



CITY OF LAS VEGAS

1700 N. GRAND AVE. • LAS VEGAS, NEW MEXICO 87701-4731 • 505-454-1401 • FAX 505-425-7335

ALFONSO E. ORTIZ, JR.

Mayor

**CITY OF LAS VEGAS
SPECIAL CITY COUNCIL AGENDA
May 13, 2015–Wednesday– 3:30 p.m.
City Council Chambers
1700 N. Grand Ave**

(The City Council shall act as the Housing Authority Board of Commissioners on any matters on the Agenda concerning the Housing Department.)

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. MOMENT OF SILENCE

V. APPROVAL OF AGENDA

VI. PUBLIC INPUT (not to exceed 3 minutes per person)

VII. BUSINESS ITEMS

1. Approval/Disapproval to award request for proposal (RFP) 2015-28, 2015/2016/2017 for Annual Audit Services and to enter into contract with Accounting Consulting Group.

Anna Marie Gallegos, Finance Director The City of Las Vegas requested audit proposals for the 2015, 2016 and 2017 Audits. We are requesting review and final approval by Mayor and Council.

VIII. EXECUTIVE SESSION

THE COUNCIL MAY CONVENE INTO EXECUTIVE SESSION IF SUBJECT MATTER OF ISSUES ARE EXEMPT FROM THE OPEN MEETINGS REQUIREMENT UNDER § (H) OF THE OPEN MEETINGS ACT.

- A. Personnel matters, as permitted by Section 10-15-1 (H) (2) of the New Mexico Open Meetings Act, NMSA 1978.**
- B. Matters subject to the attorney client privilege pertaining to threatened or pending litigation in which the City of Las Vegas is or may become a participant, as permitted by Section 10-15-1 (H) (7) of the New Mexico Open Meetings Act, NMSA 1978.**
- C. Matters pertaining to the discussion of the sale and acquisition of real property, as permitted by Section 10-15-1 (H) (8) of the Open Meetings Act, NMSA 1978.**

IX. ADJOURN

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office prior to the meeting so that arrangements may be made.

ATTENTION PERSONS ATTENDING COUNCIL MEETING: By entering the City Chambers, you consent to photography, audio recording, video recording and its/their use for inclusion on the City of Las Vegas Web-site, and to be televised on Comcast.

NOTE: A final agenda will be posted 72 hours prior to the meeting. Copies of the Agenda may be obtained from City Hall, Office of the City Clerk, 1700 N. Grand Avenue, Las Vegas, N.M 87701

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 05/01/2015 DEPT: FINANCE MEETING DATE: 05/13/2015

ITEM/TOPIC: 2015, 2016, 2017 Audit Proposal

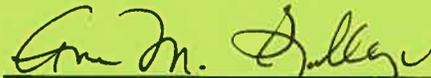
ACTION REQUESTED OF COUNCIL: Approval/Disapproval to award RFP 2015-28, 2015/2016,2017 Annual Audit Services and enter into contract with Accounting Consulting Group.

BACKGROUND/RATIONALE: The City of Las Vegas requested audit proposals for the 2015, 2016 and 2017 Audits. We are requesting review and final approval by Mayor and Council.

STAFF RECOMMENDATION: APPROVAL

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.


SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:


ALFONSO E. ORTIZ, JR.
MAYOR

ANN MARIE GALLEGOS
FINANCE DIRECTOR
(PROCUREMENT)


ELMER J. MARTINEZ
CITY MANAGER


PURCHASING AGENT
(FOR BID/RFP AWARD)


DAVE ROMERO
CITY ATTORNEY
(ALL CONTRACTS MUST BE REVIEWED)



CITY OF LAS VEGAS

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ALFONSO E. ORTIZ, JR.
Mayor

TO: Elmer J. Martinez, City Manager

FROM: Ann M. Gallegos, Finance Director

DATE: May 1, 2015

RE: Audit Proposals for 2015, 2016, 2017

The evaluation committee has evaluated audit proposals received from Ricci & Co., REDW, and Accounting and Consulting Group.

All firms were evaluated based on the criteria established by the State Auditor. The evaluation committee is recommending that the audit contract be awarded to Accounting and Consulting Group.

The evaluation form is attached for your review. The contract that is required by the State Auditor is also attached.

If there are any further questions regarding the above, please contact me.

TONITA GURULE-GIRON
Councilor, Ward 1

VINCE HOWELL
Councilor, Ward 2

JOSEPH "JOEY" HERRERA
Councilor, Ward 3

DAVID L. ROMERO
Councilor, Ward 4

Cost is to be evaluated ONLY upon completion of Part One of this two-part evaluation Form. Evaluate cost separately for the top THREE Choices ONLY from Part One Add Parts One and Two in making your FINAL recommendation.

EVALUATION OF AUDITEES

		Acctg Consult	Ricci	REDW
		Points	Points	Points
<p>Note: For multi-year proposal add the total of each year together to arrive at one total for the years' fees (\$5000 the combined total is \$15,000 which would be used in the calculation below)</p> <p><u>Complete the Calculation</u></p> <p>Insert the lowest cost proposal (from all proposals received) and divide it by The cost of the proposal the agency is recommending</p>				
	\$61,993			
	\$86,028			
	X10	21	24	21

SCORE				
Score Part One: Bring forward score from part one of Evaluation Form		241	164	190
FINAL SCORE		262	188	211

REQUEST FOR PROPOSALS

The City of Las Vegas, New Mexico will open Sealed Proposals at 2:00 p.m., April 16, 2015, at the City Council Chambers, 1700 North Grand Avenue, Las Vegas, New Mexico, or other designated area at the City Offices; ON THE FOLLOWING:

2015. 2016. 2017 ANNUAL AUDIT SERVICES

Proposal Forms and Specifications may be obtained from the following location:

1700 N GRAND AVE
LAS VEGAS, NM 87701

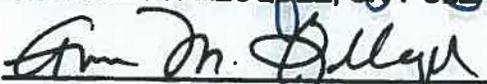
Mailed proposals should be addressed to the City Clerk, 1700 N. Grand Ave., Las Vegas, New Mexico 87701; with the envelope marked: 2015. 2016. 2017 ANNUAL AUDIT SERVICES Opening No. 2015-28; on the lower left-hand corner of the submitted envelope. It shall be the responsibility of the Offeror to see that their proposal is delivered to the City Clerk by the date and time set for the proposal request. If the mail or delivery of proposal request is delayed beyond the opening date and time, proposal thus delayed will not be considered. Proposals will be reviewed at a later date with possible negotiations to follow.

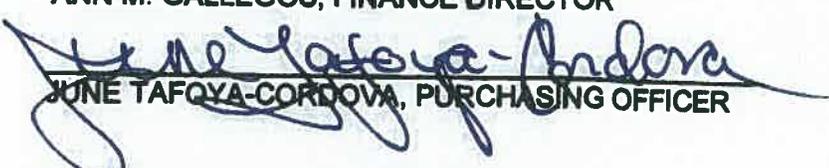
The City of Las Vegas reserves the right to reject any/or all proposals submitted.

CITY OF LAS VEGAS,


ELMER J. MARTINEZ, CITY MANAGER


CASANDRA FRESQUEZ, CITY CLERK


ANN M. GALLEGOS, FINANCE DIRECTOR


JUNE TAFQYA-CORDOVA, PURCHASING OFFICER

Opening No. 2015-28

Date Issued: March 27, 2015

Published: LAS VEGAS OPTIC
ALBUQUERQUE JOURNAL
www.lasvegasnm.gov

Date: April 1, 2015
Date: April 1, 2015

City of Las Vegas



Request for Proposals

For

2015-2016-2017

Annual Audit Services

RFP No. 2015-28

1. INTRODUCTION

The City of Las Vegas is requesting proposals for Independent Public Accountants (IPAs) to perform the annual financial and compliance audit of the Agency's financial statements for the fiscal years ending June 30, 2015, 2016 and 2017, Pursuant to the Audit Act, Section 12-6-3 (A) NMSA 1978:

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

The City invites audit firms approved by the NM Office of the State Auditor (offerors) to submit proposals in accordance with the outline and specifications contained in this Request for Proposals (RFP). This RFP contains a specific request for information. In responding to this RFP, offerors are encouraged to provide any additional information they believe is relevant. This RFP is being issued pursuant to the New Mexico Procurement Code and shall be governed by its provisions.

2. PROPOSAL FORMAT

Proposals must at a minimum contain the following information in the order listed, unless marked optional:

- a) Letter of Transmittal
- b) Table of Contents
- c) Proposal Summary (optional)
- d) Response to Mandatory Specifications
- e) Completed Cost Response Form, consisting of the following cost breakdown:

Financial Statement Audit	\$ _____
Federal Single Audit	\$ _____
Assist in preparation and printing of financial statement	\$ _____
Component unit	\$ _____
Other non-audit services-EZ audit	\$ _____
Gross receipts tax	\$ _____

Total Compensation \$ _____

- f) Response to Agency Terms and Conditions (Acceptance of Conditions forms).
- g) Offeror's Additional Terms and Conditions (optional)
- h) Other Supporting Material (optional)

3. **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, 2014 through June 30, 2015**:

- (1) Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
- (2) Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules—Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 14.52);
- (3) Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14.52), if applicable, consisting of:
 - (a) Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.20);
 - (b) Combining financial statements;
 - (c) Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - (d) Remaining supplemental information on schedules as required by NMAC Section 2.2.2.10.A(2)(f).

B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of

AU-C 730.05 to 730.09:

- (1) The Management Discussion and Analysis (MD&A);
 - (2) RSI data required by Statements 25, 27, 43 and 45 regarding pension plans and post-employment healthcare plans administered by defined benefit pension plans; and
 - (3) Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).
- C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).

3-A. ADDITIONAL OBJECTIVES AND SCOPE OF SERVICES FOR HOUSING AUTHORITY

- (1) The objective of the audit is to provide an opinion on the financial statements taken as a whole. The audit must meet the requirements of the HUD Audit Guide, Single Audit Act of 1996, Guidelines on Reporting and Attestation Requirements of Uniform Financial Reporting Standards (UFRS), GASB statements #33 and # 34 and Federal OMB Circular A-133, and literature which may amend or supersede these requirements.
- (2) The audit will be a financial and compliance audit. The audit of the Authority's financial records must be made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards Issued by the Comptroller General of the United States. The audited financial statements must be prepared in conformity with Generally Accepted Accounting Principles (GAAP).
- (3) An entrance conference will be held between the audit firm and City's staff as soon as practicable after the execution of the audit contract. The conference will include review of policies and procedures, a discussion of audit issues, audit staffing, staffing, scheduling, work papers, and other concerns of either party. At this conference, the audit firm shall provide check lists of materials and data required for the audit.
- (4) Regarding Housing Authority's Audit: the audit fieldwork should be completed by November 30th of each year, and the statements must be ready for distribution by December 1st of the calendar year following the audit year. The audited FDS submission shall be

completed by December 31st of the calendar year following the audit year.

- (5) Communication with the City on the status of the audit during and after the fieldwork is required. The audit manager shall provide weekly progress reports to the Finance Director. These progress reports will include any issues such as proposed audit adjustments and compliance comments that arise during the course of the audit. The audit firm will immediately advise the Finance Director of proposed audit findings.
- (6) Proposed audit adjustments, compliance comments and recommendations for improvement will be provided to management in final form within five days of the notation and must be resolved with management prior to close of the fieldwork.
- (7) The audit staff assigned to this contract will be consistent throughout the audit so that information does not need to be provided repeatedly.
- (8) Accompanying the financial statements, the Auditor will submit a Management Letter of Comments and Recommendations, if applicable, for improvement of program and financial management per the Auditor's opinion after examining the City's systems.
- (9) The management letter, if any, will provide sufficient background, detail and documentation of fact to support each finding. The City expects the management letter will incorporate the response to any finding.
- (10) The Auditor shall submit an audit report, which shall comply with the applicable reporting standards as contained in the publications aforementioned.
- (11) The auditor in charge will conduct an exit conference with the Finance Director and staff. At the exit conference, findings and recommendations regarding compliance and internal control shall be discussed. The Finance Director or a designee shall have the opportunity to respond, orally or in writing, to the findings. Any such written responses shall be included in the audit report. Additionally, the auditor in charge shall present the Audit Report to the Governing Body/Board of Commissioners.

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 15, 2015** and in accordance with NMAC Section 2.2.2.9:

- (1) an organized, bound and paginated hard copy of the Agency's audit report for review;
- (2) a copy of the signed management representation letter provided to the IPA by

the Agency as required by AU-C580;

- (3) a Summary of Findings Form available at www.osanm.org; and
 - (4) a copy of the completed State Auditor Report Review Guide available at www.osanm.org;
- B. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13.C. If the State Auditor does not receive copies of the engagement letter, management representation letter, summary of findings form and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.
- C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.
- D. Pursuant to NMAC Section 2.2.2.8.Q, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency. The Contractor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.
- E. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with TWO copies of the report and an electronic version of the audit report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver 25 copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.
- F. The Agency, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse designated by the Office of Management and Budget and each federal awarding agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

3. MANDATORY SPECIFICATIONS

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

- a) Offeror Experience
- b) On-Site Manager and Other on-Site Personnel
- c) Resumes
- d) External Quality Control Review
- e) Technical Plan
- f) Cost

4. EVALUATION OF PROPOSAL, RATING CRITERIA & AWARD

The City reserves the right to conduct discussions with responsible offerors who submit acceptable or potentially acceptable proposals. Proposals may be accepted and evaluated without such discussion.

The responsible offeror whose proposal is most advantageous to the City shall be selected to perform the services. Please see "Rating Criteria and Point Scale".

5. CONTRACT TERMS AND CONDITIONS

The contract used will be the State of New Mexico Audit Contract, a copy of which is attached.

- a) Scope of Work – As defined in the NM Audit Contract
- b) Delivery and Reproduction – As defined in the NM Audit Contract
- c) Compensation – As agreed to by the City and Contractor as approved by State Auditor
- d) Term – Effective on the date signed by the State Auditor and extending for a period of one year, subject to annual extensions, if agreed to and approved by the State Auditor, up to 3 years total.
- e) Termination, Breach and Remedies – As defined in the NM Audit Contract.
- f) Status of Contractor – The contractor and his agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor and his agents and employees shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City (if any) by virtue of the contract.
- g) Assignment – The Contractor shall not assign or transfer any interest in the contract or assign any claims for money due or to become due under the contract.
- h) Subcontracting – As defined in the NM Audit Contract.

- l) Records and Audit - As defined In the NM Audit Contract.
- j) Release - As defined In the NM Audit Contract.
- k) Confidentiality - As defined in the NM Audit Contract.
- l) Product of Service - Copyright - As defined In the NM Audit Contract.
- m) Conflict of Interest - The Contractor shall warrant that he 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 the contract. The contractor 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 state employee have been followed.
- n) Independence - As defined In the NM Audit Contract.
- o) Amendment - The contract shall not be altered or amended except by an instrument in writing executed by the parties and approved by the State Auditor. **The engagement letter and/ or any documentation included with the engagement letter shall not be interpreted to amend the contract.**
- p) Scope of Contract - As defined in the NM Audit Contract.
- q) Applicable Law - The contract shall be governed by the laws of the State of New Mexico.
- r) Agency Books and Records - As defined In the NM Audit Contract.
- s) Appropriations - As defined In the NM Audit Contract.
- t) Notice - As defined In the NM Audit Contract.
- u) Equal Opportunity Compliance - As defined in the NM Audit Contract.
- v) Working Papers - As defined In the NM Audit Contract.
- w) Engagement & Management Representation Letters - As defined In the NM Audit Contract.
- x) Designated on-site Staff - As defined In the NM Audit Contract.
- y) Other Provisions - As defined in the NM Audit Contract.

6. Protest

Any bidder, offeror or contractor who is aggrieved in connection with the procurement may protest to the Purchasing Department of the City. The protest shall be submitted in writing 15 calendar days after the fact or occurrence giving rise thereto.

7. ACCEPTANCE OF CONDITIONS

NOTICE: TO BE A VALID PROPOSAL, PROPOSAL MUST BE SIGNED BELOW
The undersigned certifies that he/she has read and understood the following general conditions and that the firm represented accepts the conditions and submits the attached proposal in full compliance with the General Proposal Conditions.

Name of Firm

Mailing Address of Firm

City, State and Zip Code

Telephone Number

Fax Number

Signature of Owner, Partner, Officer or Authorized Agent _____
Date

8. TERM

The term of this agreement shall be for a period of one (1) year, subject to annual extensions, if agreed to and approved by the State Auditor, up to 3 years total. Sixty (60) days prior to the end of each year of the agreement, City of Las Vegas may, without stating a cause, give notice of its intention to terminate the contract.

a. Termination

This Contract may be terminated by either of the parties hereto upon written notice delivered to the other party at least ninety (90) days prior to the intended date of termination. The written notice referred herein need not set forth reasons for any such termination. By such termination neither party may nullify obligations already incurred prior to the date of termination. This notice requirement may be shortened only upon a written agreement by the two parties. However, should the Contractor default in the Contract, the City retains the right to terminate this agreement immediately.

b. Timelines

All work shall be performed in a timely manner, as requested.

c. Communication with the City of Las Vegas

The Contractor shall be required to periodically update the City of Las Vegas Governing Body of the status of any project.

d. Work Stoppage

The City of Las Vegas retains a unilateral right to order, in writing, temporary stoppage of the work or delay of the performance of the work.

e. Assignability

The Contractor shall not assign, sublet or transfer their interests in this Contract without the written agreement of the City. If such an assignment is allowed, the Contractor shall be ultimately responsible to insure that the work is performed satisfactorily.

f. Scope of Contract

This Contract incorporates all the agreements, covenants, and understandings between the parties concerning the subject matter of this Contract, and all such agreements, covenants, or understandings, oral or written, of the parties or their agents shall not be valid or enforceable, unless embodied into this Contract.

g. Amendment

This Contract shall not be altered, changed or amended except by prior written agreement of the parties and with the prior written approval of the State Auditor. Any amendments to this Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978.

h. Professional Standards

The Contractor agrees to abide by and perform its duties in accordance with the ethics of its profession in all federal, state laws and municipal ordinances & regulations regulating the practice of engineering.

i. Authority to Bind the City

The Contractor shall not have the authority to enter into any contracts binding upon the City or to create any obligations on the part of the City, except such as shall be specifically authorized by the City's representative, acting pursuant to authority granted by the City.

j. Notices

Any notice required to be given under this Contract shall be deemed sufficient if given in writing by mail or hand-delivery to the City Clerk's office or by mail or hand delivery to the Consultant's Office.

k. Subject to other Documents

This Contract is subject to the terms and conditions of the statutes of the State of New Mexico and Ordinances of the City of Las Vegas, New Mexico as they exist at the time that this Contract is signed or as they are hereafter amended. All such statutes and ordinances are incorporated by reference into this agreement.

l. Conflict of Interest

The Contractor warrants that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services under this Contract.

m. Method of Payment

The Contractor shall submit itemized monthly statements of work performed as outlined herein. The City will then make payment by the 15th of the following month.

m. Binding Effect

This Contract shall be binding upon and shall insure to the benefit of the successors and assigns of the City and the Contractor.

o. Indemnification

The Contractor will indemnify, keep and hold harmless the City, its agents, officials, and employees, against all suits or claims that may be based on injury to persons or property that are a result of an error, omission, or negligent act of the Contractor or any person employed by or acting on behalf of Contractor.

p. Insurance

The Contractor must at all time hold errors and omissions liability insurance of at least \$1,000,000.00 and list the City of Las Vegas as an additional insured. Proof of compliance with this insurance requirement is to be provided to the City upon execution of this Contract.

STANDARD PROPOSAL CLAUSES

AWARDED PROPOSAL

Awarding of Proposal shall be made to the responsible Offeror whose Proposal best meets the specifications. The City of Las Vegas (City) reserves the right to reject any or all Proposals submitted.

TIMETABLE

Proposals pursuant to this request must be received at the City Clerk's Office at 1700 North Grand Avenue, Las Vegas, New Mexico, on or before: _____ 2:00pm; at which time all proposals received will be opened. The opening will occur at the City Council Chambers. Awarding of proposal is projected for: April, 2015 successful offeror will be notified by mail.

ENVELOPES

Sealed Proposal envelopes shall be clearly marked on the lower left-hand corner, identified by the Proposal name and opening number. Failure to comply with this requirement may result in the rejection of the submitted Proposal.

BRIBERY AND KICKBACK

The Procurement Code of New Mexico; (Section 13-1-28 through 13-1-199 N.M.S.A. 1978), impose a third degree felony penalty for bribery of a public official or public employee. In addition the New Mexico Criminal Statutes (Section 30-4-1 N.M.S.A. 1978), states that it is a third degree felony to commit offense of demanding or receiving a bribe by a public official or public employee. (Section 30-24-2 N.M.S.A. 1978), It is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks. In addition, (Section 30-41-1 through 30-41-3 N.M.S.A. 1978), states that it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks.

RESPONSIBILITY OF OFFEROR

At all times it shall be the responsibility of the Offeror to see that their Proposal is delivered to the City Clerk by the Date and Time scheduled for opening. If the mail or delivery of said proposal is delayed beyond the scheduled opening date and time set proposal, thus delayed will not be considered.

NON-COLLUSION

In signing their Proposal and Affidavit, the offeror certifies that he/she has not, either directly or indirectly entered into action of restraint of free competition, in the connection with the submitted Proposal.

CLARIFICATION OF PROPOSAL

Offeror requiring clarification or interpretation of the proposal specifications shall make a written request to the Department involved in this proposal request at least five (5) days prior to the scheduled proposal opening date; with a copy forwarded to the Finance Department. Any interpretations, correction, or changes (not part of the negotiation stage) of said proposal specifications shall be made by "ADDENDUM" only; Including any Opening Date or Time Change. Interpretations, corrections, or changes of said proposal made in any other manner (before opening and negotiation stage) will not be binding and offeror shall not rely upon such interpretations, corrections, and changes.

MODIFICATION OR WITHDRAWAL OF PROPOSAL

A Proposal may not be withdrawn or cancelled by the offeror following the scheduled opening date and time; the Offeror does so agree in submitting their Proposal. Prior to the schedule time and date of opening, proposals submitted early may be withdrawn, but may not be re-submitted.

APPLICATION OF PREFERENCE

Pursuant to (Section 13-1-21 and 13-1-22 N.M.S.A. 1978) any New Mexico resident business or resident manufacturer who wishes to receive the benefit of an "Application of Preference" must provide their Certification Number (issued by N.M. State Purchasing) with their proposal on the "OFFEROR INFORMATION/AFFIDAVIT" form.

FEDERAL TAX IDENTIFICATION NUMBER

Pursuant to IRS requirements, Offerors shall provide their Federal Tax ID Number if Offeror is incorporated. If Offeror is a sole proprietorship or partnership, then shall provide their Social Security Number.

FEDERAL TAX ID NUMBER: _____

SOCIAL SECURITY NUMBER: _____

NEW MEXICO TAX IDENTIFICATION NUMBER

Payment may be withheld under (Section 7-10-5 N.M.S.A. 1978) if you are subject to New Mexico Gross Receipts Tax and have not registered for a New Mexico (CRS) Tax Identification Number, contact the New Mexico Taxation & Revenue Department at (505) 827- 0700 for registering instructions.

New Mexico (CRS) Tax Identification Number: _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

The Bidder shall submit a completed Campaign Contribution Disclosure Form Pursuant to Chapter 81, Laws of 2006.

SPECIAL NOTICE

Proposal will be opened and all submitted copies will be checked for accuracy of Department's specific amount of copies requested. Any price or other factors of the submitted proposals will not be read out loud to anyone in attendance at the proposal opening. All factors of the submitted proposal are not public record to other offerors or interested parties before the negotiation or awarding process.

The department involved in the proposal request will evaluate all proposals submitted according to the evaluation criteria indicated in the proposal specifications.

NEGOTIATION

Pursuant to the City of Las Vegas Purchasing rules and regulations (section 6.7) discussions or negotiations may be conducted with a responsible offeror who submits an acceptable or potentially acceptable proposal.

CONTRACT

When the City issues a Purchase Order in response to an awarded proposal, a binding contract is created, (unless a specific contract has been created).

TAXES:

Bidder must pay all applicable taxes.

NOTE:

If bidder is from outside the City of Las Vegas, the successful bidder must pay Gross Receipts Tax in the City of Las Vegas. Successful bidder will be required to obtain a business license from the City of Las Vegas prior to commencing any project within the City limits.

A. DATE OF RECEIPT OF PROPOSALS

Proposals pursuant to this Request for Proposals must be received at the location and before the date given in the advertisement.

B. ENVELOPES

Sealed proposal envelopes shall be clearly marked "2015-2016-2017 Annual Audit Services" on the outside of the envelope. This information shall be placed on the lower left-hand corner of the envelope. Failure to comply with this requirement shall result in rejection of the proposal.

C. AWARD OF CONTRACT

The award shall be made to the responsible offeror and/or offerors whose proposal is most advantageous to the City of Las Vegas, taking into consideration the evaluation factor set forth in this request for proposals. The proposal will be ranked by a committee. It is anticipated that ranking will be completed by April, 2015. After initial ranking of the proposals, at the City's sole option, the City may decide to interview the top two or three ranked offerors to develop final rankings or may consider the rankings based on the proposals as being final. The City will undertake negotiations with the top ranked offerors and will not negotiate with lower ranked offerors unless negotiations with higher ranked offerors have been unsuccessful and have been terminated.

D. BRIBERY AND KICKBACKS

As required by Section 13-1-191, N.M.S.A., 1978, it should be noted that it is a third degree felony under New Mexico law to commit the offense of bribery of the public officer or public employee (Section 30-4-1, N.M. S. A., 1978); it is a third degree felony to commit the offense of demanding or receiving a bribe by any public employee (Section 30-24- 2, N.M.S.A., 1978); it is a fourth degree felony to commit the offense of soliciting or receiving illegal kickbacks (Section 30-40-1, N.M.S.A., 1978); it is a fourth degree felony to commit the offense of offering or paying illegal kickbacks (Section 30-41-2, N.M.S.A., 1978).

E. RESPONSIBILITY OF OFFEROR

At all times, it shall be the responsibility of the offeror to insure that their proposal is delivered to the City by the date and time set for the opening of proposals. If mail or delivery of said proposal is delayed beyond the deadline set for the proposal opening, proposals thus delayed will not be considered.

F. COST OF PREPARING AND SUBMITTING PROPOSALS

The City will not pay for any costs associated with the preparation of submission.

G. NEW MEXICO TAX IDENTIFICATION NUMBER REQUIREMENT

New Mexico Tax Identification No.: _____

Federal Tax ID Number: _____

Social Security Number: _____

Payment may be withheld under Section 7-10-5, N.M.S.A., 1978, if you are subject to New Mexico Tax and have not registered for a New Mexico Tax Identification Number. Contact the New Mexico Taxation & Revenue Department at (505) 827-0700 for registering information.

OFFEROR INFORMATION

OFFEROR: _____

AUTHORIZED AGENT: _____

ADDRESS: _____

TELEPHONE NUMBER (_____) _____

FAX NUMBER (_____) _____

DELIVERY: _____

NEW MEXICO TAX IDENTIFICATION NUMBER (CRS): _____

NEW MEXICO CONTRACTORS LICENSE NO.: _____

SERVICE (S: **2015-2016-2017 ANNUAL AUDIT SERVICES**) _____

THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM.

AFFIDAVIT FOR FILING WITH COMPETITIVE PROPOSAL

STATE OF _____ }-

} ss

COUNTY OF _____ }-

I, _____ of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the offerors to submit the attached proposal. Affiant further states that the offeror has not been a party to any collusion among offerors in restraint of freedom of competition by agreement to a fixed price or to refrain from submitting a proposal; or with any city official or employee as to the quantity, quality or price in the prospective contract, or any other terms of said prospective contract; or in any discussion between offerors with any City official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Signature

Subscribed and sworn to before me, this _____ day of _____, 20_____.

(SEAL)

Notary Public Signature

My Commission Expires: _____
CONTRACT No. _____ Expires on: _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. 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.

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.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

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

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

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

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

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

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor:

Name of Applicable Public Official:

Date Contribution(s) Made:

Amount(s) of Contribution(s)

Nature of Contribution(s)

Purpose of Contribution(s)

(The above fields are unlimited in size)

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)



CITY OF LAS VEGAS

1700 N. GRAND AVE. • LAS VEGAS, NEW MEXICO 87701-4731 • 505-454-1401 • FAX: 505-425-7335

ALFONSO E. ORTIZ, JR.
Mayor

IPA Recommendation Form for Audits

(Please print on your agency's letterhead)

- ❖ Complete the audit contract (including obtaining the IPA's signature) and submit it to the Office of the State Auditor with this form by the deadline indicated at 2.2.2.8(G)(6)(c).

I. Agency Contact Information

Name of Agency: City of Las Vegas
Address of Agency: 1700 North Grand Avenue, Las Vegas, New Mexico 87701
Phone # of Agency: 505-426-3251 FAX# of Agency 505-425-7335
City: Las Vegas (State: NM) Zip: 87701 Web Site Address: lasvegasnm.gov

Agency Head Contact Information

Name of Agency Head: Elmer J. Martinez Title of Agency Head: City Manager
E-mail address of Agency Head: ejmartinez@ci.las-vegas.nm.us

Agency Contact Information

Name of Agency Contact: Ann M. Gallegos Title of Agency Contact: Finance Director
Phone # of Agency Contact: 505-426-3251 FAX# of Agency Contact 505-425-7335
E-mail address of Agency Contact: amgallegos@ci.las-vegas.nm.us

Note: Please fill out e-mail address of contact person. All fully executed contracts will be sent via e-mail.

II. Recommended Independent Public Accountant (IPA) Information

As required by the Audit Rule, Section 2.2.2.8.E(3), an IPA subject to contract restriction is responsible for informing this agency whether it is eligible to engage in this proposed contract. By signing the signature page, I am verifying herein that the IPA has certified its eligibility to engage in this proposed contract.

Name of IPA Firm:
Accounting & Consulting Group, LLP
Phone # 505-883-2727 Fax: 505-884-6719 E-mail
Address: 2700 San Pedro NE, Albuquerque, New Mexico 87110

Note: If there is a change in the On-Site Manager, the Office of the State Auditor must be notified in writing.

III. Important Dates

For which Fiscal Year (FY) is this recommendation being made: 2015
Estimated Audit Start Date July 15, 2015 Estimated Completion Date December 15, 2015

IV. Single Audit Requirement

Please check the box below that applies to your agency (a Single Audit should have been included in the procurement if the agency expended \$500,000 or more of federal funds:

- My agency procured an annual financial and compliance audit **without** a Single Audit.
- My agency procured an annual financial and compliance audit **with** a Single Audit.

TONITA GURULE-GIRON
Councillor, Ward 1

VINCE HOWELL
Councillor, Ward 2

JOSEPH "JOEY" HERRERA
1
Councillor, Ward 3

DAVID L. ROMERO
Councillor, Ward 4

V. Multi-Year Certification

Please check the appropriate box below:

- This is a multi-year award and this request applies to the 1st year of a 3 year Proposal.
 This is a one year procurement award for only the fiscal year indicated in Section III.

VI. Fee and Hour Breakdown

Category	The first year of our 3-year procurement was FY 20 <u>15</u> (or use just these columns for one-year procurement)		The second year of our 3-year procurement was FY 20 <u>16</u>		The third year of our 3-year procurement was FY 20 <u>17</u>	
	Year 1 Hours	Year 1 Cost	Year 2 Hours	Year 2 Cost	Year 3 Hours	Year 3 Cost
Financial Statement Audit	465	\$ 48,825.00	465	\$ 48,825.00	465	\$ 48,825.00
Financial Statement Preparation	80	\$ 8,400.00	80	\$ 8,400.00	80	\$ 8,400.00
Federal Single Audit	85	\$ 8,925.00	85	\$ 8,925.00	85	\$ 8,925.00
Other allowed non-audit services						
Component Units	150	\$ 15,350.00	150	\$ 15,350.00	150	\$ 15,350.00
Other						
SUBTOTAL		\$ 81,500.00		\$ 81,500.00		\$ 81,500.00
Gross Receipts Tax		\$ 6,639.00		\$ 6,639.00		\$ 6,639.00
TOTAL	780	\$ 88,139.00	780	\$ 88,139.00	780	\$ 88,139.00

**STATE OF NEW MEXICO
AUDIT CONTRACT
(Combined City-County Government)**

City of Las Vegas

hereinafter referred to as the "Agency," and

Accounting & Consulting Group, LLP

hereinafter referred to as the "Contractor," agree:

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

1. SCOPE OF WORK (Include in Paragraph 25 any expansion of scope)

A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from **July 1, 2014 through June 30, 2015**:

- (1) Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
- (2) Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules—Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 14.52);
- (3) Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14.52), if applicable, consisting of:
 - (a) Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.20);

- (b) Combining financial statements;
 - (c) Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - (d) Remaining supplemental information on schedules as required by NMAC Section 2.2.2.10.A(2)(f).
- B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:
- (1) The Management Discussion and Analysis (MD&A);
 - (2) RSI data required by Statements 25, 27, 43 and 45 regarding pension plans and post-employment healthcare plans administered by defined benefit pension plans; and
 - (3) Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).
- C. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, OMB Circular A-133, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).

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, 2015** and in accordance with NMAC Section 2.2.2.9:
- (1) an organized, bound and paginated hard copy of the Agency's audit report for review;
 - (2) a copy of the signed management representation letter provided to the IPA by the Agency as required by AU-C580;
 - (3) a Summary of Findings Form available at www.osanm.org; and
 - (4) a copy of the completed State Auditor Report Review Guide available at www.osanm.org;

- B. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13.C. If the State Auditor does not receive copies of the engagement letter, management representation letter, summary of findings form and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.
- C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.
- D. Pursuant to NMAC Section 2.2.2.8.Q, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency. The Contractor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.
- E. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with **TWO** copies of the report and an electronic version of the audit report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver _____ copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.
- F. The Agency, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse designated by the Office of Management and Budget and each federal awarding agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

3. COMPENSATION

- A. The total amount payable by the Agency to the Contractor under this Contract, including New Mexico gross receipts tax and expenses, shall not exceed \$ 88,139.00.
- B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. In accordance with Section 12-6-14(A), NMSA 1978, and NMAC Section 2.2.2.8.N(1), Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this Contract prior to approval by the State Auditor.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	\$ 48,825.00
(2) Federal single audit	\$ 8,925.00
(3) Financial statement preparation	\$ 8,400.00
(4) Other nonaudit services, such as depreciation schedule updates	
(5) Other (i.e., component units, specifically identified)	\$ 15,350.00

Gross Receipts Tax = \$ 6,639.00

Total Compensation = \$ 88,139.00

D. The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this Contract and invoiced by the Contractor. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below.

E. Pursuant to Section 12-6-14, NMSA 1978 and NMAC Section 2.2.2.8.N, the State Auditor may authorize progress payments to the Contractor by the Agency; provided that the authorization is based upon evidence of the percentage of audit work completed as of the date of the request for partial payment. Progress payments up to 69% do not require State Auditor approval, provided that the Agency certifies receipt of services. The Agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed prior to making the 69% payment. Progress payments from 70% to 90% require State Auditor approval after being approved by the Agency. If requested by the State Auditor, the Agency shall provide a copy of the approved progress billings. The State Auditor may allow only the first 50% of progress payments to be made without State Auditor approval if the Contractor's previous audits were submitted after the due date. Final payment for services rendered by the Contractor shall not be made until a determination and written finding is made by the State Auditor in the release letter that the audit has been made in a competent manner in accordance with the provisions of this Contract and applicable rules of the State Auditor.

4. **TERM**

A. THIS CONTRACT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE STATE AUDITOR. Unless terminated pursuant to Paragraphs 5 or 19, this Contract shall terminate one calendar year after the date on which it is signed by the State Auditor.

B. If awarded based on a multi-year proposal, each permitted annual extension of the Contract shall be executed by mutual agreement of the parties and approval of the State Auditor pursuant to NMAC Section 2.2.2.8.G(4).

5. TERMINATION, BREACH AND REMEDIES

A. This Contract may be terminated:

- (1) By either party without cause, upon written notice delivered to the other party and the State Auditor at least ten (10) days prior to the intended date of termination.
- (2) By either party, immediately upon written notice delivered to the other party and the State Auditor, if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the report in accordance with Paragraph 2 shall constitute a material breach of this Contract.
- (3) By the Agency pursuant to Paragraph 19, immediately upon written notice to the Contractor and the State Auditor.
- (4) By the State Auditor, immediately upon written notice to the Contractor and the Agency after determining that the audit has been unduly delayed, or for any other reason.

B. By termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. If the Agency or the State Auditor terminates this Contract, the Contractor shall be entitled to compensation for work performed prior to termination in the amount of earned, but not yet paid, progress payments, if any, that the State Auditor has authorized to the extent required by Paragraph 3(E). If the Contractor terminates this Contract for any reason other than Agency's breach of this Contract, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.

C. Pursuant to NMAC Section 2.2.2.8.D, the State Auditor may disqualify the Contractor from eligibility to contract for audit services with the State of New Mexico if the Contractor knowingly makes false statements, false assurances or false disclosures under this Contract. The State Auditor on behalf of the Agency or the Agency may bring a civil action for damages or any other relief against a Contractor for a material breach of this Contract.

D. THE REMEDIES HEREIN ARE NOT EXCLUSIVE, AND NOTHING IN THIS SECTION 5 WAIVES OTHER LEGAL RIGHTS AND REMEDIES OF THE PARTIES.

6. STATUS OF CONTRACTOR

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the Agency. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles or any other benefits afforded to employees of the Agency as a result of this Contract. The Contractor agrees not to purport to bind the State of New Mexico to any obligation not assumed under this Contract unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. ASSIGNMENT

The Contractor shall not assign or transfer any interest in this Contract or assign any claims for money due or to become due under this Contract.

8. SUBCONTRACTING

The Contractor shall not subcontract any portion of the services to be performed under this Contract without the prior written approval of the Agency and the State Auditor. An agreement between the Contractor and a subcontractor to subcontract any portion of the services under this Contract shall be completed on a form prescribed by the State Auditor. The agreement shall be an amendment to this Contract and shall specify the portion of the audit services to be performed by the subcontractor, how the responsibility for the audit will be shared between the Contractor and the subcontractor, the party responsible for signing the audit report and the method by which the subcontractor will be paid. Pursuant to NMAC Section 2.2.2.8.L, the Contractor may subcontract only with independent public accounting firms that are on the State Auditor's List of Approved Firms pursuant to NMAC Section 2.2.2.8.B, and that are not otherwise restricted by the Office from entering into such a contract pursuant to NMAC Section 2.2.2.8.E.

9. RECORDS

The Contractor shall maintain detailed time records that indicate the date, time, and nature of services rendered during the term of this Contract. The Contractor shall retain the records for a period of at least five (5) years after the date of final payment under this contract. The records shall be subject to inspection by the Agency and the State Auditor. The Agency and the State Auditor shall have the right to audit billings both before and after payment. Payment under this Contract shall not foreclose the right of the Agency or the State Auditor on behalf of the Agency to recover excessive or illegal payments.

10. RELEASE

The Contractor, upon receiving final payment of the amounts due under the Contract, releases the State Auditor, the Agency, their respective officers and employees and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Contract. This paragraph does not release the Contractor from any liabilities, claims or obligations whatsoever arising from or under this Contract.

11. CONFIDENTIALITY

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

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

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

13. CONFLICT OF INTEREST

The Contractor represents and warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. Each of the Contractor and the Agency certifies that it has followed the requirements of the Governmental Conduct Act, Section 10-16-1, et seq., NMSA 1978, regarding contracting with a public officer, state employee or former state employee, as required by the applicable professional standards.

14. INDEPENDENCE

The Contractor represents and warrants its personal, external and organizational independence from the Agency in accordance with the *Government Auditing Standards 2011 Revision*, issued by the Comptroller General of the United States, and NMAC Section 2.2.2.8.M. The Contractor shall immediately notify the State Auditor and the Agency in writing if any impairment to the Contractor's independence occurs or may occur during the period of this Contract.

15. AMENDMENT

This Contract shall not be altered, changed or amended except by prior written agreement of the parties and with the prior written approval of the State Auditor. Any amendments to this Contract shall comply with the Procurement Code, Sections 13-1-28 through 13-1-199, NMSA 1978.

16. MERGER

This Contract supersedes all of the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract. Contractor and Agency shall enter into and execute an engagement letter pursuant to NMAC Section 2.2.2.8.Q, consistent with Generally Accepted Auditing Standards (GAGAS). **The engagement letter and any associated documentation included with or referenced in the engagement letter shall not be interpreted to amend this Contract. Conflicts between the engagement letter and this Contract are governed by this Contract, and shall be resolved accordingly.**

17. APPLICABLE LAW

The laws of the State of New Mexico shall govern this Contract. By execution of this Contract, Contractor irrevocably consents to the exclusive personal jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising from or related to this Contract.

18. AGENCY BOOKS AND RECORDS

The Agency is responsible for maintaining control of all books and records at all times and the Contractor shall not remove any books and records from the Agency's possession for any reason.

19. APPROPRIATIONS

The terms of this Contract are contingent upon sufficient appropriations and authorization being made by the legislature or the Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the legislature or the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. This section of the Contract does not supersede the Agency's requirement to have an annual audit pursuant to Section 12-6-3(A) NMSA 1978.

20. PENALTIES FOR VIOLATION OF LAW

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

21. EQUAL OPPORTUNITY COMPLIANCE

The Contractor shall abide by all federal and state laws, rules and regulations, and executive orders of the Governor of the State of New Mexico pertaining to equal employment opportunity. In accordance with all such laws, rules, regulations and orders, the Contractor assures that no person in the United States shall, on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap or serious medical condition, spousal affiliation, sexual orientation or gender identity be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Contract. If the Contractor is found not to be in compliance with these requirements during the life of this Contract, the Contractor shall take appropriate steps to correct these deficiencies.

22. WORKING PAPERS

- A. The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years after the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit,

oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor or the Agency, the Contractor shall deliver the original or clear, legible copies of all working papers to the requesting entity.

- B. If the Contractor wishes to review the working papers of a predecessor, Contractor shall request that the Agency seek delivery of the working papers from a predecessor contractor.

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is ROBERT GONZALES. 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.

SIGNATURE PAGE

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

AGENCY

NAME: _____

BY: Elmer J. Martinez

TITLE: City Manager

DATE: _____

CONTRACTOR

NAME: _____

BY: Ray Roberts

TITLE: Managing Partner

DATE: _____

This Contract has been approved by:

OFFICE OF THE STATE AUDITOR

BY: _____

TITLE: DEPUTY STATE AUDITOR

DATE: _____

State Auditor Contract No. 15 -