

# Administrative Office of the Courts

Supreme Court of New Mexico

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## REQUEST FOR PROPOSAL

### FOR INDEPENDENT PUBLIC ACCOUNTANT TO PERFORM FISCAL YEAR 2021 ANNUAL AUDIT

**Issue Date: April 2, 2021**

**Deadline for Receipt of Proposals:  
May 3, 2021, by 4:00 p.m.**

Contact Info:

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

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## **Background Information**

This Request for Proposals (RFP) has been developed for the purpose of soliciting, evaluating, and selecting proposals for an Independent Public Accountant (IPA) in a fair and competitive manner. If an offeror fails to meet any mandatory items set forth in this RFP, the proposal will be declared nonresponsive.

All costs incurred by the offeror in the preparation, transmittal, or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the offeror, whether or not the offeror is the successful offeror.

Before the award is made, the Administrative Office of the Courts may conduct discussions with offerors who submit proposals that are determined to be reasonably susceptible of being selected for awards, but the award may be made without such discussions.

When it is in the best interest of the State of New Mexico, the RFP may be canceled, or any and all proposals may be rejected in whole or in part. An Agreement reached with the successful offeror may be renewed each year for an additional two years at the option of the Administrative Office of the Courts and the agreement of the Contractor.

Any protests of the award must be made in accordance with the procurement code, NMSA 1978, Section 31-11-1 to Section 13-11-199.

This RFP is being issued to hire an (IPA) to perform the audit of the financial statements for the fiscal year ending **June 30, 2021** with an option to renew through **June 30, 2023**, for the following Judicial agencies that will be audited and reported separately: (1) NM Supreme Court; (2) NM Court of Appeals; (3) NM Compilation Commission; (4) Administrative Office of the Courts (Administration, Fiscal Services Division - including Federal Grants and Federal Single Audit if applicable, Human Resources Division, Court Operations Division, Special Court Services Division and Judicial Information Division).

## **Solicitation of Proposals**

Through this RFP, the Administrative Office of the Courts is soliciting proposals for an (IPA). The successful bidder will be familiar with the Generally Accepted Governmental Auditing Standards (GAGAS), U.S. General Accounting Office (GAO) Governmental Auditing Standards, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards, including GASB 34 up to and including the most recent GASB pronouncements, AICPA Audit and Accounting Guide - Audits of State and Local Governmental Units, Single Audit Act Amendments of 1996 and latest edition/revision to OMB Circular A-133, audits of states, local governments, and non-profit organizations, and the State Auditor's Rules and Regulations.

## Revision and Withdrawals

If it becomes necessary to revise any part of the RFP or if additional information is needed to clarify any provision of the RFP, the revision and/or additional information shall be provided to all persons who receive the RFP packet. All persons intending to make an offer shall provide written acknowledgment of receipt of any revisions or supplements. The Administrative Office of the Courts shall not issue a revision or supplement to the RFP less than seven working days before the deadline set for receipt of proposals, unless the Administrative Office of the Courts extends the deadline.

Applicants may revise or withdraw their proposal before the proposal submission deadline date and time by delivering written notice to **Suzette A. Fronk, CFO, Fiscal Services Division - Administrative Office of the Courts, 237 Don Gaspar Ave., Room 25, Santa Fe, NM 87501.** The revisions or withdrawal must be signed by the person submitting the proposal.

## Scope of Work

**Task 1.** Conduct an annual audit for the fiscal year ending **June 30, 2021**, for the NM Supreme Court, NM Supreme Court Building Commission, NM Supreme Court Law Library, NM Court of Appeals, NM Compilation Commission, Administrative Office of the Courts (Administration, Fiscal Services Division - including Federal Grants and Federal Single Audit if applicable, Human Resources Division, Court Operations Division, Special Court Services Division and Judicial Information Division). The audit must be conducted in accordance with the latest effective editions of: **(1)** Generally Accepted Government Auditing Standards (GAGAS) issued by the U.S. General Accounting Office, the 2007 revision, as amended by Interim Guidance on Reporting Deficiencies in Internal Control for GAGAS Financial Audits and Attestation Engagements; **(2)** Codification of Statements on Auditing Standards (SAS) issued by the AICPA, latest edition; **(3)** OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, (July 28, 2003 revision which raised the threshold for Single Audits from \$300,000 to \$500,000 of federal expenditures) as amended; **(4)** AICPA Audit Guide, Government Auditing Standards and Circular A-133 Audits, latest edition; **(5)** AICPA Audit and Accounting Guide, State and Local Governments, latest edition; and **(6)** 2.2.2 NMAC, Requirements for Contracting and Conducting Audits of Agencies, latest edition; **(7)** NM State Auditor's Rules and Regulations; and **(8)** Other applicable pronouncements.

***Note: The Judicial Information Division's funds, Court Operation's funds, Special Court Service's funds and the Administrative Office of the Court funds are reported in the Administrative Office of the Court's financial statements.***

**Task 2.** Assist, if necessary, in preparing Financial Statements and Audit Report for each judicial agency. Each agency will provide a working Trial Balance, Adjusting Journal Entries (AJE), Reclassification Entries, Notes to the Financial Statements, and Fixed Asset Listings with supporting schedules and draft financial statements. ***(Note: The agencies mentioned in this RFP acknowledge that the financial statements are the responsibility of the AOC.)***

## Timetable for Work and Deliverables

The final audit reports are due to the Office of the State Auditor by **November 1, 2021 or 60 days after the Department of Finance and Administration's deadline for agencies to certify audit readiness, as determined in the Year End Deadlines for Fiscal Year 2021, whichever comes first.** The number of copies of the final audit report to be provided to each judicial agency is as follows:

NM Supreme Court - 6 copies; 1 electronic copy  
NM SC Building Commission – 2 copies; 1 electronic copy  
NM SC Law Library – 2 copies; 1 electronic copy  
Court of Appeals - 6 copies; 1 electronic copy  
Compilation Commission - 2 copies; 1 electronic copy  
AOC - 5 copies; 1 electronic copy

## Proposal Submission

The **original** plus **four (4)** copies of an applicant's proposal must be received by **Suzette A. Fronk, CFO, Fiscal Services Division**, Administrative Office of the Courts, at the address indicated on the cover page of the RFP packet no later than 4:00 pm Mountain Standard Time on **May 3, 2021**. The Administrative Office of the Courts will date and time-stamp every proposal received immediately upon receipt. All proposals received before the proposal submission deadline will be kept in a secure location until the due date and time.

Proposals shall be signed and sealed, and envelopes containing proposals are to be marked **“PROPOSAL FOR FINANCIAL AND COMPLIANCE AUDIT”**.

Faxed proposals will **not** be accepted.

Applications must be received by the submission deadline to be accepted for review. Requests for extensions of this deadline shall not be granted. Proposals received after the submission deadline will not be accepted and will be returned to the applicant unopened.

The applicant's original proposal must be unbound with no staples, paper clips, fasteners, or heavy or light-weight paper stock within the document itself. It may be necessary to reproduce the original application to provide sufficient copies for review purposes. Therefore, the applicant should not include anything that cannot be photocopied using automatic processors. Such items include anything stapled, folded, pasted, or in a size other than 8 ½" x 11" on white paper and heavy or light-weight paper that could disable the photocopy machine and/or become destroyed. Odd-sized attachments of any kind will not be copied or sent to reviewers. Excessive or oversized material, e.g., posters, videotapes, audiotapes or CDs should not be included.

## Proposal Format

The proposal must be submitted as an original plus **four (4)** copies as stated in the Proposal Submission section.

Because application materials could accidentally get out of order when being processed, every sheet of the proposal must have a page number. Proposal pages must be numbered consecutively from beginning to end (for example, page 1 for the Cover Page, page 2 for Letter of Transmittal, etc.). Any attachments should be labeled and separated from the narrative and budget section, and the page numbers should be continued in sequence.

Prospective IPAs will be required to sign a standard contract form or the proposal will be deemed as unresponsive. Proposals must, at a minimum, contain the following information:

- A. Letter of Transmittal;
- B. Proof that the Offeror has provided a current firm profile to the State Auditor's Office;
- C. A copy of external quality control review (Peer Review), including a copy of the corresponding management letter, comments or a copy of a contract for an upcoming review. The external quality control review must include the date the review was performed and the names of the reviewers;
- D. A detailed statement of the Offeror's general background and resources;
- E. A detailed statement of the Offeror's relevant experience and expertise in the auditing of public funds and specifically any relevant experience (within last two years) in auditing Judicial agencies;
- F. Names, qualifications and number of years auditing governmental entities of key personnel to be assigned to the performance of the contract;
- G. A detailed technical plan and time estimate for the completion of major segments of the audit: planning; interim fieldwork; fieldwork; and reporting;
- H. A detailed approach for planning and conducting the work efforts of subsequent years for multi-year contract; and
- I. The Offeror's hourly composite rate, total estimated hours to complete the audit, and the total cost the Offeror will charge to the AOC to perform the audit. **All out-of-pocket or incidental expenses, including travel, should be included in the composite rate.**

***Note: When summarizing the costs for performing and preparing the audit for the agencies identified above, please use the format identified in State Auditor Rule - Procuring Contracts.***

Within each section of the proposal, applicants should address the items in the RFP.

Any proposal that does not adhere to this format and does not address each specification and requirement within the RFP may be deemed nonresponsive and rejected on that basis. All material submitted in response to this RFP becomes the property of the State of New Mexico.

Each offeror, by making a proposal, represents that the offeror has read and understands the proposal requirements and the proposal thereby submitted.

### **Letter of Transmittal**

The Letter of Transmittal must:

- 1) identify the RFP (Proposal for Independent Public Accountant for **Fiscal Year 2021** audit);
- 2) identify the applicant;
- 3) identify the applicant's address, telephone and fax;
- 4) indicate the date of the proposal;
- 5) include federal tax number and New Mexico Gross Receipts Tax number, if applicable;
- 6) explicitly indicate acceptance of all requirements of the RFP including a statement that the IPA agrees to provide all services and adhere to all requirements, specifications, terms and contract provisions set forth in this request for proposal and in 2 NMAC 2.2, ***Requirements for Contracting and Conducting Governmental Audits***; and
- 7) acknowledge receipt of any and all amendments to this RFP.

### **Evaluation of Proposals**

A representative of the Administrative Office of the Courts will open the proposals immediately after the deadline and will record them in the proposal log. The representative will perform a preliminary review of the proposals to determine compliance with the mandatory requirements of the RFP. The Evaluation Committee will review all proposals and evaluate each according to the evaluation criteria. Interviews may be conducted with the offeror's key personnel.

The contents of any proposal shall be kept confidential during the evaluation process.

After the selection of a proposal, the register of proposals shall be open to public inspection. An applicant may request in writing nondisclosure of confidential data. Such data shall accompany the proposal and shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

All proposals received by the Administrative Office of the Courts on or before the submission deadline shall become the property of that office and shall not be returned to the applicant. The Administrative Office of the Courts shall have the right to use any or all ideas contained in the proposal. Acceptance or rejection of a proposal shall not affect this right.

The Evaluation Committee shall evaluate each proposal using the following weighted criteria. It is important that proposals address each item in sufficient detail to provide the best possible evaluation:

Capability of Firm	30%
Work Requirements and Technical Approach	15%
Technical Experience	40%
Firm Strengths or Weaknesses	5%
Budget explanation	<u>10%</u>
Total:	100%

## **Notification of Selection and Rejection**

The Administrative Office of the Courts will send an award letter to the successful applicant and will send regret notifications to unsuccessful bidders.

## **Link to State Auditor's Office**

1) New Mexico State Auditor's Office - State Auditor Rule 2021

Link: [http://www.saonm.org/state\\_auditor\\_rule](http://www.saonm.org/state_auditor_rule)

2) State of New Mexico Sample Audit Contract

Link: [http://www.saonm.org/procuring\\_contracts](http://www.saonm.org/procuring_contracts)