

New Mexico Public Schools Insurance Authority

REQUEST FOR PROPOSALS (RFP)

Financial and Compliance Audit



RFP# 342-2024-08

RFP Release Date:
04/11/2024

Proposal Due Date:
04/25/2024

ELECTRONIC-ONLY PROPOSAL SUBMISSION

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I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of the Request for Proposal (RFP) is to solicit sealed proposals from Independent Public Accountants (IPA's) to perform the annual audit(s) of the New Mexico Public Schools Insurance Authority (NMPSIA) financial statements for the fiscal years ending **June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027**. Only offerors who are qualified and in good standing with the Office of the State Auditor are eligible. This audit shall be performed in accordance with the State Auditor Rule (Requirements for Contracting and Conducting Governmental Audits 2.2.2 NMAC), the auditing standards generally accepted in the United States of America (GAAP), and if applicable, the Uniform Grant Guidance (UGG) regulations that are also referred to as the OMB's Super Circular (The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as codified in 2 CFR 200-521).

B. BACKGROUND INFORMATION

The New Mexico Public Schools Insurance Authority (NMPSIA) is a public entity pool created pursuant to the Public Schools Insurance Authority Act (Sect. 22-29-1 et seq. NMSA 1978). It is charged with providing comprehensive core insurance programs for participating employers and public-school districts property/liability and workers' compensation insurance (Risk) and the full range of employee benefits coverages to participating public employees and dependents (Benefits).

The purpose of the Authority is to provide comprehensive core insurance programs for all participating public schools and to maximize cost containment opportunities for required insurance coverage. The "Risk-Related" program of the Authority was legislatively mandated on July 1, 1986, for all public K-12 schools [excluding Albuquerque Public Schools (APS)] and all Charter Schools. During each four (4) year contract period, members are prohibited from withdrawing from the Pool. In addition to the K-12 School Districts, there are post-secondary educational institutions, non-educational entities, and charter schools. The geographical area exposed to the Authority is statewide.

The Authority is governed by a Board of Directors consisting of a President and eleven (11) additional members representing various educational interests. The Executive Director is appointed by the Board and is responsible to the Board for Administration of the Authority's affairs. The Board oversees the Authority's business through several sub-committees, which recommend and debate items before the Board. The Internal Fiscal Review Committee (IFR) is the sub-committee that vets the Authority's financial reports.

C. SCOPE OF PROCUREMENT

The scope of procurement is comprised of the examination and audit of the financial affairs of the Department by an Independent Audit Firm (IPA) as mandated by statute. Professional Audit Services to be rendered in accordance with 2.2.2 NMAC to include:

- a. Financial Statement Audit; and
- b. Federal Single Audit (if applicable)
- c. Financial Statement Preparation

Refer to the “Detailed Scope of Work” for an overview of the services being sought.

The resulting contract will be a single award.

This procurement will result in a contractual agreement between two parties; the procurement may ONLY be used by those two parties exclusively.

The term will be one year with the option for three one-year renewals. The initial term of the contract will be one (1) year with the option to renew for three (3) additional one (1) year periods for a total of four (4) years. In no event shall the contract exceed a four (4) year duration.

D. PROCUREMENT MANAGER

The New Mexico Public Schools Insurance Authority has assigned a Procurement Manager who is responsible for the conduct of this procurement whose name, telephone number and e-mail address are listed below:

Name: Maria Lugo, Chief Procurement Officer
New Mexico Public Schools Insurance Authority
410 Old Taos Highway
Santa Fe, NM 87501

Telephone: (505) 469-0470

Email: psia.procurement@state.nm.us

1. **Any inquiries or requests** regarding this procurement should be submitted, in writing, to the Procurement Manager. Offerors may contact **ONLY** the Procurement Manager regarding this procurement. Other state employees or Evaluation Committee members do not have the authority to respond on behalf of the NMPSIA.
2. **Protests of the solicitation or award must be submitted in writing to the Protest Manager identified in Section II.B.13.** As a Protest Manager has been named in this Request for Proposals, pursuant to §13-1-172, NMSA 1978 and 1.4.1.82 NMAC, **ONLY** protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. Protests submitted or delivered to the Procurement Manager will **NOT** be considered properly submitted.

E. PROPOSAL SUBMISSION

Submissions of all proposals must be accomplished via psia.procurement@state.nm.us. Refer to Section III.A.1 for instructions.

****Include RFP name and RFP#***

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F. DEFINITION OF TERMINOLOGY

This section contains definitions of terms used throughout this procurement document, including appropriate abbreviations:

1. “**Agency**” means the State Purchasing Division of the General Services Department or that State Agency.
2. “**AICPA**” means American Institute of Certified Public Accountants.
3. “**Authority**” means The New Mexico Public Schools Insurance Authority sponsoring this Procurement.
4. “**Award**” means the final execution of the contract document.
5. “**Business Hours**” means 8:00 AM through 5:00 PM MST/MDT, whichever is in effect on the date given.
6. “**Close of Business**” means 5:00 PM Mountain Standard or Daylight Time, whichever is in use at that time.
7. “**Confidential**” means confidential financial information concerning Offeror’s organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act §§57-3-A-1 through 57-3A-7, NMSA 1978. See also NMAC 1.4.1.45. The following items may **not** be labelled as confidential: Offeror’s submitted Cost response, Staff/Personnel Resumes/Bios (excluding personal information such as personal telephone numbers and/or home addresses), and other submitted data that is **not** confidential financial information or that qualifies under the Uniform Trade Secrets Act.
8. “**Contract**” means any agreement for the procurement of items of tangible personal property, services, or construction.
9. “**Contractor**” means any business having a contract with a state agency, authority, or local public body.
10. “**Determination**” means the written documentation of a decision of a procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.
11. “**Desirable**” – the terms “may,” “can,” “should,” “preferably,” or “prefers” identify a desirable or discretionary item or factor.
12. “**Electronic Submission**” means a successful submittal of Offeror’s proposal to the psia.procurement@state.nm.us, in such cases where email submissions are accepted.

13. **“Electronic Version/Copy”** means a digital form consisting of text, images or both readable on computers or other electronic devices that includes all content that the Original and Hard Copy proposals contain. The electronic version/copy **MUST** be emailed.
14. **“Evaluation Committee”** means a body appointed to perform the evaluation of Offerors’ proposals.
15. **“Evaluation Committee Report”** means a report prepared by the Procurement Manager and the Evaluation Committee to support the Committee’s recommendation for contract award. It will contain scores and written evaluations of all responsive Offeror proposals.
16. **“Final Award”** means, in the context of this Request for Proposals and all its attendant documents, that point at which the final required signature on the contract(s) resulting from the procurement has been affixed to the contract(s) thus making it fully executed.
17. **“Finalist”** means an Offeror who meets all the mandatory specifications of this Request for Proposals and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee.
18. **“Hourly Rate”** means the proposed fully loaded maximum hourly rates that include travel, per diem, fringe benefits and any overhead costs for contractor personnel, as well as subcontractor personnel if appropriate.
19. **“IBNR”** means Incurred but not Reported.
20. **“IT”** means Information Technology.
21. **“Mandatory”** – the terms “must,” “shall” “will,” “is required,” or “are required,” identify a mandatory item or factor. Failure to meet a mandatory item or factor may result in the rejection of the Offeror’s proposal.
22. **“Minor Irregularities”** means anything in the proposal that does not affect the price, quality and/or quantity, or any other mandatory requirement.
23. **“NMPSIA”** means The New Mexico Public Schools Insurance Authority.
24. **“Offeror”** is any person, corporation, or partnership who chooses to submit a proposal.
25. **“Procurement Manager”** means any person or designee authorized by a state agency, authority, or local public body to enter into or administer contracts and make written determinations with respect thereto.
26. **“Procurement Process”** that is, the RFP process prior to selection as successful Offeror.

27. **“Project”** means a temporary process undertaken to solve a well-defined goal or objective with clearly defined start and end times, a set of clearly defined tasks, and a budget. The project terminates once the project scope is achieved, and project acceptance is given by the project executive sponsor.
28. **“Redacted”** means a version/copy of the Offeror’s proposal with the information considered proprietary or confidential (as defined by §§57-3A-1 to 57-3A-7, NMSA 1978 and NMAC 1.4.1.45 and summarized herein and outlined in Section II.C.8 of this RFP) blacked-out BUT NOT omitted or removed.
29. **“Request for Proposals (RFP)”** means all documents, including those attached or incorporated by reference, used for soliciting proposals.
30. **“Responsible Offeror”** means an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, or items of tangible personal property described in the proposal.
31. **“Responsive Offer”** means an offer which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to price, quality, quantity, or delivery requirements.
32. **“Single Federal Audit”** means compliance and financial examination in compliance with OMB Circular A-133.
33. **“SPD”** means State Purchasing Division of the New Mexico State General Services Department.
34. **“Staff”** means any individual who is a full-time, part-time, or an independently contracted employee with the Offerors’ company.
35. **“State (the State)”** means the State of New Mexico.
36. **“State Agency”** means any department, commission, council, board, committee, institution, legislative body, agency, authority, government corporation, educational institution or official of the executive, legislative or judicial branch of the government of this state. “State agency” includes the Purchasing Division of the General Services Department and the State Purchasing Agent but does not include local public bodies.
37. **“State Purchasing Agent”** means the Director of the Purchasing Division of the General Services Department.
38. **“Statement of Concurrence”** means an affirmative statement from the Offeror to the required specification agreeing to comply and concur with the stated requirement(s). This

statement shall be included in Offerors proposal. (E.g. “We concur,” “Understands and Complies,” “Comply,” “Will Comply if Applicable,” etc.)

39. **“Unredacted”** means a version/copy of the proposal containing all complete information; including any that the Offeror would otherwise consider confidential, such copy for use only for the purposes of evaluation.

G. PROCUREMENT LIBRARY

A procurement library has been established. Offerors are encouraged to review the material contained in the Procurement Library by selecting the link provided in the electronic version of this document through your own internet connection. The library contains the information listed below:

Electronic version of RFP, Questions & Answers, RFP Amendments, etc.
<https://nmpsia.com/procurements.html>

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule of events, the descriptions of each event, and the conditions governing this procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

Action	Responsible Party	Due Dates
1. Issue RFP	NMPSIA	04/11/2024
2. Acknowledgement of Receipt Form	Potential Offerors	04/17/2024
3. **Pre-proposal Conference	NMPSIA/Potential Offerors	04/15/2024
4. Deadline to submit Written Questions	Potential Offerors	04/17/2024
5. Response to Written Questions	Procurement Manager	04/19/2024
6. Submission of Proposal	Potential Offerors	04/25/2024
7.* Proposal Evaluation	Evaluation Committee	TBD
8.* Selection of Finalists	Evaluation Committee	TBD
9.* Oral Presentation(s)	Finalist Offerors	TBD
10.* Best and Final Offers	Finalist Offerors	TBD
11.* Finalize Contractual Agreements	NMPSIA/Finalist Offerors	TBD
12.* Contract Awards	NMPSIA/ Finalist Offerors	TBD
13.* Protest Deadline	NMPSIA	TBD

* Dates indicated in Events 7 through 13 are estimates only and may be subject to change without necessitating an amendment to the RFP.

**The Pre-Proposal Conference will not include questions and answers. All questions must be submitted in writing.

B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the Sequence of Events shown in Section II.A., above.

1. Issue RFP

- a. This RFP is being issued on behalf of the State of New Mexico NMPSIA on the date indicated in Section II.A, Sequence of Events.

2. Acknowledgement of Receipt Form

- a. Potential Offerors may e-mail the Acknowledgement of Receipt Form (APPENDIX A), to the Procurement Manager, Maria Lugo, at psia.procurement@state.nm.us, to have their organization placed on the procurement Distribution List. The form must be returned by 3:00 pm MST/MDT on the date indicated in Section II.A, Sequence of Events. Please indicate in your email subject line: “Acknowledgement of Receipt RFP#342-2024-08”.
- b. The procurement distribution list will be used for the distribution of written responses to questions, and/or any amendments to the RFP. Failure to return the Acknowledgement of Receipt Form does not prohibit potential Offerors from submitting a response to this RFP. However, by not returning the Acknowledgement of Receipt Form, the potential Offeror’s representative shall not be included on the distribution list and will be solely responsible for obtaining from the Procurement Library (Section I.G.) responses to written questions and any amendments to the RFP.

3. Pre-Proposal Conference

- a. A pre-proposal conference will be held as indicated in Section II.A, Sequence of Events, beginning at 10:00 AM MST/MDT via <https://us02web.zoom.us/j/89598057374?pwd=TmxGdmRMUUVzWGtpbTVJZkdBWEtudz09>

4. Deadline to Submit Written Questions

- a. Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until 3:00 pm MST/MDT as indicated in Section II.A, Sequence of Events. All written questions must be addressed to the Procurement Manager as declared in Section I.D. Questions shall be clearly labeled and shall cite the Section(s) in the RFP or other document which form the basis of the question. Please indicate in your email subject line: “Written Questions RFP#324-2024-08”.

5. Response to Written Questions

- a. Written responses to the written questions will be provided via e-mail, on or before the date indicated in Section II.A, Sequence of Events, to all potential Offerors who timely submitted an Acknowledgement of Receipt Form (Section II.B.2 and APPENDIX A).

An electronic version of the Questions and Answers will be posted to: <https://nmpsia.com/procurements.html>

6. Submission of Proposal

- a. Currently, only electronic proposal submission is allowed. Do not submit hard copies until further notice.

ALL PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 3:00 PM MST/MDT ON THE DATE INDICATED IN SECTION II.A, SEQUENCE OF EVENTS. **NO LATE PROPOSAL CAN BE ACCEPTED.**

*It is the Offeror's responsibility to ensure all documents are completely uploaded and submitted electronically via email by the deadline set forth in this RFP. Please ensure that you, as the Offeror, allow adequate time for large uploads and to fully complete your submittal by the deadline. A submission that is not both: (1) fully complete; and (2) received, via the email by the deadline, will be deemed late. Further, a submission that is not fully complete and received via email by the deadline because the response was captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by any anti-virus or other security software will be deemed late. In accordance with statute and rule, **NO LATE PROPOSAL CAN BE ACCEPTED.***

Proposals must be addressed and delivered to the Procurement Manager at the address identified in Section I.E via email. Proposals submitted by facsimile, or other electronic means other than via psia.procurement@state.nm.us, will not be accepted. Please indicate in your email subject line: "Submission of Proposal RFP#324-2024-08".

A log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to §13-1-116, NMSA 1978, the contents of proposals shall not be disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals. Awarded in this context means the final required Authority's signature on the contract(s) resulting from the procurement has been obtained.

7. Proposal Evaluation

- a. An Evaluation Committee will perform the evaluation of proposals. This process will take place as indicated in Section II.A, Sequence of Events, depending upon the number of proposals received. During this time, the Procurement Manager may initiate discussions with Offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals. However, proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Offerors.

8. Selection of Finalists

- a. The Evaluation Committee will select, and the Procurement Manager will notify the finalist Offerors as per schedule Section II.A, Sequence of Events or as soon as possible thereafter. A schedule for Oral Presentation, if any, will be determined at this time.

9. Best and Final Offers

- a. Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by as per schedule Section II. A., Sequence of Events or as soon as possible. Best and final offers may also be clarified and amended at finalist Offeror's oral presentation.

10. Oral Presentations

- a. Finalist Offerors, as selected per Section II.B.8 above, may be required to conduct an oral presentation at a venue to be determined as per schedule Section II.A., Sequence of Events, or as soon as possible thereafter. If oral presentations are held, Finalist Offerors **may** be required to make their presentations through electronic means (GoToMeeting, Zoom, etc.). The Authority will provide Finalist Offerors with applicable details. Whether or not Oral Presentations will be held is at the discretion of the Evaluation Committee and NMPSIA.

11. Finalize Contractual Agreements

- a. After approval of the Evaluation Committee Report, any contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s), taking into consideration the evaluation factors set forth in this RFP, as per Section II.A., Sequence of Events, or as soon as possible thereafter. The most advantageous proposal may or may not have received the most points. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the timeframe specified, the State reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.

12. Contract Awards

- a. Upon receipt of the signed contractual agreement, the Authority's Procurement office will award as per Section II.A., Sequence of Events, or as soon as possible thereafter. The award is subject to appropriate Authority and Board approval.

13. Protest Deadline

- a. Any protest by an Offeror must be timely submitted and in conformance with §13-1-172, NMSA 1978 and applicable procurement regulations. As a Protest Manager has been named in this Request for Proposals, pursuant to §13-1-172, NMSA 1978 and 1.4.1.82 NMAC, ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule, and this Request for Proposals. The 15-calendar day protest period shall begin on the day following the notice of award of contract(s) and will end at 5:00 pm MST/MDT on the 15th day. Protests must be written and must include the name and address of the protestor and the request for proposal number. It must also contain a statement of the grounds for protest including appropriate supporting exhibits and it must specify the ruling requested from the party listed below. The protest must be delivered to:

Name: New Mexico Public Schools Insurance Authority
Attn: Protest Manager for RFP# 342-2024-08
Maria Lugo
410 Old Taos Highway
Santa Fe, NM 87501
Telephone: (505) 469-0470
Email: psia.procurement@state.nm.us

Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Potential Offerors must indicate their acceptance of these Conditions Governing the Procurement, Section II.C, by completing and signing the Letter of Transmittal form, pursuant to the requirements in Section II.C.31, located in APPENDIX E.

2. Incurring Cost

Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. Any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.

3. Prime Contractor Responsibility

Any contractual agreement that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of all requirements of the contractual agreement with the Authority which may derive from this RFP. The Authority entering into a contractual agreement with a vendor will make payments to only the prime contractor.

4. Subcontractors/Consent

The use of subcontractors is not allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement whether or not subcontractors are used. Additionally, the prime contractor must receive approval, in writing, from the Authority awarding any resultant contract, before any subcontractor is used during the term of this agreement.

5. Amended Proposals

An Offeror may submit an amended proposal before the deadline for receipt of proposals via psia.procurement@state.nm.us. Such amended proposals must be complete replacements for

a previously submitted proposal and must be clearly identified as such in the transmittal letter. **Authority personnel will not merge, collate, or assemble proposal materials.**

6. Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals via psia.procurement@state.nm.us. The Offeror must submit a written withdrawal request addressed to the Procurement Manager and signed by the Offeror's duly authorized representative.

The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations, 1.4.1.5 & 1.4.1.36 NMAC.

7. Proposal Offer Firm

Responses to this RFP, including proposal prices for services, will be considered firm for one-hundred twenty (120) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Offeror is invited or required to submit one.

8. Disclosure of Proposal Contents

The contents of all submitted proposals will be kept confidential until the final award has been completed by the Authority. At that time, all proposals and documents pertaining to the proposals will be available for public inspection, *except* for proprietary or confidential material as follows:

- a. ***Proprietary and Confidential information is restricted to:***
 1. confidential financial information concerning the Offeror's organization; and
 2. information that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, §§57-3A-1 through 57-3A-7, NMSA 1978.

- b. ***An additional but separate redacted version of Offeror's proposal, as outlined and identified in Sections III.A.1.a.i shall be submitted containing the blacked-out proprietary or confidential information, in order to facilitate eventual public inspection of the non-confidential version of Offeror's proposal.***

IMPORTANT: The price of products offered, or the cost of services proposed **SHALL NOT** be designated as proprietary or confidential information.

If a request is received for disclosure of proprietary or confidential materials, the Authority shall examine the request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of proprietary or confidential information.

The Offeror hereby acknowledges that the Authority is subject to state laws, including, without limitation, the Inspection of Public Records Act, Section 14-2-1 through 14-2-12 NMSA 1978, which provides generally that all records relating to a public business are open to public inspection and copying unless exempted under the Inspection of Public Records Act, and the Open Meetings Act, Section 10-15-1 through 10-15-4 NMSA 1978, which provides generally for open meetings for public deliberative bodies. Neither the Offeror nor any related entity shall make any claim against the Authority if it makes available to the public any document, report, or other information the Authority received from the Offeror or any related entity which was made public by the Authority pursuant to the Inspection of Public Records Act or the Open Meetings Act, as permitted by law.

The Authority may endeavor to contact the Offeror before releasing any information, but in no event will the Authority be under any obligation to either contact the Offeror or refuse to disclose information permitted to be disclosed by New Mexico law. In addition, the Offeror agrees to fully release, waive, and hold the Authority and its employees and officers harmless from any liability or costs associated with the release of any information.

9. No Obligation

This RFP in no manner obligates the State of New Mexico or any of its Agencies to the use of any Offeror's services until a valid written contract is awarded and approved by appropriate authorities.

10. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the Authority determines such action to be in the best interest of the State of New Mexico.

11. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be affected by sending written notice to the contractor. The Authority's decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

12. Legal Review

The Authority requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any Offeror's concerns must be promptly submitted in writing to the attention of the Procurement Manager.

13. Governing Law

This RFP and any agreement with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.

14. Basis for Proposal

Only information supplied in writing by the Procurement Manager via psia.procurement@state.nm.us, or contained in this RFP, or on the website of the State Auditor's Office (<https://www.osa.nm.gov>) shall be used as the basis for the preparation of Offeror proposals.

15. Contract Terms and Conditions

The contract between the Authority and a contractor will follow the format specified by the State Auditor's Office set forth in Appendix C. The Offeror must be willing to sign and return Appendix A, Acknowledgement of Receipt Form, to participate.

The contents of this RFP, as revised and/or supplemented, and the successful offeror's accepted proposal may be incorporated into and become part of the contract. Should negotiation of additional terms be required, State Auditor approval must first be obtained.

In the event the offeror's accepted proposal conflicts with the RFP, the proposal governs, and, in the event the contract conflicts with the proposal, the contract governs.

Should an offeror object to any of the Authority's terms and conditions, that offeror must propose specific alternate language. The Authority may or may not accept the alternative language suggested by the offeror. General references to the offeror's terms and conditions or attempts at complete substitutions are not acceptable to the Authority and will result in disqualification of the offeror's proposal.

Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

If an Offeror fails to propose any alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror), no proposed alternate terms and conditions will be considered later during the negotiation process. Failure to propose alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror) is an **explicit agreement** by the Offeror that the contractual terms and conditions contained herein are **accepted** by the Offeror.

16. Offeror's Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions they expect to have included in a contract negotiated with the Authority. See Section II.C.15 for requirements.

17. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation (such terms and conditions having been proposed during the procurement process, that is, the RFP process prior to selection as successful Offeror), will be discussed only between the Authority and the Offeror selected and shall not be deemed an opportunity to amend the Offeror's proposal. Any deviations to the standard OSA contract template will also need to be approved by the OSA.

18. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any potential Offeror who is not a Responsible Offeror or fails to submit a Responsive Offer as defined in §13-1-83 and §13-1-85, NMSA 1978.

19. Eligible Entities

To be eligible to submit a proposal under this RFP, potential offerors must have the proper certifications and licenses to do business in New Mexico and be an approved Audit Firm with the New Mexico State Auditor. (http://www.saonm.org/approved_audit_firms)

20. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities, as defined in Section I.F. The Evaluation Committee also reserves the right to waive mandatory requirements, provided that all of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

21. Change in Contractor Representatives

The Authority reserves the right to require a change in contractor representatives if the assigned representative(s) is (are) not, in the opinion of the Authority, adequately meeting the needs of the Authority.

22. Notice of Penalties

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

23. Authority Rights

The Authority in agreement with the Evaluation Committee reserves the right to accept all or a portion of a potential Offeror's proposal.

24. Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the Authority written approval prior to the release of any information that pertains to the potential work, or activities covered by this procurement and/or Authority contracts deriving from this procurement. Failure to adhere to this requirement may result in disqualification of the Offeror's proposal or removal from the contract.

25. Ownership of Electronic Proposals

All electronic documents submitted in response to the RFP shall become the property of the State of New Mexico. If the RFP is canceled, all electronic responses received via psia.procurement@state.nm.us shall be destroyed by the NMPSIA within three (3) business days of notification of the cancellation.

26. Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the Authority.

The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the Authority's written permission.

27. Electronic mail address required.

A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence. (See also Section II.B.5, Response to Written Questions).

28. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror's possession and the version maintained by the Authority, the Offeror acknowledges that the version maintained by the Authority shall govern. Please refer to: <https://nmpsia.com/procurements.html>

29. New Mexico Employees Health Coverage

- A. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.
- B. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.
- C. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information <https://bewellnm.com>.
- D. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of \$250,000.

30. Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form, APPENDIX B, as a part of their proposal. This requirement applies regardless of whether a covered contribution was made or not made for the positions of Governor and Lieutenant Governor or other identified official.

Failure to complete and return the signed, unaltered form will result in Offeror's disqualification.

31. Letter of Transmittal

Offeror's proposal must be accompanied by a Letter of Transmittal Form (APPENDIX E), which must be **signed** by the individual authorized to contractually obligate the company, identified in #2 below.

Provide the following information:

1. Identify the submitting business entity; Name, Mailing Address, Phone Number, Federal Tax ID Number (TIN), and New Mexico Business Tax ID Number (BTIN, formerly CRS);

2. Identify the Name, Title, Telephone, and E-mail address of the person authorized by the Offeror's organization to (A) contractually obligate the business entity providing the Offer, (B) negotiate a contract on behalf of the organization; and/or (C) provide clarifications or answer questions regarding the Offeror's proposal content (*A response to B and/or C is only necessary if the responses differs from the individual identified in A*);
3. Identify any subcontractor/s that may be utilized in the performance of any resultant contract award.
4. Identify any other entity/-ies (such as State Agency, reseller, etc., that is not a subcontractor identified in #3) that may be used in the performance of this awarded contract; and
5. The individual identified in #2 above, must sign and date the form, attesting to the veracity of the information provided, and acknowledging (a) the organization's acceptance of the Conditions Governing the Procurement stated in Section II.C.1, (b) the organizations acceptance of the Section V Evaluation Factors, and (c) receipt of any and all amendments to the RFP.

Failure to respond to ALL items as indicated above, will result in Offeror's disqualification.

32. Disclosure Regarding Responsibility

- A. Any prospective Contractor and any of its Principals who enter into a contract greater than sixty thousand dollars (\$60,000.00) with any state agency or local public body for professional services, tangible personal property, services or construction agrees to disclose whether the Contractor, or any principal of the Contractor's company:
 1. is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;
 2. has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:
 - a. the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract;
 - b. violation of Federal or state antitrust statutes related to the submission of offers; or
 - c. the commission in any federal or state jurisdiction of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of Federal criminal tax law, or receiving stolen property;
 3. is presently indicted for, or otherwise criminally or civilly charged by any (federal state or local) government entity with the commission of any of the offenses enumerated in paragraph A of this disclosure;
 4. has, preceding this offer, been notified of any delinquent Federal or state taxes in an amount that exceeds \$3,000.00 of which the liability remains unsatisfied. Taxes are considered delinquent if the following criteria apply.
 5. The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or

judicial challenge. In the case of a judicial challenge of the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

6. The taxpayer is delinquent in making payments. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
 7. Have within a three-year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)
- B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.
- C. The Contractor shall provide immediate written notice to the Authority or other party to this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor's disclosure was at any time erroneous or became erroneous by reason of changed circumstances.
- D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor's responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will render the Offeror nonresponsive.
- E. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.
- F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the State Purchasing Agent or other party to this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the State Purchasing Agent or Central Purchasing Officer may terminate the involved contract for cause. Still further the State Purchasing Agent or Central Purchasing Officer may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the State Purchasing Agent or Central Purchasing Officer.

33. New Mexico/Native American Resident Preferences

To ensure adequate consideration and application of §13-1-21 NMSA 1978 (as amended), **Offeror must submit a copy of its valid New Mexico/Native American Resident Preference Certificate or its valid New Mexico/Native American Resident Veteran Preference with its proposal.** Certificates for preferences must be obtained through the New Mexico Department of Taxation & Revenue <http://www.tax.newmexico.gov/Businesses/in-state-veteran-preference-certification.aspx>.

In accordance with §13-1-21(H) NMSA 1978, an agency shall not award any combination of New Mexico/Native American Resident Preferences.

III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal in response to this RFP.

*If you have Confidential Information you **must** submit a separate, redacted electronic file. If a redacted file is not submitted, the Offeror's proposal will be deemed unresponsive and also implies consent to the Authority for release of the unredacted submittal in the event of an Inspection of Public Records request.*

1. ELECTRONIC SUBMISSION ONLY

Proposals in response to this RFP must be submitted through NMPSIA's procurement email address ONLY: (psia.procurement@state.nm.us) The Offeror need only submit one single electronic copy of each portion of its proposal (Technical and Cost) as outlined below.

EXCEPTION: Single electronic files that exceed 50 MB may be submitted as multiple uploads, which must be the least number of uploads necessary to fall under the 50 MB limit. Separate the proposals as described below into separate electronic files for submission.

Proposals must be submitted in the manner outlined below. Technical and Cost portions of Offerors proposal **must** be submitted in separate uploads as indicated below in this section and **must** be prominently identified as "Technical Proposal," or "Cost Proposal," on the front page of each upload.

- a) **Technical Proposals** – One (1) ELECTRONIC upload must be organized in accordance with **Section III.B.1. Proposal Format**. All information for the Technical Proposal **must be combined into a single file/document for uploading**. *EXCEPTION: Single electronic files that exceed 50 MB may be submitted as multiple uploads, which must be the least number of uploads necessary to fall under the 50 MB limit.* The Technical Proposals **SHALL NOT** contain any cost information.

i. Confidential Information: *If Offeror's proposal contains confidential information, as defined in Section I.F.7 and detailed in Section II.C.8, Offeror **must** submit **two (2) separate ELECTRONIC technical files :***

- One (1) ELECTRONIC version of the requisite proposals identified in Section III.B.1.a above as **unredacted** (def. Section I.F.39) versions for evaluation purposes; **and**
- One (1) **redacted** (def. Section I.F.28) ELECTRONIC for the public file, in order to facilitate eventual public inspection of the non-confidential version of Offeror's proposal. Redacted versions **must** be clearly marked as "REDACTED" or "CONFIDENTIAL" on the first page of the electronic file;

- b) **Cost Proposals** – One (1) ELECTRONIC upload of the proposal containing **ONLY** the Cost Proposal. All information for the cost proposal **must be combined into a single file/document for uploading**. *EXCEPTION: Single electronic files that exceed 50 MB may be submitted as multiple uploads, which must be the least number of uploads necessary to fall under the 50 MB limit*

The ELECTRONIC proposal submission **must be fully uploaded** by the submission deadline in Section II.B.6.

It is the Offeror's responsibility to ensure all documents are completely uploaded and submitted electronically via the NMPSIA's procurement email psia.procurement@state.nm.us by the deadline set forth in this RFP.

*Please ensure that you, as the Offeror, **allow adequate time for large uploads and to fully complete your submittal by the deadline**. A submission that is not both: (1) fully complete; and (2) received, will be deemed late. Further, a submission that is not fully complete and received by the deadline because the response was captured, blocked, filtered, quarantined, or otherwise prevented from reaching the proper destination server by any anti-virus or other security software will be deemed late. In accordance with statute and rule, **NO LATE OFFER CAN BE ACCEPTED.***

Any proposal that does not adhere to the requirements of this Section and **Section III.B.1 Proposal Content and Organization** may be deemed non-responsive and rejected on that basis.

B. PROPOSAL FORMAT AND ORGANIZATION

All proposals must be submitted as follows:

Organization of files/envelopes for electronic copy proposals:

1. Proposal Content and Organization

Direct reference to pre-prepared or promotional material may be used if referenced and marked. Promotional material must be minimal. Within each section of the proposal, Offerors must organize and address the RFP requirements in the order indicated below. All forms provided in this RFP must be thoroughly completed and included in the appropriate section of Offeror's proposal. **Any and all discussion of proposed costs, rates or expenses must occur ONLY in the Cost Proposal.**

Technical Proposal – DO NOT INCLUDE ANY COST INFORMATION IN THE TECHNICAL PROPOSAL.

Technical Proposal Organization

- 1.1 Table of Contents
- 1.2 Signed Letter of Transmittal

- 1.3 Signed Campaign Contribution Form
- 1.4 New Mexico/Native American Resident Preferences (if applicable)
- 1.5 Response to Contract Terms and Conditions (from Section II.C.15)
- 1.6 Offeror's Additional Terms and Conditions (from Section II.C.16)
- 1.7 Listing of Organizational References that were requested.
- 1.8 Financial Stability
- 1.9 Response to Specifications (minus cost information which shall be included in proposal/binder 2)
 - a) Organizational Experience: The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise, and knowledge as a provider of audit services to clients of similar size and complexity as the Authority.
 - b) The proposal must supply names and resumes of key personnel to be assigned to the performance of the responsibilities contemplated by the RFP. Resumes describing the qualifications of all professional personnel, excluding support staff, to be utilized in the performance of this agreement, including all subcontractors who have been identified, must show, at a minimum, the person's name, education, position, provide a detailed resume of all key personnel Offeror proposes to use in performance of the resulting contract, should Offeror be awarded. Key personnel is identified as on-site auditors and managers. Offeror must include key personnel education, work experience, relevant certifications/licenses, knowledge, skills, and abilities for each individual.
 - c) The proposal must outline how the Offeror meets the minimum qualifications set out in Section I.C. of the RFP.
 - d) The Offeror must submit evidence of appropriate professional liability insurance that will be in force at the inception of the contract and must agree to maintain such coverage throughout the term of any agreement. Such insurance must be in an amount reasonable for a firm of Contractor's size and financial condition, and shall cover the Offeror, its employees, agents, representatives, and subcontractors.
 - e) The response must include a detailed description of Offeror's knowledge and experience with respect to the services to be provided, including those specific to the Authority (e.g., IBNR, claims reserves, claims expense, notes to financial statements, etc.).
 - f) The response must include a specific description of the Offeror's proposal for the delivery of the professional services contemplated by this RFP. This proposal must include a specific audit approach and project plan as set forth below and, a discussion of the manner in which the personnel will be made available to provide the services and such other information as the Offeror reasonably believes necessary to explain its proposal for meeting the needs of the Authority. The materials must include the following:

- 1) Approach as to how Authority staff will be utilized to include internal auditors to complete the audit requirements.
- 2) Milestone chart for project plan to include tasks to be performed, time frame, proposed staff member for each task. The Authority is implementing quarterly closings, and as such, Offeror's milestone chart should specify work that will be accomplished prior to the end of the fiscal year and work that will be accomplished following the end of the fiscal year.
- 3) For the work plan, reference should be made to necessary sources of information such as the Authority's budget and related materials, organization charts, manuals and programs, and financial and other management information systems.
- 4) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- 5) Approach to be taken to plan the audit.
- 6) Type and extent of the information systems review of internal controls.
- 7) Approach to be taken to gain and document an understanding of the Authority's internal controls.
- 8) Approach to be taken to test the Authority's internal controls.
- 9) Approach to be taken to perform a single audit in accordance with the OMB Circular A-133 and test of internal controls (as needed).
- 10) Approach to be taken to perform substantive test work.
- 11) Approach to be taken to perform test work of cash, investments, claims expense, insurance premiums, claims reserves, IBNR, etc.
- 12) Type and extent of analytical procedures to be used in the engagement.
- 13) Approach to be taken to draw audit samples.
- 14) Approach to be taken to ensure the high-quality control for the fieldwork, analysis, and final product submission.
- 15) Approach to be taken to complete the audit and deliver the CAFR at the exit conference prior to delivery of the audit report to the New Mexico State Auditor.
- 16) Approach to be taken to complete the Single Audit (A-133). A single audit is not needed for Fiscal Year 2024. A Single audit may be needed for Fiscal Year 2025, Fiscal Year 2026 and Fiscal Year 2027.

- 17) Approach to ensure timely exit conference with the Authority's Audit Committee.
 - 18) Approach to be taken to address and follow-up in the findings and recommendations resulting from any forensic, special or investigation report issued by the New Mexico State Auditor or any state, federal or other oversight agency.
 - 19) Describe at least two project successes and failures of an audit service engagement. Include how each experience improved the Offeror's services.
- g) The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Authority.
 - h) Other relevant information which the Authority may request in evaluating the Offeror's ability to provide external audit services to the Authority.
 - i) The Offeror must provide a list and description of any legal action, administrative proceeding, disciplinary action or complaint, whether formal or informal, initiated or made in connection with the professional services of the Offeror, its personnel and each of its subcontractors in the prior five years by any person or entity, including any professional association, state or federal board or commission, or other regulatory body. The list and description shall include the current status or final disposition of each such action.
 - j) A statement disclosing (i) any current or proposed business transaction between the Offeror and any member, officer or employee of the Authority; and (ii) any other conflict or potential conflict which may reasonably give rise to a claim of conflict of interest.
 - k) A statement disclosing whether the Offeror is registered with the Public Company Accounting Oversight Board and, if so, the results of its two most recent inspections. Offeror should also disclose whether it submits to AICPA or other third-party peer reviews, descriptions of the type and scope of such reviews, and the results of the two most recent reviews.
 - l) A statement concurring that the audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Requirements for Contracting and Conducting Governmental Audits (NMAC Section 2.2.2.1, et seq.).
 - m) Detailed responses to the Questionnaire attached hereto as Appendix H.
 - n) Other Supporting Material (if applicable and limited to 5 pages)

Within each section of the proposal, Offerors should address the items in the order indicated above. All forms provided in this RFP must be thoroughly completed and included in the appropriate section of the proposal. **Any and all discussion of proposed costs, rates or expenses must occur ONLY in the Cost Proposal.**

A Proposal Summary may be included in Offeror's Technical Proposal, to provide the Evaluation Committee with an overview of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Offeror's proposal.

DO NOT INCLUDE COST INFORMATION IN THE TECHNICAL PROPOSAL.

a) Fee and Cost Proposal (separate file)

1. Fees. The specific fees for the Offeror's services must be included in the proposal, not to exceed the Offeror's standard fee schedule. The fee, if appropriate, shall either be properly detailed and broken down by hourly rates for each potential individual to provide services pursuant to any contract, or provide sufficient detail in the case of a flat fee proposal so that the services to be provided can be properly analyzed. The Completed Cost Response Form (APPENDIX D) **The Authority is requesting Offerors to provide yearly fee proposals for each of the next four (4) fiscal years.**

IV. SPECIFICATIONS

A. DETAILED SCOPE OF WORK

The contractor shall perform the following services:

- 1) Perform the annual audit(s) of the New Mexico Public Schools Insurance Authority (NMPSIA) financial statements for the fiscal years ending **June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027**. Perform single audits when applicable and prepare financial statements for the Authority.
- 2) Only offerors that are qualified and in good standing with the Office of the State Auditor are eligible. This audit shall be performed in accordance with the State Auditor Rule (Requirements for Contracting and Conducting Governmental Audits 2.2.2 NMAC), the auditing standards generally accepted in the United States of America (GAAP), and if applicable, the Uniform Grant Guidance (UGG) regulations that are also referred to as the OMB's Super Circular (The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as codified in 2 CFR 200-521). The offer must be able to meet the following qualifications:
 - a) Be on the New Mexico State Auditor's list of approved firms.
 - b) Have a minimum of five years of experience in providing external audit services as an organization.

- c) Be independent of NMPSIA, its employees and Board and not have any appearance of conflict of interest.
- d) Have experience auditing large benefits programs and risk pools and highly complex financial entities like the Authority.
- e) Be familiar with all applicable statutes and regulations to the management of funds for New Mexico governmental entities, including the Audit Rule.
- f) Be familiar with the requirements and standards for obtaining the Government Finance Officer Association's (GFOA) *Certificate of Achievement for Excellence in Financial Reporting*.
- g) Be appropriately licensed to provide the requested services in the State of New Mexico.
- h) Be appropriately certified to perform Single Audits (A-133) for Federal Programs (if applicable).
- i) Maintain adequate liability insurance coverage.

B. TECHNICAL SPECIFICATIONS

1. Organizational Experience: The narrative **must** thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise, and knowledge as a provider of audit services to clients of similar size and complexity as the Authority.
2. The proposal **must** supply names and resumes of key personnel to be assigned to the performance of the responsibilities contemplated by the RFP. Resumes describing the qualifications of all professional personnel, excluding support staff, to be utilized in the performance of this agreement, including all subcontractors who have been identified, must show, at a minimum, the person's name, education, position, provide a detailed resume of all key personnel Offeror proposes to use in performance of the resulting contract, should Offeror be awarded. Key personnel is identified as on-site auditors and managers. Offeror must include key personnel education, work experience, relevant certifications/licenses, knowledge, skills, and abilities for each individual.
 - a. The proposal must outline how the Offeror meets the minimum qualifications set out in Section I.C. of the RFP.
 - b. The Offeror must submit evidence of appropriate professional liability insurance that will be in force at the inception of the contract and must agree to maintain such coverage throughout the term of any agreement. Such insurance must be in an amount reasonable for a firm of Contractor's size and financial condition, and shall cover the Offeror, its employees, agents, representatives, and subcontractors.
 - c. The response must include a detailed description of Offeror's knowledge and experience with respect to the services to be provided, including those specific to the Authority (e.g., IBNR, claims reserves, claims expense, and notes to the financial statements, etc.).
 - d. The response must include a specific description of the Offeror's proposal for the delivery of the professional services contemplated by this RFP. This proposal must include a specific audit approach and project plan as set forth below and, a discussion of the manner in which the personnel will be made available to provide the services and such other information as

the Offeror reasonably believes necessary to explain its proposal for meeting the needs of the Authority. The materials must include the following:

- (1) Approach as to how Agency staff will be utilized to complete the audit requirements.
 - (2) Milestone chart for project plan to include tasks to be performed, time frame, proposed staff member for each task.
 - (3) For the work plan, reference should be made to necessary sources of information such as the Authority's budget and related materials, organization charts, manuals and programs, and financial and other management information systems.
 - (4) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
 - (5) Approach to be taken to plan the audit.
 - (6) Type and extent of the information systems review of internal controls.
 - (7) Approach to be taken to gain and document an understanding of the Authority's internal controls.
 - (8) Approach to be taken to test the Authority's internal controls.
 - (9) Approach to be taken to perform a single audit in accordance with the OMB Circular A-133 and test of internal controls (as needed). A single audit is **not** needed for FY 2024.
 - (10) Approach to be taken to perform substantive test work.
 - (11) Approach to be taken to perform test work of cash, investments, claims expense, insurance premiums, claims reserves, IBNR, and notes to the financial statements, etc.
 - (12) Type and extent of analytical procedures to be used in the engagement.
 - (13) Approach to be taken to draw audit samples.
 - (14) Approach to be taken to ensure the high-quality control for the field work, analysis, and final product submission.
 - (15) Approach to be taken to complete the audit and deliver the audit report to the New Mexico State Auditor.
 - (16) Approach to be taken to complete the Single Audit (A-133). A single audit is not needed for Fiscal Year 2024. A Single audit may be needed for Fiscal Year 2025, Fiscal Year 2026 and Fiscal Year 2027.
- e. Approach to ensure timely exit conference with the Authority's Audit Committee.

- f. Approach to be taken to address and follow-up in the findings and recommendations resulting from any forensic, special or investigation report issued by the New Mexico State Auditor or any state, federal or other oversight agency.
- g. Describe at least two project successes and failures of an audit service engagement. Include how each experience improved the Offeror's services.
- h. The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Authority.
- i. Other relevant information which the Authority may request in evaluating the Offeror's ability to provide external audit services to the Authority.
- j. The Offeror must provide a list and description of any legal action, administrative proceeding, disciplinary action or complaint, whether formal or informal, initiated or made in connection with the professional services of the Offeror, its personnel and each of its subcontractors in the prior five years by any person or entity, including any professional association, state or federal board or commission, or other regulatory body. The list and description shall include the current status or final disposition of each such action.
 - 1. A statement disclosing (i) any current or proposed business transaction between the Offeror and any member, officer or employee of the Authority; and (ii) any other conflict or potential conflict which may reasonably give rise to a claim of conflict of interest.
 - 2. A statement disclosing whether the Offeror is registered with the Public Company Accounting Oversight Board and, if so, the results of its two most recent inspections. Offeror should also disclose whether it submits to American Institute of Certified Public Accountants (AICPA) or other third-party peer reviews, descriptions of the type and scope of such reviews, and the results of the two most recent reviews.
 - 3. A statement concurring that the audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and *Requirements for Contracting and Conducting Governmental Audits* (NMAC Section 2.2.2.1, et seq.).
 - 4. Detailed responses to the Questionnaire attached hereto as Appendix H.
 - 5. Other Supporting Material (if applicable and limited to 5 pages)

V. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category.

Evaluation Factors <i>(Correspond to Sections III.B and V.B)</i>	Points Available
B. 1. A. Technical Proposal (2,000 Total Points)	
B.1.a.2. Letter of Transmittal	Pass/Fail
B.1.a.3. Signed Campaign Contribution Form	Pass/Fail
B.1.a.7. Organizational References	50
B.1.a.8. Financial Stability	Pass/Fail
B.1.a.a. Organizational Experience	150
B.1.a.b. Engagement Personnel	250
B.1.a.c. Minimum Qualifications	50
B.1.a.d. Liability Insurance	Pass/Fail
B.1.a.e. Knowledge/Experience Authority Services Needed	100
B.1.a.f. Audit Approach	400
B.1.a.g. Anticipated Problems	30
B.1.a.h. Other Relevant Information	30
B.1.a.i. Legal Action	20
B.1.a.j. Business Transactions	20
B.1.a.k. Registration with PCAOB	20
B.1.a.j. Auditing Standards	Pass/Fail
B.1.a.m. Questionnaire	130
B.1.a.n. Other Supporting Material	50
TECHNICAL PROPOSAL SUBTOTAL	1,300
Oral Presentations	200
V.B.2. Cost	500
TECHNICAL, ORAL PRESENTATION AND COST SUBTOTAL	2,000
B.1.a. 4. New Mexico / Native American Resident Preference	160
B.1.a. 4. New Mexico / Native American Resident Veteran Preference Points per Section IV C.7	200
TOTAL POSSIBLE POINTS	2,200

Table 1: Evaluation Point Summary

B. EVALUATION FACTORS

1. Technical Proposal (See Evaluation Factors Table)

Points will be awarded based on the thoroughness and clarity of Offeror’s response in this Section. The Evaluation Committee will also weigh the relevancy and extent of Offeror’s experience, expertise and knowledge; and of personnel education, experience and certifications/licenses. In addition, points will be awarded based on Offeror’s candid and well-thought-out response to successes and failures, as well as the ability of the Offeror to learn from its failures and grow from its successes. Points will be awarded based on the table.

Pass/Fail items will be evaluated based on whether or not the offeror included the required item in their proposal. A “fail” will eliminate the proposal from further evaluation and consideration.

2. Cost Proposal (See Evaluation Factors Table)

The evaluation of each Offeror’s cost proposal will be conducted using the following formula:

$$\frac{\text{Lowest Responsive Offeror's Cost (avg of 4 years)}}{\text{Each Offeror's Cost (avg of 4 years)}} \times \text{Available Award Points (500)}$$

3. Oral Presentation (See Evaluation Factors Table)

Points will be awarded based on the quality, organization and effectiveness of communication of the information presented, as well as the professionalism of the presenters and technical knowledge of the proposed staff. Prior to Oral Presentation, Authority will provide the Offeror a presentation agenda. (If no Oral Presentations are held all Offerors will receive the maximum amount of total points for this Evaluation Factor).

4. New Mexico/Native American Resident Preferences

Percentages will be determined based upon the point-based system outlined in § 13-1-21 NMSA 1978 (as amended).

A. New Mexico Resident Business Preference / Native American Resident Preference

If an Offeror has provided a copy of its New Mexico Resident Preference Certificate or Native American Resident Preference Certificate, the points awarded will be calculated as 8% of the total points available in this RFP.

B. New Mexico/Native American Resident Veteran Preference

If an Offeror has provided a copy of its New Mexico Resident Veteran Preference Certificate or Native American Resident Veteran Preference Certificate the points awarded will be calculated as 10% of the total points available in this RFP.

C. EVALUATION PROCESS

1. All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.
2. The Procurement Manager may contact the Offeror for clarification of the response as specified in Section II. B.7.
3. Responsive proposals will be evaluated on the factors in Section IV, which have been assigned a point value in Section V. The responsible Offerors with the highest scores may be selected as finalist Offerors, based upon the proposals submitted. In accordance with §13-1-117 NMSA 1978, the responsible Offerors whose proposals are most advantageous to the State taking into consideration the Evaluation Factors in Section V will be recommended for award (as specified in Section II.B.12). Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.

APPENDIX A

Acknowledgement of Receipt Form

REQUEST FOR PROPOSAL

Financial and Compliance Audit
RFP # 342-2024-10

ACKNOWLEDGEMENT OF RECEIPT FORM

This optional Acknowledgement of Receipt Form establishes a distribution list to be used for the distribution of written responses to questions, and/or any amendments to the RFP. Failure to return the Acknowledgement of Receipt Form does not prohibit potential Offerors from submitting a response to this RFP. However, by not returning the Acknowledgement of Receipt Form, the potential Offeror's representative shall not be included on the distribution list and will be solely responsible for obtaining from the Procurement Library (Section I.G.) responses to written questions and any amendments to the RFP.

The information below will be used for all correspondence related to the Request for Proposal. Only one contact per Offeror is permitted.

ORGANIZATION: _____

CONTACT NAME: _____

TITLE: _____ PHONE NO.: _____

E-MAIL: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

Submit Acknowledgement of Receipt Form to:

To: Maria Lugo, Procurement Manager

E-mail: psia.procurement@psia.nm.us

Subject Line: Financial and Compliance Audit #342-2024-08

APPENDIX B
CAMPAIGN CONTRIBUTION DISCLOSURE FORM

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

RFP#342-2024-08

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, a prospective contractor subject to this section shall disclose all campaign contributions given by the prospective contractor or a family member or representative of the prospective contractor to an applicable public official of the state or a local public body during the two years prior to the date on which a proposal is submitted or, in the case of a sole source or small purchase contract, the two years prior to the date on which the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor or a family member or representative of the prospective contractor to the public official exceeds two hundred fifty dollars (\$250) over the two-year period. A prospective contractor submitting a disclosure statement pursuant to this section who has not contributed to an applicable public official, whose family members have not contributed to an applicable public official or whose representatives have not contributed to an applicable public official shall make a statement that no contribution was made.

A prospective contractor or a family member or representative of the prospective contractor shall not give 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 during the pendency of negotiations for a sole source or small purchase contract.

Furthermore, a solicitation or proposed award for a proposed contract may be canceled pursuant to Section [13-1-181](#) NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section [13-1-182](#) NMSA 1978 if a prospective contractor fails to submit a fully completed disclosure statement pursuant to this section; or a prospective contractor or family member or 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.

The state agency or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND 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 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 a spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor;

“**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.

“**Prospective contractor**” means a person or business that is subject to the competitive sealed proposal process set forth in the Procurement Code [Sections [13-1-28](#) through [13-1-199](#) NMSA 1978] or is not required to submit a competitive sealed proposal because that person or business qualifies for a sole source or 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.

Name(s) of Applicable Public Official(s) if any: _____

(This field must be completed by the issuing State Agency. In most cases, the official identified will be the current Governor of New Mexico and Lieutenant Governor. If a local public body is using this template for their RFPs, it must complete this field with the applicable elected official(s).)

DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE CONTRACTOR:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

Signature

Date

Title (position)

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (Position)

APPENDIX C

DRAFT CONTRACT

Contract No. 342-2025-01

STATE OF NEW MEXICO AUDIT CONTRACT

NM Public School Insurance Authority

hereinafter referred to as the "Agency," and

hereinafter referred to as the "Contractor," agree:

As required by the Audit Rule, Section 2.2.2.1 NMAC *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 Section 2.2.2.8 NMAC, 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 Agency for Fiscal Year **2024** in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the Audit Act, Sections 12-6-1 through 12-6-15, NMSA 1978, and the Audit Rule (Section 2.2.2.1 NMAC *et seq.*).

2. DELIVERY AND REPRODUCTION

- A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the documents to the State Auditor on or before the deadline set forth for the Agency in Section 2.2.2.9 NMAC.
- B. Reports uploaded to OSA Connect by the Agency's due date will be considered received by the due date for purposes of Section 2.2.2.9 NMAC. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with Section 2.2.2.13 NMAC. If the State Auditor does not receive copies of the management representation letter 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 in accordance with Section 2.2.2.9 NMAC.
- D. Pursuant to Section 2.2.2.10 NMAC, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency.
- E. After its review of the audit report pursuant to Section 2.2.2.13 NMAC, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days after the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor an electronic version of the audit report, in PDF format, and the electronic copy of the Excel version of the Summary of Findings Form, and any other required electronic schedule (if applicable). 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 Contractor shall ensure that every member of the Agency's governing authority shall receive a copy of the report.

3. COMPENSATION

- A. The total amount payable by the Agency to the Contractor under this Contract shall not exceed \$xx.xx including applicable gross receipts tax.
- B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. 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	<u>\$xx.xx</u>
(2) Federal single audit	<u>\$0.00</u>
(3) Financial statement preparation	<u>\$xx.xx</u>
(4) Other nonaudit services, such as depreciation schedule updates	<u>\$0.00</u>
(5) Other (i.e., component units, specifically identified)	<u>\$0.00</u>

Gross Receipts Tax = \$xx.xx

Total Compensation = \$xx.xx including applicable gross receipts tax

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.

APPENDIX D
Cost Response Form

COST RESPONSE FORM

**New Mexico Public Schools Insurance Authority
Financial and Compliance Audit
RFP# 342-2024-10**

All amounts provided must include **ALL** labor, materials, equipment, transportation, and other costs to provide the goods and/or services described in Section IV.A, (as amended by any current RFP amendments for the period specified).

Year 1: Fiscal Year Ending June 30, 2024			
Services	Hours	Rate Per Hour	Total
1. Financial Statement Audit			
2. Federal Single Audit	n/a	n/a	n/a
3. Financial Statement Preparation			
4. Other non-audit services (must be detailed in proposal)			
Total			

Year 2: Fiscal Year Ending June 30, 2025			
Services	Hours	Rate Per Hour	Total
1. Financial Statement Audit			
2. Federal Single Audit (if applicable)			
3. Financial Statement Preparation			
4. Other non-audit services (must be detailed in proposal)			
Total			

Year 3: Fiscal Year Ending June 30, 2026			
Services	Hours	Rate Per Hour	Total
1. Financial Statement Audit			
2. Federal Single Audit (if applicable)			
3. Financial Statement Preparation			
4. Other non-audit services (must be detailed in proposal)			
Total			

Year 4: Fiscal Year Ending June 30, 2027			
Services	Hours	Rate Per Hour	Total

1. Financial Statement Audit			
2. Federal Single Audit (if applicable)			
3. Financial Statement Preparation			
4. Other non-audit services (must be detailed in proposal)			
Total			

APPENDIX E
Letter of Transmittal Form

Letter of Transmittal Form

Please complete this form in its entirety. Failure to **sign and/or submit** this form will result in the disqualification of Offeror's proposal.

RFP#: Financial and Compliance Audit 342-2024-08

1. Identify the following information for the submitting organization:

Offeror Name	
Mailing Address	
Telephone	
FED TIN#	
NM BTIN#	

2. Identify the individual(s) authorized by the organization to (A) contractually obligate, (B) negotiate, and/or (C) clarify/respond to queries on behalf of this Offeror:

	A Contractually Obligate	B Negotiate*	C Clarify/Respond to Queries*
Name			
Title			
E-mail			
Telephone			

* If the individual identified in Column A also performs the functions identified in Columns B & C, then no response is required for those Columns. If separate individuals perform the functions in Columns B and/or C, they must be identified.

3. Will any subcontractor/s be used in the performance of any resultant contract? (Select one):

No.
 Yes. Identify subcontractor/s: _____

4. Will any other entity/-ies (such as a State Agency, reseller, etc., that is not a subcontractor identified in #3 above) be used in the performance of any resultant contract? (Select one)

No.
 Yes. Identify entity/-ies: _____

By signing the form below, the Authorized Signatory attests to the accuracy and veracity of the information provided on this form, and explicitly acknowledges the following:

- On behalf of the submitting-organization identified in item #1, above, I accept the Conditions Governing the Procurement, as required in Section II.C.1. of this RFP;
- I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP; and
- I acknowledge receipt of any and all amendments to this RFP, if any.

Sign: _____ Date: _____
(Must be signed by the individual identified in item #2.A, above.)

APPENDIX F

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The State of New Mexico, as a part of the RFP process, requires Offerors to list a minimum of three (3) organizational references in their proposals. The purpose of these references is to document Offeror's experience relevant to the Section IV.A, Detailed Scope of Work in an effort to evaluate Offeror's ability to provide goods and/or services, performance under similar contracts, and ability to provide knowledgeable and experienced staffing.

Offeror is required to send the following Organizational Reference Questionnaire to each business reference listed in its proposal, as per Section IV.B.2. The business reference, if it chooses to respond, is required to submit its response to the Organizational Reference Questionnaire directly to: Maria Lugo, Procurement Manager, at psia.procurement@state.nm.us by the due date for the Request for Proposals for inclusion in the evaluation process. The Questionnaire and information provided will become a part of the submitted proposal. Businesses/Organizations providing references may be contacted for validation of content provided therein.

RFP # 342-2024-10
ORGANIZATIONAL REFERENCE QUESTIONNAIRE
FOR:

(Name of Offeror)

This form is being submitted to your company for completion as a reference for the organization listed above. This Questionnaire is to be submitted to the State of New Mexico, NMPSIA via e-mail at:

Name: Maria Lugo, Procurement Manager
Email: psia.procurement@state.nm.us

Forms must be submitted no later than the due date of the Request for Proposals **and must not** be returned to the organization requesting the reference. References are **strongly encouraged** to provide comments in response to organizational ratings.

For questions or concerns regarding this form, please contact the Authority’s **Procurement Manager** at 505-469-0407 or psia.procurement@state.nm.us . When contacting the Procurement Manager, include the Request for Proposal number provided at the top of this page.

Organization providing reference	
Contact name and title/position	
Contact telephone number(s)	
Contact e-mail address	
Project description	
Project dates (start and end dates)	
Technical environment for the project your providing a reference (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);	

QUESTIONS:

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

COMMENTS:

2. How would you rate this firm's knowledge and expertise?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

1. How would you rate the vendor's flexibility relative to changes in the project scope and timelines?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

4. What is your level of satisfaction with hard-copy materials produced by the vendor?

____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

COMMENTS:

5. How would you rate the dynamics/interaction between vendor personnel and your staff?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

COMMENTS:

6. Who are/were the vendor's principal representatives involved in your project and how would you rate them individually? Would you, please, comment on the skills, knowledge, behaviors or other factors on which you based the rating?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)

Name: _____ Rating: _____

Name: _____ Rating: _____

Name: _____ Rating: _____

Name: _____ Rating: _____

COMMENTS:

7. How satisfied are/were you with the products developed by the vendor?

_____ (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable, N/A = Not applicable)

COMMENTS:

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

COMMENTS:

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

COMMENTS:

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

COMMENTS:

Appendix G
Sample Business Associate Agreement

Business Associate Agreement

This Business Associate Agreement (“Agreement”) is entered into by and between the New Mexico Public Schools Insurance Authority (NMPSIA), hereinafter referred to as the “Authority” or “Covered Entity”, and “Vendor Name” hereinafter referred to as the “Contractor” or “Business Associate” and is effective as of “Effective Date”.

WHEREAS, Covered Entity is either a “covered entity” or “business associate” of a covered entity as each are defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the HITECH Act (as defined below) and the related regulations promulgated by HHS (as defined below) (collectively, “HIPAA”) and, as such, is required to comply with HIPAA’s provisions regarding the confidentiality and privacy of Protected Health Information (as defined below);

WHEREAS, the Parties have entered into or will enter into one or more agreements under which Business Associate provides or will provide certain specified services to Covered Entity (collectively, the “Agreement”);

WHEREAS, in providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information;

WHEREAS, by providing the services pursuant to the Agreement, Business Associate will become a “business associate” of the Covered Entity as such term is defined under HIPAA;

WHEREAS, both Parties are committed to complying with all federal and state laws governing the confidentiality and privacy of health information, including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information found at 45 CFR Part 160 and Part 164, Subparts A and E (collectively, the “Privacy Rule”); and

WHEREAS, both Parties intend to protect the privacy and provide for the security of Protected Health Information disclosed to Business Associate pursuant to the terms of this Agreement, HIPAA and other applicable laws.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by the Covered Entity to the Business Associate under the Agreement in reliance on this Business Associate Agreement (BAA), the Parties agree as follows:

1. **Definitions.** For purposes of this BAA, the Parties give the following meaning to each of the terms in the definitions. Any capitalized term used in this BAA, but not otherwise defined, has the meaning given to that term in the Privacy Rule or pertinent law.
 - A. “Affiliate” means a subsidiary or affiliate of a Covered Entity or of a Business Associate.
 - B. “Breach” means the acquisition, access, use, or disclosure of PHI in a manner not permitted under the Privacy Rule which compromises the security or privacy of the PHI, as defined in 45 CFR §164.402.
 - C. “Breach Notification Rule” means the portion of HIPAA set forth in Subpart D of 45 CFR Part 164.
 - D. “Business Associate” means the Contractor.
 - E. “Business Associate Agreement” means a legally-binding relationship between HIPAA-covered entities and business associates to ensure complete protection of PHI.
 - F. “Covered Entity” means the Authority.

- G. “Data Aggregation” means, with respect to PHI created or received by Business Associate in its capacity as the “business associate” under HIPAA of Covered Entity, the combining of such PHI by the Business Associate with the PHI received by Business Associate in its capacity as a business associate of one or more other “covered entity” under HIPAA, to permit data analyses that relate to the Health Care Operations (defined below) of the respective covered entities. The meaning of “data aggregation” in this BAA shall be consistent with the meaning given to that term in the Privacy Rule.
- H. “De-Identify” means to alter the PHI such that the resulting information meets the requirements described in 45 CFR §§164.514(a) and (b).
- I. “Effective Date” shall mean the earliest date by which the Contractor and the Authority must enter into a business associate agreement under 45 CFR Part 164.
- J. “Electronic PHI” means any PHI maintained in or transmitted by electronic media as defined in 45 CFR §160.103.
- K. “Health Care Operations” has the meaning given to that term in 45 CFR §164.501.
- L. “HHS” means the U.S. Department of Health and Human Services.
- M. “HIPAA Rules” shall mean the requirements of the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164, implementing HIPAA and the HITECH Act, in each case only as of the applicable compliance date for such requirements.
- N. “HITECH Act” means the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.
- O. “Limited Data Set” shall have the same meaning as the term “limited data set” as set forth in 45 CFR §164.514(e) (2).
- P. “Privacy Rule” means that portion of HIPAA set forth in 45 CFR Part 160 and Part 164, Subparts A and E.
- Q. “Protected Health Information” or “PHI” has the meaning given to the term “protected health information” in 45 CFR §§164.501 and 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- R. “Required by law” means a mandate contained in law that compels an entity to make a use or disclosure of protected health information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- S. “Secretary” shall mean the Secretary of the United States Department of Health and Human Services.
- T. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

- U. “Security Rule” means the Security Standards for the Protection of Electronic Health Information provided in 45 CFR Part 160 & Part 164, Subparts A and C.
- V. “Unsecured Protected Health Information” or “Unsecured PHI” means any “protected health information” as defined in 45 CFR §§164.501 and 160.103 that is not rendered unusable, unreadable or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the HHS Secretary in the guidance issued pursuant to the HITECH Act and codified at 42 USC §17932(h).

2. General Provisions.

- A. Effect. As of the Effective Date, the terms and provisions of this Agreement are incorporated in and shall supersede any conflicting or inconsistent terms and provisions of the (“Agreement”) including all exhibits or other attachments to, and all documents incorporated by reference in, any such applicable agreements (individually and collectively any such applicable agreements are referred to herein as the (“Agreement”). This Agreement sets out terms and provisions relating to the use and disclosure of Protected Health Information (“PHI”) without written authorization from the Individual. To the extent there is a conflict between the Agreement and this Agreement, this Agreement shall control.
- B. Amendment to Comply with Law. The Contractor, on behalf of itself and its affiliates and subsidiaries that perform services for the Authority under the Agreement are (collectively referred to as “the Contractor”), the Authority (also referred to as “Plan Sponsor”), and the group health plan that is the subject of the Agreement (also referred to as the “Plan”) agree to amend this Agreement to the extent necessary to allow either the Authority or the Contractor to comply with applicable laws and regulations including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (45 CFR Parts 160 to 164) (“HIPAA Privacy and Security Rules”).
- C. Relationship of Parties. The parties intend that the Contractor is an independent Contractor and not an agent of the Authority or the Plan Sponsor.

3. Use and Disclosure of PHI.

- A. Except as otherwise provided in this BAA, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this BAA or as required by law.
- B. Except as otherwise limited by this BAA or federal or state law, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate’s business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that;
 - 1. The disclosures are required by law; or
 - 2. Business Associate obtains, in writing, prior to making any disclosure to a third party:
 - a. reasonable assurances from this third party that the PHI will be held confidential as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to this third party and
 - b. an agreement from this third party to notify Business Associate immediately of any breaches of the confidentiality of the PHI, to the extent it has knowledge of the breach.

3. The disclosures are required to provide Data Aggregation services relating to the Health Care Operations of the Authority, or to de-identify PHI. Once information is de-identified, this Agreement shall not apply.
 - C. Business Associate will not use or disclose PHI in a manner other than as provided in this BAA, as permitted under the Privacy Rule, or as required by law. Business Associate will use or disclose PHI, to the extent practicable, as a limited data set or limited to the minimum necessary amount of PHI to carry out the intended purpose of the use or disclosure, in accordance with Section 13405(b) of the HITECH Act (codified at 42 USC §17935(b)) and any of the act's implementing regulations adopted by HHS, for each use or disclosure of PHI.
 - D. Upon request, Business Associate will make available to Covered Entity any of the Covered Entity's PHI that the Business Associate or any of its agents or subcontractors have in their possession.
 - E. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).
 - F. Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI of an Individual unless authorization is obtained from the Individual, in accordance with 45 CFR. §164.508, which specifies whether PHI can be exchanged for remuneration by the entity receiving PHI of that individual unless otherwise permitted under the HIPAA Privacy Rule.
4. Safeguards Against Misuse of PHI. Business Associate will use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this BAA and Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate agrees to take reasonable steps, including providing adequate training to its employees to ensure compliance with this BAA and to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this BAA.
 5. Protection of Electronic PHI.
 - A. The Contractor will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that the Contractor creates, receives, maintains, or transmits on behalf of the Authority as required by the Security Standards;
 - B. Ensure that any agent or subcontractor to whom the Contractor provides Electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information; and,
 - C. Promptly report to the Authority any Security Incident with respect to Electronic PHI of which it becomes aware and which has compromised the protections set forth in the HIPAA Security Rule. In the event of a Security Incident, the Contractor shall report to the Authority in writing.
 6. Reporting Disclosures of PHI and Security Incidents. Business Associate will report to Covered Entity in writing any use or disclosure of PHI not provided for by this BAA of which it becomes aware. Business Associate agrees to report to Covered Entity any Security Incident affecting PHI of Covered Entity of which it becomes aware. Business Associate agrees to;

- A. report any actual, successful Security Incident within five (5) business days of the date on which the Contractor first becomes aware of such actual, successful Security Incident and;
- B. to the extent commercially reasonable, the Authority may request the Contractor to report in writing attempted but unsuccessful Security Incidents involving PHI of which the Contractor becomes aware, provided however that such reports are not required for trivial and routine incidents such as port scans, attempts to log in with an invalid password or user name, denial of service attacks that do not result in a server being taken off-line, malware and pings or other similar types of events.

7. Reporting Breaches of Unsecured PHI.

- A. Business Associate will notify Covered Entity in writing promptly upon the discovery of any Breach of Unsecured PHI in accordance with the requirements set forth in 45 CFR §164.410, but in no case later than 30 calendar days after discovery of a Breach. This notification will include, to the extent known:
 - 1. the names of the individuals whose PHI was involved in the Breach;
 - 2. the circumstances surrounding the Breach;
 - 3. the date of the Breach and the date of its discovery;
 - 4. the information Breached;
 - 5. any steps the impacted individuals should take to protect themselves;
 - 6. the steps the Contractor is taking to investigate the Breach, mitigate losses, and protect against future Breaches; and,
 - 7. a contact person who can provide additional information about the Breach.
- B. Business Associate will reimburse Covered Entity for any costs incurred by it in complying with the requirements of Subpart D of 45 CFR §164 that are imposed on Covered Entity as a result of a Breach committed by Business Associate.

8. Mitigation of Disclosures of PHI. Business Associate will take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this BAA.

9. Agreements with Agents or Subcontractors. Business Associate will ensure that any of its agents or subcontractors that have access to, or to which Business Associate provides PHI agree in writing to the restrictions and conditions concerning uses and disclosures of PHI contained in this BAA and agree to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of the Contractor or, through the Contractor's Business Associate, Covered Entity. The Contractor shall notify the Covered Entity, and the upstream Business Associate, of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 1.Q. of this BAA. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract by placement of such notice on the Business Associate's primary website. Business Associate shall ensure that all subcontracts and agreements provide the same level of privacy and security as this BAA.

10. Audit Report. Upon request, Business Associate will provide Covered Entity, and upstream Business Associate, with a copy of its most recent independent HIPAA compliance report (AT-C 315), HITRUST certification or other mutually agreed upon independent standards-based third-party audit report. The covered entity agrees not to re-disclose Business Associate's audit report.

11. Access to PHI by Individuals.

- A. Upon request, Business Associate agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner

designated by Covered Entity to enable Covered Entity to respond to an Individual's request for access to PHI under 45 CFR §164.524.

- B. In the event any Individual or personal representative requests access to the Individual's PHI directly from Business Associate, Business Associate within ten (10) business days, will forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an Individual or a personal representative and compliance with the requirements applicable to an Individual's right to obtain access to PHI shall be the sole responsibility of the Covered Entity.

12. Amendment of PHI. Upon request and instruction from the Authority, Business Associate will amend PHI or a record about an Individual in a Designated Record Set that is maintained by, or otherwise within the possession of, the Business Associate as directed by the Authority in accordance with procedures established by 45 CFR §164.526. Any request by Covered Entity to amend such information will be completed by Business Associate within 15 business days of the Covered Entity's request.

13. Accounting of Disclosures.

- A. Business Associate will document any disclosures of PHI made by it to account for such disclosures as required by 45 CFR §164.528(a). Business Associate also will make available information related to such disclosures as would be required for Covered Entity to respond to a request for an accounting of disclosures in accordance with 45 CFR §164.528. At a minimum, Business Associate will furnish Covered Entity the following with respect to any covered disclosures by Business Associate:

1. the date of disclosure of PHI;
2. the name of the entity or person who received PHI, and, if known, the address of such entity or person;
3. a brief description of the PHI disclosed; and
4. a brief statement of the purpose of the disclosure which includes the basis for such disclosure.

- B. Business Associate will furnish to Covered Entity information collected in accordance with this Section 10, within ten business days after written request by Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by 45 CFR §164.528, or in the event that Covered Entity elects to provide an Individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon request of the Individual, if and to the extent that such accounting is required under the HITECH Act or under HHS regulations adopted in connection with the HITECH Act.

- C. In the event an Individual delivers the initial request for an accounting directly to Business Associate, Business Associate will within ten business days forward such request to Covered Entity.

14. Availability of Books and Records. Business Associate will make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purposes of determining Covered Entity's and Business Associate's compliance with HIPAA, and this BAA.

15. Responsibilities of Covered Entity. With regard to the use and/or disclosure of Protected Health Information by the Business Associate, Covered Entity agrees to:

- A. Notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with 45 CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
 - B. Notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
 - C. Notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
 - D. Except for data aggregation or management and administrative activities of the Business Associate, the Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.
- 16.** Data Ownership. Business Associate's data stewardship does not confer data ownership rights on Business Associate with respect to any data shared with it under the Agreement, including any and all forms thereof.
- 17.** Term and Termination.
- A. This BAA will become effective on the date first written above and will continue in effect until all obligations of the Parties have been met under the Agreement and under this BAA.
 - B. Covered Entity may terminate immediately this BAA, the Agreement, and any other related agreements if the Covered Entity makes a determination that the Business Associate has breached a material term of this BAA and the Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within 30 days after written notice from Covered Entity. The covered Entity may report the problem to the Secretary of HHS if termination is not feasible.
 - C. If Business Associate determines that Covered Entity has breached a material term of this BAA, then Business Associate will provide Covered Entity with written notice of the existence of the breach and shall provide Covered Entity with 30 days to cure the breach. Covered Entity's failure to cure the breach within the 30-day period will be grounds for immediate termination of the Agreement and this BAA by Business Associate. Business Associate may report the breach to HHS.
 - D. Upon termination of the Agreement or this BAA for any reason, all PHI maintained by Business Associate will be returned to Covered Entity or destroyed by Business Associate. Business Associate will not retain any copies of such information. This provision will apply to PHI in the possession of Business Associate's agents and subcontractors. If return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate will furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate will extend the protections of this BAA to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. The Parties understand that this Section 17.D. will survive any termination of this BAA.
- 18.** Effect of BAA.

- A. This BAA is a part of and subject to the terms of the Agreement, except that to the extent any terms of this BAA conflict with any term of the Agreement, the terms of this BAA will govern.
- B. Except as expressly stated in this BAA or as provided by law, this BAA will not create any rights in favor of any third party.

19. Regulatory References. A reference in this BAA to a section in HIPAA means the section as in effect or as amended at the time.

20. Notices. All notices, requests, and demands or other communications to be given under this BAA to a Party will be made via either first class mail, registered or certified or express courier, or electronic mail to the Party's address given below:

If to the Authority, to:

NMPSIA

410 Old Taos Highway

Santa Fe, NM 87501

Attention: Executive Director

Patrick Sandoval

Patrick.Sandoval@psia.nm.gov

If to Vendor, to:

21. Amendments and Waiver. This BAA may not be modified, nor will any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing or as a bar to, or waiver of any right or remedy as to subsequent events.

22. HITECH Act Compliance. The Parties acknowledge that the HITECH Act includes significant changes to the Privacy Rule and the Security Rule. The privacy subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under HIPAA and these changes may be further clarified in forthcoming regulations and guidance. Each Party agrees to comply with the applicable provisions of the HITECH Act and any HHS regulations issued with respect to the HITECH Act. The Parties also agree to negotiate in good faith to modify this BAA as reasonably necessary to comply with the HITECH Act and its regulations as they become effective but, in the event that the Parties are unable to reach an agreement on such a modification, either Party will have the right to terminate this BAA upon 30 days' prior written notice to the other Party.

In light of the mutual agreement and understanding described above, the Parties execute this BAA as of the date first written above.

By: _____
NMPSIA
Name:
Title:

By: _____
Vendor:
Name:
Title:

Appendix H
Financial and Compliance Audit Services Questionnaire

1. Firm Background and Direction:

- a. Provide a short history of the company, highlighting your most important milestones.
- b. Describe your future growth plans.
- c. Briefly outline your succession plans to ensure continuity of the firm and completion of the engagement with the Authority.

2. Firm Structure:

- a. What is your firm's legal business structure?
 - i. If owned by another firm, what percentage of the parent company's revenue does your firm contribute? Please indicate how the percentage of revenue has changed over the life of the arrangement or the last 10 years.
 - ii. Include any affiliated companies, joint ventures, and other entities that contribute in some way to your firm's investment or operational management.
 - iii. List all firm owners, whether they are individuals, employees, or partnerships and percentage ownership held by each.
 - iv. Please provide an organizational chart.
- b. Describe any material developments in your organization (changes in ownership, personnel, business, etc.) over the past five years in detail.
- c. Are there any structural or financial changes contemplated in the next year (e.g., ownership, merger and acquisitions, products, etc.)? If yes, please explain.

3. Is the firm registered with any state or federal regulatory agency?

- a. State whether, during the last five years, any regulatory agency has conducted an audit or review of the firm.
- b. If such an audit or review was conducted, what were the findings?
- c. Is there any pending or threatened litigation against the firm or any of its officers, directors, principles or investment personnel? If so, please explain.
- d. Is there any pending or threatened regulatory action, or any past regulatory action, against the firm or any of its officers, directors, principles or investment personnel? If so, please explain.

4. Insurance

- a. Has your firm ever made a claim against its fiduciary liability or errors and omissions or similar insurance policy? If so, please explain.

b. Has the firm or any of the key principals, including any board or Manager members, ever been denied coverage for errors and omissions, directors and officers, or fiduciary liability insurance? If so, please provide a detailed explanation of the reasons given by the carrier(s) for such denial.

5. Office Locations

a. How many offices/locations does your firm maintain?

b. If more than one office/location, identify the locations, number of employees, and describe the functions performed at each location.

c. What is the primary location whereby the services will be provided?

6. Provide a list of other public and quasi-public entities your firm will be engaged with at the same time it will be auditing the Authority.