

**HOBBS MUNICIPAL SCHOOLS**

**P.O. Box 1030**

**Hobbs, New Mexico 88241**

**REQUEST FOR PROPOSAL**

**SUBJECT:** Audit Services for Hobbs Municipal Schools

**RFP NUMBER:** 2324-16

**OPENING DATE:** April 10<sup>th</sup>, 2024 - 10:00 a.m.

**PLACE OF OPENING:** Hobbs Municipal Schools  
Administration Office  
1515 E. Sanger - P.O. Box 1030  
Hobbs, New Mexico 88241

**PART I - INSTRUCTIONS TO OFFERORS**

1. The Hobbs Board of Education reserves the right to accept or reject any or all proposals and to waive any technicalities, irregularities or formalities. This inquiry implies no obligation on the part of the District nor does the District's silence imply any acceptance or rejection of any proposal offer.
2. Sealed proposals will be received by the Hobbs Board of Education in accordance with the Proposal Advertisement. Offerors shall use the proposal form included with the specifications. Proposal forms must bear the signature of the offeror to be considered or will be deemed unresponsive. Pursuant to NMSA 1978, § 13-1-191.1 (2006), offerors shall complete the attached Campaign Contribution Disclosure form. By submitting a sealed proposal, the IPA implies compliance with Generally Accepted Government Auditing Standards (GAGAS) 3.02 and 2.2.2.8 Subsection H of 2.2.2 NMAC. Failure of offerors to complete proposal documents in accordance with all instructions provided is cause for the Hobbs Board of Education to reject proposals.

**Please submit four copies of your proposal.**

3. Proposals must be submitted in a sealed envelope. To expedite identification of proposal envelopes and to ensure security, place the RFP # on the lower left-hand corner of the envelope. If unable to provide a proposal for this engagement, the IPA is requested to return the proposal packet with the term "NO PROPOSAL" written on the proposal form. The entire REQUEST FOR PROPOSAL is to be returned (or a complete facsimile), not just the proposal form, along with any addenda. In addition, the IPA should include any additional materials which it is felt will prove enlightening as to professional credentials. It is the offeror's responsibility to deliver its proposal to the place designated for the opening of the proposals. All proposals must be received on or before the due date and time.
4. All proposals are subject to all applicable taxes. Any contracts that include labor or services require that the full amount be subject to gross receipts tax applicable by state law. Do not include the taxes in the total proposal price. Taxes will be added and paid at time of billing.
5. Detailed specifications of the services required are attached. Compliance with all specifications and conditions is required. All proposals must include a detailed statement of exceptions taken to any part of the request.
6. The District shall not be responsible for expenses incurred in preparing and submitting a proposal.

**Part I cont...**

7. RFP Amendments Should any amendment to this Request for Proposals be deemed necessary between issuance of the Request for Proposals and the proposal submission deadline, it will be distributed in writing to all recipients of the original RFP. If an amendment requires a time extension, the proposal submission date will be changed as part of the written amendment.
8. The Hobbs Municipal Schools reserve the right to terminate the contracted services at any time.
9. Unsigned proposals will not be considered.

Proposals will not be opened publicly but shall be opened in the presence of the procurement officer and one or more District employees.

Hobbs Municipal Schools audit must be completed and returned to the State Auditor's office by November 15th of the same year audited.

10. Proposals received after the Deadline are non-responsive. Proposals will be reviewed for completeness and compliance with mandatory requirements. If any proposal submitted is deemed non-responsive, the offeror will be notified in writing of such determination.
11. Proposal Evaluation The Selection Committee will review each proposal. Points will be allocated as outlined in the evaluation criteria of this RFP to determine the best responsible proposal. The Hobbs Municipal Schools (the "Schools") will forward recommendations to the Hobbs Schools Board of Education which will make an award subject to approval by the State Auditor. The Hobbs Municipal Schools reserves the right to accept proposals in their entirety, or portions thereof, and to reject any or all proposals and to waive informalities.

**PART II – NEGOTIATIONS AND AWARDS**

Proposals may be modified or withdrawn prior to the established opening date and time. The Board reserves the right to hold discussions with any or all offerors who submit proposals determined to be acceptable or potentially acceptable in order to promote understanding of the Board's requirements and the offeror's proposals. (13-1-115, NMSA, 1978) Any substantial oral clarification of an offeror's proposal shall also be submitted in writing by the offeror to be made a permanent part of the procurement file.

Negotiations may be held to facilitate arriving at a contract that will be most advantageous to the District. Negotiations will begin with the vendor evaluated with the highest number of points. If negotiations produce an acceptable contract, no further negotiations will be held. If an acceptable contract cannot be reached, negotiations will continue with the vendor awarded the second highest number of evaluation points and so forth, until an acceptable contract is reached. Any changes to the proposal developed during the negotiation process shall be submitted in writing by the offeror to be made a permanent part of the procurement file.

**Part II cont...**

During the negotiation process, the contents of any proposal shall not be disclosed so as to be available to competing offerors. (13-1-116, NMSA, 1978) Offerors may request, in writing, non-disclosure 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.

**PART III – GENERAL INFORMATION**

The Schools has been notified by the New Mexico State Auditor that the 2023/2024 fiscal year audit is to be conducted by an independent public accountant (IPA). The term Certified Public Accountant (CPA) may be used in this proposal instead of IPA. The intended purpose of the REQUEST FOR PROPOSALS is to provide the IPA with the following:

1. A general description of the engagement and requirements of the auditor.
2. A general review of the financial and procedural operations of the Schools.
3. A sample of the audit contract to be executed.
4. Proposal evaluation criteria and questionnaire (Part V).
5. An official proposal form (p.10).

**PART IV - SCOPE OF WORK**

A) Proposals are being requested for a single, agency-wide, comprehensive audit for the period July 1, 2023 through June 30, 2024.

The Hobbs Board of Education reserves the right to renew the contract for two (2) additional one (1) year terms at the **same price, terms and conditions as stated on the original proposal**. ALL CONTRACTS ARE SUBJECT TO THE APPROVAL OF THE STATE AUDITOR.

B) A copy of the Audit Rule 2024 may be obtained from the Office of the State Auditor website at [www.saonm.org](http://www.saonm.org).

C) This audit must be completed in a timely manner in conformance with current State Auditor Regulations. The Hobbs Municipal Schools desire that the IPA use auditing methods that employ the fullest use of technology and are not disruptive to the ongoing work of the School District. This entails the auditors use of the School's accounting system, Skyward, with "view only" access when documentation is available in electronic format. It further requires the auditor to request permission from the Schools in advance, when causing the client to work beyond the hours of the normal business day. At no time should the auditors demand School staff to stay beyond 7:00 p.m.

**Part IV cont.**

D) Proposals are requested from qualified Independent Public Accountants in good standing, licensed to do business in the State of New Mexico, and listed on the 2023-2024 State Auditor's approved IPA list.

E) In an effort to provide maximum assistance to the auditors, the auditors are requested to perform the audit outside the month of July and the first three weeks of October.

F) The final authority to designate the auditor selected rests with the State Auditor. The successful IPA must agree to enter into a contract.

G) Auditors submitting proposals are to independently ascertain the nature, scope, and depth of this engagement. In order to assist the IPA in this process, members of the Business Office will be pleased to provide written responses to written questions; samples of journals and ledgers used; and will conduct tours of physical premises if necessary. Any written question and the response by the Schools will be available upon request to all interested IPA's.

H) All file documents, ledgers and journals belonging to the Schools must remain on site at all times.

I) Familiarity with the following is required:

- 1) Uniform Grant Guidance.
- 2) Federal Single Audit Act.
- 3) 2.2.2 NMAC Requirements for Contracting and Conducting Governmental Audits.
- 4) GASB Statements published in the Codification of Governmental Accounting and Financial Reporting Standards.
- 5) Any other applicable pronouncements.

All applicable criteria pertaining to audits of local public bodies and specified in the 2.2.2 NMAC Requirements for Contracting and Conducting Governmental Audits is considered to be a requirement of this proposal for audit services.

J) The audit must be in compliance to 2.2.2 NMAC Audit Rule 2024 dated as of 3/31/2024 date still pending per State Audit. The Scope of Work includes:

1. Financial Statement Audit
2. Federal Single Audit
3. Financial Statement Preparation; in accordance with all GASB pronouncements
4. Complication Services

**Part IV cont...**

K) The IPA must provide copies of the annual financial audit report for the State Auditor in accordance with 2.2.2.9 Subsection A Paragraph 3 of 2.2.2 NMAC and fifteen (15) bound, and one electronic copy of the completed audit for the Schools. The Schools requires review of the completed audit prior to printing and submission.

L) The proposed price as stated on the proposal must be firm and not subject to change. Multi-year pricing must be in accordance with 2.2.2.8 Subsection F, Paragraph 3 of 2.2.2 NMAC. The total price is subject to the applicable gross receipts tax under state law. Taxes will be added and paid at the time of billing.

M) Due to the extensive requirements of local, state, and federal agencies, the IPA is advised that the comprehensive audit requires the expression of opinions and inclusion of comments which go beyond the standard opinions and comments usually presented in an audit report. See instructions from the State Auditor for specific information.

N) In addition to the above, please provide the following information:

1. List of Public-School audits performed in the last two years
2. List of any late audits, and the reason(s) they were late
3. List of three (3) or more references including telephone numbers

O) Proof of Professional Liability Insurance in the minimum amount of \$500,000 per claim and \$500,000 aggregate.

P) A statement of the IPA's auditing methods and statement preparation methods that emphasize the use of technology so as to reduce the emphasis on the School District staff or reproduce materials for the IPA's use.

Q) All proposals must be submitted in writing; no electronic transmittal of proposal will be accepted. Please submit four (4) copies for evaluation purposes.

R) The auditor will provide the final draft audit and financial statements no later than ten (10) working days prior to the November 15th Audit Report due date.

S) LIQUIDATED DAMAGES: The Hobbs Municipal Schools believe that a timely audit is a positive reflection on the fiscal affairs of the School District. The Hobbs Municipal Schools desire that the IPA make every good faith effort to meet deadlines and complete the terms of the contract in a timely manner. In accordance with section 2.2.2.8.J of 2.2.2 NMAC, upon unjustified failure to meet delivery requirements, the IPA may be liable for liquidated damages equal to .5% per annum of the total audit contract (before gross receipts tax) for each working day beyond the stipulated due date.

**PART V - PROPOSAL EVALUATION CRITERIA AND QUESTIONNAIRE**

EVALUATION CRITERIA  
2023/2024 COMPREHENSIVE AUDIT

The Schools will evaluate the written proposals received and may conduct interviews with any and all firms regarding their qualifications, their approach to the project, and their ability to furnish the required services.

**PART ONE:**

**Section I - Firm Capabilities Maximum 25 Points**

- A. The firm's resources to perform the type and size of audit required. (Max. 5 points)
- B. Reference checks including past performance for the Schools. (Max.12 points)
- C. The firm's most recent external quality control review (peer review). (Max. 5 points)
- D. The organization and completeness of the proposal submitted. (Max. 3 points)

**Section II - Work Requirements and Audit Approach Maximum 15 Points**

- A. The firm's knowledge of audit objectives, agency needs, and product to be delivered. (Max. 5 points)
- B. The firm's technical plan and realistic time estimates to complete the audit. (Max. 5 points)
- C. The firm's plans to utilize the Schools' staff. (Max. 3 points)
- D. The firm's approach for planning and conducting the work efforts of subsequent years. (Max. 2 points)

**Part One cont...****Section III - Technical Experience Maximum 25 Points**

- A. The firm's governmental audit experience. (Max. 10 points)
- B. Team audit experience or specialization with school districts. (Max. 10 points)
- C. Continuing professional education directly related to the local governments. (Max. 5 points)

**Section IV - Firm Strengths or Weaknesses Maximum 5 Points****PART TWO: COST Maximum 30 Points**

The scores from **PART ONE** and **PART TWO** will be totaled for a final score for all responding proposers. A recommendation will be approved by the Hobbs Board of Education and forwarded to the State Auditor's Office for final approval.



## EVALUATION QUESTIONNAIRE

Please answer the following questions in as much detail as possible. Additional information, or additional sheets may be used, however please reference the location of the answers in the space provided.

### PART ONE

#### Section I - Firm Capabilities Maximum 25 Points

- A. Please describe the resources available for the job, including the number of firm members assigned and their job titles (ie. staff, senior, manager, or partner), the percentage of their work schedule available on this job, as well as the total staff hours available.

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**Part One Section I, A cont...**

Describe any computer aided audit techniques planned for this engagement.

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Does your firm plan to utilize an information system audit specialist on this engagement?  
 Yes \_\_\_\_\_ No \_\_\_\_\_ If so, please describe their involvement in the job, as well as  
 their credentials, and the expected percentage of their time available for this job.

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- B. Please provide three references of similar audit engagements your firm has performed. We plan to only ask general questions regarding your firm's planning of the engagement, timeliness of the fieldwork and submission of audit reports, technical expertise relating to their job, and their overall satisfaction with your performance.

1<sup>st</sup> Agency Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

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

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

Service(s) Provided: \_\_\_\_\_

Year(s) Audited: \_\_\_\_\_

**Part One Section I, B cont...**

2<sup>nd</sup> Agency Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

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

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

Service(s) Provided: \_\_\_\_\_

Year(s) Audited: \_\_\_\_\_

3<sup>rd</sup> Agency Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

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

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

Service(s) Provided: \_\_\_\_\_

Year(s) Audited: \_\_\_\_\_

- C. Please enclose a copy of your firm's most recent external peer review report including letter of comments. If your firm has not received an external peer review report, please describe your firm's plans to obtain this report, and state in detail the reasons for this omission.

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**Part One cont...**

**Section II - Work Requirements and Audit Approach Maximum 15 Points**

- A. Please describe your audit objectives, and specifically describe how those objectives will meet the Schools' needs, and describe the product to be delivered upon completion of the job.

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- B. Please describe your audit approach to planning, interim fieldwork, fieldwork, and reporting on this engagement and provide a time-line for completion of these phases of the job, along with expected hourly requirements for each phase.

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- C. What are your plans for utilizing the Schools' staff for assistance on this engagement?

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**Part One Section II cont...**

- D. The current proposal is for a one year contract with the availability of two, one year extensions. Describe the effect on your audit approach in the current and future years, considering the probability that the successful offeror will likely retain the contract for the full three year period.

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**Section III - Technical Experience Maximum 25 Points**

- A. Please indicate the on-site manager for this engagement, as well as a description of governmental auditing experience for this person and your firm.

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- B. Please indicate each of the staff assigned to this engagement, including their total experience as auditors, as well as their direct governmental auditing experience.

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**Part One Section III cont...**

- C. For those team members listed in A and B; Please indicate continuing professional education seminars or meetings attended in the past three years that pertain directly to audits of state & local governments.

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**Section IV - Firm Strengths or Weaknesses Maximum 5 Points**

- A. Please describe any additional factors you feel make your firm's proposal superior compared to others submitted.

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**PART TWO**

Please provide the following information concerning hourly rates relative to this engagement:

**Maximum 30 Points**

Audit Services (excluding tax)		<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
A. Cost associated with preparing financial statements	___ hrs.	\$ _____	\$ _____	\$ _____
B. Cost associated with conducting the audit	___ hrs.	\$ _____	\$ _____	\$ _____
C. Cost associated with other compilation	___ hrs.	\$ _____	\$ _____	\$ _____
D. Gross Receipts Tax		\$ _____	\$ _____	\$ _____
<b>Total Contract</b>	<b>___ hrs.</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

E. Please provide the following breakdown by fund for an estimate of the 2023-24 audit services:

(It will be necessary to keep actual time records during the performance of the audit to supply the district an itemized invoice.)

Federal Programs	\$ _____	\$ _____	\$ _____
Cafeteria	\$ _____	\$ _____	\$ _____
Activity	\$ _____	\$ _____	\$ _____
Operational			
Capital Improvement			
Building Funds	\$ _____	\$ _____	\$ _____

We agree to perform the annual fiscal audit for the Hobbs Municipal Schools for the period of July 1st, 2023 through June 30th, 2024. The undersigned certifies that there has been no collusion in the preparation of this proposal. The undersigned certifies that he/she has read and understands the Request for Proposal and all pertinent documents, and that the firm and/or person represented accepts these conditions and submits the proposal in full compliance therewith.

\_\_\_\_\_  
COMPANY SIGNATURE

\_\_\_\_\_  
ADDRESS NAME (PRINT)

\_\_\_\_\_  
CITY, STATE ZIP CODE TITLE

\_\_\_\_\_  
TELEPHONE DATE

NEW MEXICO RESIDENT BIDDER CERTIFICATE # \_\_\_\_\_

VETERANS BUSINESS BIDDER CERTIFICATE # \_\_\_\_\_



**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:** (add extra pages if necessary)

Contribution Made By: \_\_\_\_\_

Relation to Prospective Contractor: \_\_\_\_\_

Name of Applicable Public Official: \_\_\_\_\_

Date Contribution(s) Made: \_\_\_\_\_

\_\_\_\_\_

Amount(s) of Contribution(s) \_\_\_\_\_

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Nature of Contribution(s) \_\_\_\_\_

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Purpose of Contribution(s) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
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)