meeting. Interview scoring will total approximately 100 points equally divided between the prepared questions. Points will be allocated, by each member. Each member's point totals will be translated into a numeric ranking of the interviewed firms. The four individual member rankings will be totaled together to determine the overall ranking of firms for the interview.
3. Notice of Award - The City will notify all finalists in writing of the final results of the interview and the overall selection process. For a period of thirty (30) days after the written date of award, proposals will be available for public inspection by appointment only at the City of Aztec Finance Department. Unsuccessful Offerors may retrieve all but one copy of their proposal as soon as award is made. Any unsuccessful Offeror wishing to retrieve all copies of their proposal must do so within two weeks after the expiration of the 30-day public inspection period.

## **APPENDIX A: ACKNOWLEDGEMENT OF RECEIPT FORM**

Annual Financial Audit Services

RFP# 2024-834

July 13, 2023

5:00 PM

**ACKNOWLEDGEMENT OF RECEIPT FORM**

In acknowledgement of receipt of the Annual Financial Audit Services distribution packet #2024-834, the undersigned agrees that he/she has received a complete copy, beginning with the title page and ending with the Draft Agreement (Exhibit F) for a total of 43 pages.

In order to receive copies of all future communications, relating to, and including amendments to this distribution packet 2024-834, return this acknowledgement form **no later than July 13, 2023 at 5:00 PM**. Returning this form is not mandatory to submit a proposal.

FIRM:

REPRESENTED BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ PHONE: \_\_\_\_\_

EMAIL: \_\_\_\_\_ FAX: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

This name and address will be used for all correspondence related to document #2024-834.

Firm **does / does not (circle one)** intend to respond to RFP 2024-834 Annual Financial Audit Services

If firm **does not** intend to reply, please give a brief reason for not responding: \_\_\_\_\_

\_\_\_\_\_

Return to:

Kathryn Graham

Purchasing Specialist

City of Aztec

Phone: 505-334-7686

Fax: 505-334-7649

Email: [kgraham@aztecnm.gov](mailto:kgraham@aztecnm.gov)

Faxed Copies of this form will be accepted. Faxed RFP responses **will not be accepted**.



## **APPENDIX B: REQUEST FOR PROPOSALS SUBMITTAL FORM**

REQUEST FOR PROPOSALS SUBMITTAL FORM  
2024-834 Annual Financial Audit Services

**REQUIRED INFORMATION**

\_\_\_\_\_  
COMPANY NAME/ADDRESS/CITY/STATE/ZIP

\_\_\_\_\_  
CONTACT PERSON

\_\_\_\_\_  
TELEPHONE NUMBER

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
EMAIL ADDRESS

If a corporation, state of incorporation: \_\_\_\_\_

In-State/Resident Veterans/ Resident Native American Preference will be applied only to those Offerors who have been issued a certification number by the State of New Mexico Taxation and Revenue department and **return a copy of their certificate with their proposal**. In-State/Resident Veterans/Resident Native American Preference certification approval is required at the time of the proposal opening to be eligible.

**Do you qualify for any preference and have you included the appropriate current certificate with your response?**  
\_\_\_\_\_ (Yes or No)

**IMPORTANT - PROPOSALS MUST BE SUBMITTED IN A SEALED ENVELOPE WITH THE RFP NUMBER AND OPENING DATE CLEARLY INDICATED ON THE FRONT OF THE ENVELOPE.**

**EMAILED OR FAXED BIDS WILL NOT BE ACCEPTED.**

Sealed proposals will be received until **July 24, 2023, 5:00 P.M. local time** and then opened at the **City of Aztec Finance Conference Room**. 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.

Questions will be accepted until July 19, 2023, 5:00 PM local time and should be submitted in writing to kgraham@aztecnm.gov.

Proposals deposited with the City may be withdrawn or modified prior to the time set for opening of proposals by delivering written notice on company letterhead.

The City will open all proposals, assign an evaluation committee and evaluate all proposals; determine the need for and conduct any negotiations; and make a final recommendation to the City Commission for award of the agreement or contract.

The agreement or contract award shall be made to the responsible Respondent or Respondents whose proposal is most advantageous to the City of Aztec, taking into consideration the evaluation factors set forth in the RFP.

The City reserves the right to reject any or all proposals, cancel the RFP in its entirety or to waive irregularities at its option when it is in the best interest of the City of Aztec.

Award of an agreement or contract is contingent upon the budgeting and appropriation of funds for continuation of the professional services contemplated by this RFP.

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 a part of this proposal, and that the undersigned Respondent has read and understands the scope and conditions of the proposal.

The Respondent further 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 or services required under the Agreement. The Respondent certifies that the requirements of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, regarding Contracting with a public officer or City employee or former City employee have been followed.

The undersigned, in submitting this proposal, represents that Respondent 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. 28-1-7 NMSA 1978 in the performance of this contract.

If applicable, RESPONDENT ACKNOWLEDGES RECEIPT OF THE FOLLOWING AMENDMENT(S):

Addendum No. _____	Dated _____	Addendum No. _____	Dated _____
Addendum No. _____	Dated _____	Addendum No. _____	Dated _____

***To be a valid proposal, Bidder must sign here:***

_____	_____
	<b><i>Title</i></b>

**RETURN THIS FORM WITH YOUR PROPOSAL**

## **APPENDIX 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 MADE TO: Mayor Michael A Padilla, Sr, Mayor-ProTem Kenneth B. George, Commissioner Austin R. Randall, Commissioner Colby L King, and/or Commissioner Jim Crowley.

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)

**APPENDIX D: NEW MEXICO RESIDENT, NEW MEXICO RESIDENT  
VETERAN, AND NEW MEXICO RESIDENT NATIVE AMERICAN  
CERTIFICATION.**

New Mexico Preference for Resident, Resident Veteran, Resident Native American and Resident Native American Veteran Proof of Certification.

Preference will be given for NM Resident, NM Resident Veteran, NM Resident Native American, and NM Resident Native American Veteran contractors. These preferences are not cumulative and do not apply to contracts utilizing federal funds.

All contractors wishing to obtain resident preference are required to submit a current Resident Business/ Contractor Preference Certificate issued by the New Mexico Department of Taxation and Revenue. All preference numbers issued prior to January 1, 2012 are invalid. It is the sole responsibility of Bidders to obtain certification prior to the bid opening date. For additional information call 505-827-0951 or go to  
:https://www.tax.newmexico.gov/businesses/business-preference-certification/

**A copy of Resident, Resident Veteran, Resident Native American, or Resident Native American Veteran Certification must be submitted with the proposal in order to ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended).**

\_\_\_\_\_(NAME OF CONTRACTOR) hereby certifies the following in regard to application of the resident / veterans' preference to this procurement:

Please check only one:

\_\_\_New Mexico Resident

\_\_\_New Mexico Resident Veteran

\_\_\_New Mexico Resident Native American

\_\_\_New Mexico Resident Native American Veteran

Please attached certification following this declaration.

\_\_\_\_\_  
(Signature of Business Representative)\*

\_\_\_\_\_  
(Date)

\*Must be an authorized signatory for the Business. The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or termination of award of the procurement involved if the statements are proven to be incorrect.



## **APPENDIX D: DEBARMENT/SUSPENSION CERTIFICATION FORM**

## DEBARMENT/SUSPENSION CERTIFICATION FORM

THE FOLLOWING MUST BE CERTIFIED IF THIS PROCUREMENT IS \$60,000 OR GREATER

### CONFLICT OF INTEREST

No elected official or employee of the City of Aztec (COA) has a direct or indirect financial interest in the Vendor or in the proposed transaction. Vendor neither employs, nor is negotiating to employ, any COA elected official or employee, with the exception of the person(s) identified below. Vendor did not participate, directly or indirectly, in the preparation of specifications upon which the quote or offer is made.

### DEBARMENT/SUSPENSION STATUS

The Vendor certifies that it is not suspended, debarred or ineligible from entering into contracts with any federal entity, state agency or local public body. The Vendor agrees to provide immediate notice to the COA Purchasing Office in the event of being suspended, debarred or declared ineligible by any entity (federal , state or local), or upon receipt of a notice of proposed debarment that is received after the submission of the quote or offer but prior to the award of the purchase order or contract.

### CERTIFICATION

The undersigned hereby certifies that he/she has read the above CONFLICT OF INTEREST AND DEBARMENT/SUSPENSION STATUS requirements RFP SEC II Conditions Governing The Procurement: C General Requirements: Disclosure Regarding Responsibility and that he/she understands and will comply with these requirements. The undersigned further certifies that they have the authority to certify compliance for the vendor named and that the information contained in this document is true and accurate to the best of their knowledge.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Names Typed: \_\_\_\_\_ Company Name: \_\_\_\_\_

Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

## **APPENDIX E: COST PROPOSAL**

**COST OF PROPOSAL**

1. Name of Firm: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_
4. Contact Person: \_\_\_\_\_ Email Address: \_\_\_\_\_
5. Number of Partners and associates actively participating in the firm: \_\_\_\_\_
6. Will you associate with other CPAs to carry out this audit:  
Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, who: \_\_\_\_\_
7. Please set forth the method you will use to bill for your basic services:  
\_\_\_\_\_  
\_\_\_\_\_
8. Does your firm have an approved profile with the New Mexico Office of the State Auditor?  
Yes \_\_\_\_\_ No \_\_\_\_\_
9. Please attach to this Proposal Form your firm's most recent copy of peer review results.
10. Proposal Breakdown:

2023-2024 FISCAL YEAR	HOURS	COST (excluding taxes)
Financial Statement Audit	_____	\$ _____
Federal Single Audit (As Needed Basis)	_____	\$ _____
Financial Statement Preparation	_____	\$ _____
Other (specifically identify)	_____	\$ _____
Total Cost	_____	\$ _____
Gross Receipts Tax	% _____	\$ _____

11. Proposal Breakdown:

2024-25 FISCAL YEAR	HOURS	COST (excluding taxes)
Financial Statement Audit	_____	\$ _____
Federal Single Audit (As Needed Basis)	_____	\$ _____
Financial Statement Preparation	_____	\$ _____
Other (specifically identify)	_____	\$ _____
Total Cost	_____	\$ _____
Gross Receipts Tax	% _____	\$ _____

12. Proposal Breakdown:

2025-26 FISCAL YEAR	HOURS	COST (excluding taxes)
Financial Statement Audit		\$
Federal Single Audit (As Needed Basis)		\$
Financial Statement Preparation		\$
Other (specifically identify)		\$
Total Cost		\$
Gross Receipts Tax	%	\$

13. AVERAGE THREE YEAR TERM COST PROPOSAL  
2023-24 Fiscal Year through 2025-26 Fiscal Year \$  
(Excluding Taxes)
14. Offeror shall submit their Consulting Fee Schedule for financial audit services above and beyond the scope of services required in this proposal.

## **APPENDIX F: ORGANIZATIONAL REFERENCES**

## ORGANIZATIONAL REFERENCE QUESTIONNAIRE

Name of Offeror: \_\_\_\_\_

This form is being submitted to your company for completion as a business reference for the company listed above for inclusion in their response to RFP 2024-834 Annual Financial Audit Services

Company Providing Reference: \_\_\_\_\_

Contact Name & Title/Position: \_\_\_\_\_

Contact Telephone Number: \_\_\_\_\_

Contact E-mail address: \_\_\_\_\_

Project Description: \_\_\_\_\_

Project Dates: \_\_\_\_\_

1. In what capacity have you worked with this vendor in the past?

Comments:

2. How would you rate this firm's knowledge and expertise? \_\_\_\_\_  
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Comments:

3. How would you rate the vendor's ability to provide services in accordance with State Audit Rule and ability to meet required deadlines? \_\_\_\_\_  
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Comments:

4. What is your level of satisfaction with materials produced by the vendor? \_\_\_\_\_  
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Comments:

5. How would you rate the dynamics/interaction between the vendor and your staff? \_\_\_\_\_  
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Comments:

6. Who were the vendor's principal representatives involved in the audit and how would you rate them individually? Comments should be based on the skills, knowledge, behaviors or other factors which influence the rating. (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Name: \_\_\_\_\_ Rating: \_\_\_\_\_

Name: \_\_\_\_\_ Rating: \_\_\_\_\_

Name: \_\_\_\_\_ Rating: \_\_\_\_\_

Name: \_\_\_\_\_ Rating: \_\_\_\_\_

Comments:

7. How satisfied are you with the services provided by the vendor? \_\_\_\_\_  
(3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Comments:



8. With which aspect(s) of this vendor's services are you most satisfied?

Comments:

9. With which aspect(s) of this vendor's services are you least satisfied?

Comments:

10. Would you recommend this vendor's services to your organization again?

Comments:

## **APPENDIX G: DRAFT AGREEMENT**

**STATE OF NEW MEXICO AUDIT  
CONTRACT**

This CONTRACT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between the CITY OF AZTEC hereinafter referred to as the “Agency”, and

\_\_\_\_\_ hereinafter referred to as the “Contractor”, and is effective as of the date upon which it is approved by the Office of the State Auditor, hereinafter referred to as “State Auditor”.

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

**IT IS MUTUALLY AGREED BETWEEN THE PARTIES:**

**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, 2022 through June 30, 2023:

- (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 Section 2.2.2.10.A(2)(f) NMAC.
- 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* (Section 2.2.1, et seq., NMAC).
- D. If this contract is for a:
  - (1) hospital that does not qualify as a governmental entity under the criteria in Sections 1.01 and 1.02 of the *AICPA Audit and Accounting Guide State and Local Governments* (March 1, 2006), then another appropriate reporting model should be used; or
  - 2) 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 Sections 2.2.2.10.A(1) and 2.2.2.12.C, NMAC. 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 **December 1, 2023** and in accordance with Section 2.2.2.9, NMAC:
  - (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 list of the passed adjustments required by AU-C 580.14; and

(4) a copy of the completed State Auditor Report Review Guide available at [www.osanm.org](http://www.osanm.org);

- B. For purposes of Section 2.2.2, NMAC, reports postmarked by the Agency's due date provided in Section 2.2.2.9.A, NMAC, will be considered received by the due date provided in that section. 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 Section 2.2.2.13.C, NMAC. If copies of the engagement letter, management representation letter, list of past adjustments and the completed Report Review Guide are not received by the State Auditor with the audit report or prior to submittal of the audit report, the report will not be considered 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 Agency's oversight agency should be notified, but confidential audit information shall be omitted from that notification.
- D. Pursuant to Section 2.2.2.8.Q, NMAC, the Contractor shall prepare a written and dated engagement letter which 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 Section 2.2.2.13, NMAC, the State Auditor will authorize the Contractor to print and submit the final audit report. Within two 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, shall deliver one electronic copy in PDF format of the audit report to the Agency. 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 agreement, including New Mexico gross receipts tax, 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 Section 2.2.2.8.N(1), NMAC, 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 (As Needed Basis)	
(3) Financial statement preparation	
(4) Other non-audit 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 agreement and invoiced by the Contractor.

E. Pursuant to Section 12-6-14, NMSA 1978 and Section 2.2.2.8.N, NMAC, 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, infra, 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, this Contract may be extended by the parties for two successive one-year terms at the same price, terms and conditions as stated in the original proposal. Each annual extension of the contract shall be executed by mutual agreement of the parties and approval of the State Auditor pursuant to Section 2.2.2.8.G(4), NMAC.

#### 5. **TERMINATION, BREACH AND REMEDIES**

A. This Contract may be terminated, without cause, by either of the parties upon written notice delivered to the other party at least ten (10) days prior to the intended date of termination. This Contract may be terminated immediately by either of the parties upon written notice delivered to

the other party if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the audit report in accordance with Paragraph 2, supra, shall constitute a material breach of this Contract. The Agency may immediately terminate this Contract upon written notice to the Contractor pursuant to Paragraph 19, infra. Pursuant to Section 2.2.2.8.S, NMAC, the State Auditor also may immediately terminate this Contract upon written notice to the Contractor after determining that the audit has been unduly delayed, or for any other reason. By termination pursuant to this Paragraph, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE OTHER LEGAL RIGHTS AND REMEDIES AFFORDED THE STATE CAUSED BY THE CONTRACTOR'S DEFAULT OR BREACH OF THIS CONTRACT.

- B. If the Agency terminates this Contract under this paragraph, 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 as provided in Paragraph 3(E), supra. If the Contractor terminates this Contract under this paragraph, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.
- C. If the Agency or the Contractor terminates this Contract pursuant to this paragraph, the party that terminates the Contract shall immediately send the State Auditor written notice of the termination.
- 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.

**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 Section 2.2.2.8.L, NMAC, the Contractor may subcontract only with independent public accounting firms that are on the State Auditor's List of Approved Firms pursuant to Section 2.2.2.8.B, NMAC, and that are not otherwise restricted by the Office from entering into such a contract pursuant to Section 2.2.2.8.E, NMAC.

**9. RECORDS AND AUDIT**

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 from 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, its 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 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 the audited financial statements on their respective websites once publicly released by the State Auditor.

**13. CONFLICT OF INTEREST**

The Contractor 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. The Contractor certifies that 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 have been followed as required by the applicable professional standards.



**14. INDEPENDENCE**

The Contractor affirms and represents 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 Section 2.2.2.8.M, NMAC. 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 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 incorporates 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 Section 2.2.2.8.Q, NMAC, 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 acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of 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 Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. 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 agrees to 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 agrees to 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 from 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, the Contractor shall deliver the original or clear, legible copies of all working papers to the State Auditor.
- B. The working papers of a predecessor Contractor are to be made available to a successor Contractor in accordance with AC-C and 210.12. Any costs incurred are to be borne by the requestor 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**

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

IN WITNESS WHEREOF, the parties have executed this Contract as of the date of signature by the State Auditor.

**AGENCY**

Name: CITY OF AZTEC

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CONTRACTOR**

Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

This Contract has been approved by:

**STATE AUDITOR**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

State Auditor Contract No. **17** - \_\_\_\_\_