LUNA COMMUNITY COLLEGE

REQUEST FOR PROPOSALS

RFP: #2026-LCC001

https://luna.edu/rfp

ANNUAL AUDIT SERVICES

Issue Date: October 16, 2026

Due Date: 3:00 PM MT, Wednesday, November 18, 2026

Office of Finance and Administration
366 Luna Drive Las Vegas, NM 87701
CONTACT: Justin Garcia, CPO, Procurement Officer 505-454-5393
purchasing@luna.edu

INTRODUCTION I. CONDITIONS GOVERNING THE PROCUREMENT II. MANDATORY SPECIFICATIONS III. EVALUATION APPENDIX A: DEFINITION OF TERMINOLOGY APPENDIX B: GENERAL REQUIREMENTS APPENDIX C: CAMPAIGN CONTRIBUTION DISCLOSURE FORM APPENDIX D: SAMPLE CONTRACT

I. INTRODUCTION

PURPOSE OF THIS REQUEST FOR PROPOSALS: Luna Community College (LCC) invites proposals for qualified and experienced Independent Public Accountants (IPAs) to perform and publish the annual audit(s) of Luna Community College and the LCC Foundation (Discretely-Presented Component Unit) for the fiscal years ending June 30, 2026 with the option to renew for multiple years.

Qualified IPAs in good standing with the Office of the State Auditor are requested to submit proposals. This audit shall be performed in accordance with applicable Generally Accepted Auditing Standards (GAAS), Generally Accepted Governmental Auditing Standards (GAS/ Yellow Book), Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) Statements, OMB Circular Compliance Supplements to include all requirements for funding received under the American Recovery and Reinvestment Act (ARRA), and Requirements of the State Auditor Rule (2.2.2 NMAC).

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  Office of Finance and Administration

  366 Luna Drive

  Las Vegas, NM 87701

  505-454-5393

  purchasing@luna.edu

Proposals must be emailed in PDF format to purchasing@luna.edu on or before the due date. The email subject shall include the Company Name, Audit Services and the RFP number: #2026-LCC001.

BACKGROUND INFORMATION: Luna Community College is a highly respected college within the northeastern New Mexico communities. Although we are behind with our audits, LCC wants to celebrate the obstacles we have overcome. LCC has experienced significant turnover within executive leadership and the Board of Trustees, resulting with significant setbacks in the Finance Department. LCC became a part of the Collaborative for Higher Education Shared Services (CHESS) and has successfully transitioned into Workday, while also diligently working at stabilization since FY2024. Since FY24, LCC has completed the FY22 audit, keeping audit findings down to only annual two findings and securing consistently effective leadership within the President role. This fiscal year, LLC completed the FY24 audit, still with only two findings

and no findings among federal funding, hired a permanent Vice President of Finance & Administration, reconciled and transitioned all accounting transactions into Workday and is currently conducting the FY25 Financial Audit. Although there have been challenges impacting daily operations, we celebrate the stability and progress made over the last two years.

LCC maintains classes in Springer, Santa Rosa, and Mora, New Mexico. All campuses are administered and supervised by Luna and governed by an elected Board of Trustees. Courses may be offered on any campus where need is demonstrated, and online. The current student enrollment is approximately 750 students; there are approximately 218 employees of which 109 are full-time. LCC is a member of the Collaborative for Higher Education Shared Services (CHESS) and converted its Finance, Human Resources, and Payroll operations from Jenzabar CX to the Workday platform in January 2024. For more detailed information on the College's operation go to our website at www.luna.edu.

SCOPE OF WORK: LCC requests a multi-year proposal to provide services, identified in this RFP #2026-LCC001, for the fiscal year ending June 30, 2026. The initial contract established as a result of this solicitation will be for one (1) year with the option to renew for three (3) additional one-year terms at the same price, terms and conditions as stated on the original proposal. Exercising the option to extend must be by mutual agreement of the parties to the contract and with the approval of the State Auditor (OSA). The successful offeror will enter into a contract following approval of the State Auditor.

The Audit Services to be performed shall cover the entire operations of the college, and the LCC Foundation (Component Unit), and shall comprise a financial and compliance audit of the statements and schedules referenced with 2.2.2. NMAC Section 2.2.2.10.A(2) including but not limited to:

- Audit of LCC Financial Statements
- Audit of LCC Foundation (component unit) Financial Statements
- Prepare IRS form 990 for LCC Foundation
- Additional reporting required or desired by oversight agencies

The audits shall be conducted in accordance with the generally accepted auditing standards, government auditing standards, the Federal Single Audit Act, OMB Circular A-133 and in accordance with 2.2.2. NMAC Requirements for Contracting and Conducting Agency Audits dated https://www.saonm.org/state_auditor_rule) and other pronouncements listed in 2.2.2. NMAC, Section 2.2.2.10.D

Mandatory Requirements

- Offeror must be included in the List of Approved Firms maintained by the NM State Auditor's office to be eligible to compete for this audit contract
- Offeror must have submitted a complete firm profile to the Office of the State Auditor in compliance with 2.2.2. NMAC prior to proposing and it is the offerors responsibility to provide proof of compliance
- Offerors are required to provide a copy of the firm's most recent external quality control report in compliance with 2.2.2. NMAC. The peer review should meet the current GAGAS requirements.

Audit Schedule & Special Conditions:

Please note that the engagement for the Fiscal Year 2026 (FY26) audit is currently delayed and commencement of work under RFP #2026-LCC001 is contingent upon the final completion and submission of Luna Community College's FY25 audit report. To accommodate this sequence, the preliminary audit dates will be revised upon contract execution. Under the proposed time-line, formal audit commencement and fieldwork for FY26 are scheduled to begin in mid-to-late January 2027. Following commencement, the selected Independent Public Accountant (IPA) will coordinate with the LCC Office of Finance and Administration to finalize a firm project schedule, targeting draft completion and report submission to the Office of the State Audi-tor (OSA) on an expedited timeframe. Delivery of the final audit report will be presented, in-person, to the LCC Board of Trustees at a time and date designated by the Board of Trustees.

This RFP is issued under, and all proposals submitted in response to this solicitation shall be subject to, the State of New Mexico Procurement Code, Section 13-1-21 through 13-1-199, NMSA 1978.

The information provided in this RFP is accurate to the best of LCC's knowledge. Nothing in this RFP is intended to relieve Offerors from undertaking their own investigations or inquiries. Offerors should exhibit their own due diligence and form their own opinions and conclusions with respect to the matters addressed in this RFP. LCC does not represent or warrant that the information is comprehensive or exhaustive and assume no responsibility for the completeness or accuracy of the information. Specifically, LCC makes no representation or warranty for historical data or information that may be used forecast volumes and/or needs.

For a comprehensive list of definitions and abbreviations used in this RFP please refer to APPENDIX A.

SUBMISSION REQUIREMENTS: Offerors shall submit only one (1) proposal. The proposal shall be formatted for standard 8 1/2 x 11 paper size, in 12-point type font with page numbers, and organized in the following format:

1. Transmittal Letter;
2. Table of Contents;
3. Summary of proposed services;
4. Response to Mandatory Specifications;
5. Supporting material and/or technical documentation; and
6. Itemized cost proposal
7. The Campaign Contribution Disclosure Form.
8. Any applicable preferences.

Proposals must be emailed in PDF format to the Procurement Officer by the specified time/date. Email submissions must clearly indicate in the subject line that they are in response to the RFP #2026-LCC001, Annual Audit Services.

Please see Section III Specifications for details regarding mandatory specifications.

PROCUREMENT OFFICER: LCC has assigned a Procurement Officer who is responsible for the conduct of this procurement whose name, address, telephone number and e-mail address are listed below:

Name: Justin Garcia, CPO, Procurement Officer

Address: Luna Community College, 366 Luna Drive, Las Vegas, New Mexico 87701

Telephone: (505) 454-5393

Email: purchasing@luna.edu

Any inquiries or requests regarding this procurement should be submitted, in writing, to the Procurement Officer.

Offerors may contact ONLY the Procurement Officer regarding this procurement. No other LCC person has the authority to respond on behalf of LCC. Protests of the solicitation or award must be delivered by mail to the Procurement Officer who is the Protest Manager. As a Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, 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.

II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule, description, and conditions governing the procurement.

SEQUENCE OF EVENTS

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

Action	Responsible Party	Due Dates
1. Issue RFP	LCC	10-16-2026
2. Distribution List	LCC	10-15-2026
3. Deadline to submit Questions	Potential Offerors	10-28-2026 5:00 PM MT
4. Response to Written Questions	Procurement Officer	11-04-2026
5. Submission of Proposal	Offerors	11-18-2026 3:00 PM MT
6. Proposal Evaluation	Evaluation Committee	11-20-2026

Action	Responsible Party	Due Dates
7. Selection of Finalists	Evaluation Committee Selects and Procurement Officer notifies Finalists	11-20-2026
8. Recommended IPA	Finance Committee Board of Trustees	12-01-2026 12-08-2026
9. Submission of Recommended IPA to OSA	LCC	Pending
10. OSA Approval	OSA	Pending
11. Finalize Contractual Agreements	LCC/IPA	Pending
12. Contract Awards	LCC/IPA	Pending
13. Protest Deadline	Offerors	+15 days

Key Adjustments & Procurement Compliance Notes:

- Statutory Notice Period: The updated proposal due date of November 18, 2026 allows 32 calendar days from issuance, exceeding the minimum 10-calendar-day public notice requirement under New Mexico Procurement Code (NMSA 1978, § 13-1-112).

EXPLANATION OF EVENTS: The following paragraphs describe the activities listed in the sequence of events shown in Section II. A., above.

Issuance of RFP: This RFP is being issued on behalf of Luna Community College on October 16, 2026.

Deadline to Submit Written Questions: Potential Offerors may submit written questions to the Procurement Officer as to the intent or clarity of this RFP until 5:00 PM November 04, 2026 Mountain Time as indicated in the sequence of events. All written questions must be addressed to the Procurement Officer as declared in Section I, Paragraph 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.

Response to Written Questions: Written responses to written questions will be distributed as indicated in the sequence of events to all potential Offerors whose organization name appears on the procurement distribution list. Questions and answers will be posted to: https://luna.edu/rfp

Submission of Proposal: All offeror proposals must be received electronically for review and evaluation by the Procurement Officer no later than 3:00 PM Mountain Time on November 18, 2026. Proposals received after this deadline will not be accepted.

Pursuant to NMSA 1978, § 13-1-116, 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 state agency signature on the contract(s) resulting from the procurement has been obtained.

Proposal Evaluation: An Evaluation Committee will perform the evaluation of proposals. This process will take place as indicated in the sequence of events, depending upon the number of proposals received. During this time, the Procurement Officer 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.

Selection of Finalists: The Evaluation Committee will select and the Procurement Officer will notify the finalist Offerors as per schedule Section II. A., Sequence of Events or as soon as possible.

Recommendation of IPA Finalist: Finalist Offerors will be presented to the Board of Trustee as per schedule Section II. A., Sequence of Events or as soon as possible. Best and final offers may also be clarified and amended.

Submission of Recommended IPA to OSA: Recommended IPA will be submitted to OSA as soon as possible.

Finalize Contractual Agreements: Any Contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s) as per schedule Section II. A., Sequence of Events or as soon thereafter as possible. This date is subject to change at the discretion of LCC. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the time specified, LCC reserves the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.

Contract Awards: If applicable as stated in the Scope of Work/Specifications, LCC reserves the right to make multiple awards of the items, projects and/or sections of this Request for Proposals.

After review of the Evaluation Committee Report and the signed contractual agreement, the LCC Procurement office will award as per the schedule in Section II. A., Sequence of Events or as soon as possible thereafter. This date is subject to change at the discretion of the LCC.

The contract shall be awarded to the Offeror (or Offerors) whose proposals are most advantageous to LCC, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points. The award is subject to appropriate Department and State approval.

Protest Deadline: Any protest by an Offeror must be timely and in conformance with NMSA 1978, § 13-1-172 and applicable procurement regulations. As a Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, 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 award of contracts and will end at 5:00 pm Mountain Time 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:

Justin Garcia, CPO, Procurement Officer

Luna Community College

366 Luna Drive

Las Vegas, New Mexico 87701

purchasing@luna.edu

Protests received after the deadline will not be accepted.

GENERAL REQUIREMENTS: A list of general requirements may be found in Appendix B.

III. MANDATORY SPECIFICATIONS

Offerors must provide a written response and/or a reference to an appropriate paragraph(s) in supporting technical documentation for each specification. The proposal response must follow the order in which the specifications are listed. All specifications are mandatory.

Offerors should respond in the form of a thorough narrative to each specification. The narratives along with required supporting materials will be evaluated and awarded points accordingly.

Letter of Transmittal: Each proposal must be accompanied by a completed Letter of Transmittal signed by a person authorized to obligate the company. The letter of transmittal must:

- Identify the submitting organization;
- Identify the name, title, telephone number, and e-mail address of the person authorized by the organization to contractually obligate the organization;
- Identify the name, title, telephone number, and e-mail address of the person authorized to negotiate the contract on behalf of the organization;
- Identify the names, titles, telephone numbers, and e-mail addresses of persons to be contacted for clarification;
- Explicitly indicate acceptance of the conditions governing the procurement (per Appendix B – General Requirements);
- Be signed by the person authorized to contractually obligate the organization; and
- Acknowledge receipt of any and all amendments to this RFP.

Summary of Proposed Services: Offerors shall submit a summary of proposed services in response to LCC's audit needs as detailed in the Scope of Work.

Offeror's Higher Education Experience: Offerors shall submit a statement regarding their experience working with higher education intuitions, including experience of subcontractors, if applicable.

Offeror's Company Experience: Offeror must submit a statement of relevant experience. The documentation must thoroughly describe how the offeror has supplied expertise for similar contracts and work related to Agency Audit Services. Offerors should include in their proposal's

documentation describing the extent of their experience and expertise and business knowledge, contracts, and connections.

Offeror's Company References: Offeror's proposals shall include three (3) external references from clients who are willing to validate the Offeror's past performance on similar contracts. The minimum information that shall be provided for each client reference follows:

- Name of the contact person;
- Name of the company or governmental entity;
- Address of the contact person;
- Telephone number of contact person;
- Email address of the contact person;
- A description of the products and services provided and dates the products provided.

Proposed Key Personnel Experience and Qualifications: Offerors shall identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialist, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in New Mexico. Narratives(s) should include a thorough description of the staff's education, knowledge, and relevant experience, as well as certifications or other professional credentials.

Project Plan: Offerors shall provide a work plan with milestones, including audit timing and an explanation of the methods and technologies that will be used to perform the services required. The work plan should reference sources of information such as LCC's budget and related materials, organizational charts, manuals and programs, financial and other management information systems.

Oral Presentations: Statement of Concurrence: If selected as a finalist, Offerors may be required to make an oral presentation/demonstration of their products/services. The Procurement Officer will schedule the time for each Offeror's demonstration/presentation. All presentations will be made via remote access Zoom meeting and limited to a fixed amount of time.

Cost: Offerors shall provide an itemized cost proposal, including hourly rates for each of the deliverables outlined in the Scope of Work.

Campaign Disclosure Form: A completed Campaign Contribution Disclosure Form is required for all contracts secured by competitive sealed bid pursuant to NMSA 1978 13-1-191.1. APPENDIX C.

Resident Business Preference: Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident business possessing a valid resident business certificate shall receive an additional preference. The Offeror's proposal must contain a copy of a valid Resident Business Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference. Please note: An Offeror may only receive one preference.

Resident Veterans Preference: Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident veteran possessing a valid New Mexico Resident Veterans Preference Certificate shall receive an additional preference. The Offeror's proposal must contain a valid Resident Veterans Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference. Please note: An Offeror may only receive one preference.

IV. EVALUATION

EVALUATION POINT SUMMARY: The following is a summary of evaluation criteria with point value assigned to each to be used for analyzing and evaluating submitted proposals. LCC reserves the right to make an award based directly on the proposals or to negotiate with one or more Offerors, or reject all proposals.

CRITERIA	POINTS AVAILABLE
1. Letter of Transmittal	Pass/Fail
2. Summary of Proposed Services	25
3. Higher Education Experience	15
4. Company Experience	15
5. Company References	6
6. Proposed Personnel Experience and Qualifications	6
7. Project Plan	18
8. Cost	15
9. Campaign Contribution Disclosure Form	Pass/Fail
SUBTOTAL	**100**

Additional Optional Points

10a. New Mexico Resident Business Preference

-OR-

10b. Native American Resident Business – 8 Points

11a. New Mexico Resident Veteran Preference

-OR-

11b. Native American Resident Veteran Preference – 10 Points

EVALUATION CRITERIA: Points will be awarded on the basis of the following evaluation criteria:

- **Letter of Transmittal** (Pass or Fail)
- **Summary of Proposed Services** (25 points)

  Points awarded will be based upon the Offeror's proposed services and responsiveness to LCC's audit service needs as detailed in the Scope of Work that demonstrate awareness of LCC's audit history.

- **Offeror's Higher Education Experience** (15 points)

  Points will be awarded for company experience working with Institutions of Higher Education based upon an evaluation of the Offeror's work for previous clients receiving similar services to those proposed by the Offeror for this contract.

- **Offeror's Company Experience** (15 points)

  Points awarded will be based upon an evaluation of the documented company experience including subcontractors, if applicable, on similar projects and engagements.

- **Offeror's Company References** (6 points)

  Points awarded will be based on company references evaluating the Offeror's work for previous clients receiving similar services to those proposed by the Offeror for this contract.

- **Proposed Personnel Experience and Qualifications** (6 points)

  Points awarded will be based on an overall assessment of the team. This evaluation includes each staff member's experience and qualification as they relate to their proposed role and the needs of this contract.

- **Project Plan** (18 points)

  Points awarded will be based on the quality and thoroughness of the project plan for completing the audit services within a concise period of time to compliment timeliness of LCC's fiscal year 2026 audit efforts.

- **Cost** (15 points)

  Offerors shall provide an itemized cost proposal, including hourly rates, as applicable to include fringe benefits, overhead costs and any associated fees/expenses.

- **Campaign Contribution Disclosure Form** (Pass/Fail)

  A completed Campaign Contribution Disclosure Form is required for all contracts secured by competitive sealed bid pursuant to NMSA 1978 13-1-191.1.

- **Resident or Native American Resident Business Preference** (8 points)

  Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident business or a Native American Resident Business possessing a valid resident business certificate shall receive an additional 8 points. The Offeror's proposal must contain a copy of a valid Resident Business Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference.

  OR

- **Resident Veterans Preference or Native American Veteran Preference** (10 points)

  Pursuant to Section 13-1-21 and Section 13-1-22 NMSA 1978 a resident veteran or Native American Veteran possessing a valid New Mexico Resident Veterans Preference Certificate shall receive an additional 10 points. The Offeror's proposal must contain a valid Resident Veterans Preference Certificate issued by the New Mexico Taxation and Revenue Department in order to qualify for the preference. Please note: An Offeror may only receive one preference.

EVALUATION PROCESS: All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive may be eliminated from further consideration.

The Procurement Officer may contact the Offeror for clarification of the response.

Responsive proposals will be evaluated on the criteria in Section IV, which have been assigned a point value. The most advantageous proposal may or may not have received the most points. The responsible Offerors whose proposals are most advantageous to the College taking into consideration the evaluation criteria in Section IV will be recommended for award.

APPENDIX A: DEFINITION OF TERMINOLOGY

- **"Audit Rule"** means NMAC 2.2.2 (Title 2-Public Finance, Chapter 2-Audit of Governmental Agencies, Part 2-Requirements for Contracting & Conducting Audit of Agencies of the New Mexico Administrative Code.) NMAC 2.2.2 is posted on the New Mexico Office of the State Auditor's website at www.saonm.org.
- **"Chief Financial Officer" or "CFO"** means LCC's Chief Finance Officer.
- **"Contract"** means any agreement for the procurement of items of tangible personal property, services or construction.
- **"Close of Business"** means 5:00 PM Mountain Standard or Daylight Time, whichever is in use at that time.
- **"Contractor"** means any business having a contract with a state agency or local public body.
- **"Contract Manager"** means the individual selected by LCC to monitor and manage all aspects of the contract resulting from this RFP.
- **"Deliverable"** means any measurable, tangible, verifiable outcome, result, or item that must be produced to complete a project or part of a project.
- **"Desirable"** the terms "may," "can," "should," "preferable," or "prefers" identify a desirable or discretionary item or factor (as opposed to 'mandatory").
- **"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.
- **"Evaluation Committee"** means a body appointed to perform the evaluation of Offerors' proposals.
- **"Evaluation Committee Report"** means a report prepared by the Procurement Officer and the Evaluation Committee for contract award. It will contain written determinations resulting from the procurement.
- **"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.
- **"FY"** means Fiscal Year.
- **"FYE"** means Fiscal Year Ended.
- **"IPA"** means Independent Public Accountant.
- **"LCC"** means Luna Community College
- **"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 will result in the rejection of the Offeror's proposal.
- **"Milestone"** means a significant event in a project, usually the completion of a major deliverable.
- **"Offeror"** is any person, corporation, or partnership who chooses to submit a proposal.

- **“OSA"** means Office of the State Auditor.
- **“Procurement Officer”** means the person or designee authorized by LCC to manage or administer a procurement requiring the evaluation of competitive sealed proposals.
- **“Request for Proposals (RFP)"** means all documents, including those attached or incorporated by reference, used for soliciting proposals.
- **“Requirements”** are obligatory and mean the system functions that are related to the organization’s goals and business opportunities. Requirements are defined by the project team and are usually prioritized.
- **“Responsive Offer or Responsive Proposal”** means an offer or proposal that conforms in all material respect 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.
- **“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.
- **“Solicitations"** means ITB or RFPs.
- **“State (the State)”** means the State of New Mexico.

APPENDIX B: GENERAL REQUIREMENTS

Acceptance of Conditions Governing the Procurement

Potential Offerors must indicate their acceptance of the Conditions Governing the Procurement section in the Letter of Transmittal Form. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.

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.

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 LCC which may derive from this RFP. The LCC entering into a contractual agreement with a vendor will make payments to only the prime contractor.

Subcontractors/Consent

The use of subcontractors is 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 agency awarding any resultant contract, before any subcontractor is used during the term of this agreement.

Amended Proposals

An Offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The Agency personnel will not merge, collate, or assemble proposal materials.

Offeror's Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request addressed to the Procurement Officer 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.

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.

Disclosure of Proposal Contents

Proposals will be kept confidential until negotiations and the award are completed by the Agency. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for material that is clearly marked proprietary or confidential. The Procurement

Officer will not disclose or make public any pages of a proposal on which the potential Offeror has stamped or imprinted "proprietary" or "confidential" subject to the following requirements:

1. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.
2. Confidential data is restricted to:
    - confidential financial information concerning the Offeror's organization;
    - and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, NMSA 1978 § 57-3A-1 to 57-3A-7.

PLEASE NOTE*: 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 data for which an Offeror has made a written request for confidentiality, the Agency shall examine the Offeror's 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 confidential data.

No Obligation

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

Termination

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

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. LCC decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

Legal Review

LCC 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 Officer.

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.

Basis for Proposal

Only information supplied, in writing, by LCC through the Procurement Officer or in this RFP should be used as the basis for the preparation of Offeror proposals.

Contract Terms and Conditions

The contract between LCC and a contractor will follow the format specified by the New Mexico State Audit Rule 2.2.2 defined as the Audit Contract and contain the terms and conditions set forth in the Sample Contract Appendix D.

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 NMSA 1978, § 13-1-83 and 13-1-85.

Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities. 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.

Change in Contractor Representatives

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

Notice of Penalties

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

Agency Rights

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

Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the agency written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement and/or agency 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.

Ownership of Proposals

All documents submitted in response to the RFP shall become property of LCC.

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 LCC.

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 procuring LCC's written permission.

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.3, Response to Written Questions).

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 LCC, the Offeror acknowledges that the version maintained by LCC shall govern. Please refer to: https://luna.edu/rfp/

Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form, APPENDIX C, as a part of their proposal. This requirement applies regardless 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 disqualification.

Letter of Transmittal

Offeror's proposal must be accompanied by the Letter of Transmittal Form located in which must be completed and signed by an individual person authorized to obligate the company. The letter of transmittal must:

- Identify the submitting organization;
- Identify the name, title, telephone number, and e-mail address of the person authorized by the organization to contractually obligate the organization;
- Identify the name, title, telephone number, and e-mail address of the person authorized to negotiate the contract on behalf of the organization;
- Identify the names, titles, telephone numbers, and e-mail addresses of persons to be contacted for clarification;
- Explicitly indicate acceptance of the conditions governing the procurement (per Appendix B – General Requirements);
- Be signed by the person authorized to contractually obligate the organization; and
- Acknowledge receipt of any and all amendments to this RFP.

Disclosure Regarding Responsibility

Any prospective Contractor and any of its principals who enter into a contract greater than sixty thousand dollars ($60,000) 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:

- is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;

- has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:
    - 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;
    - violation of Federal or state antitrust statutes related to the submission of offers; or
    - 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;
- 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;
- 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:
    - 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.
    - The taxpayer is delinquent in making payment. 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.
- 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.

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.

The Contractor shall provide immediate written notice to the Purchasing Officer 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.

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.

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 normally possessed by a prudent person in the ordinary course of business dealings.

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, Central Purchasing Officer may terminate the involved contract for cause. Still further the 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 Central Purchasing Officer.

APPENDIX C: CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

- **"Applicable public official"** means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.
- **"Campaign Contribution"** means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.
- **"Family member"** means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

- **"Pendency of the procurement process"** means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.
- **"Person"** means any corporation, partnership, individual, joint venture, association or any other private legal entity.
- **"Prospective contractor"** means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.
- **"Representative of a prospective contractor"** means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

- Contribution Made By: _____
- Relation to Prospective Contractor: _____
- Name of Applicable Public Official: _____
- Date Contribution(s) Made: _____
- Amount(s) of Contribution(s): _____
- Nature of Contribution(s): _____
- Purpose of Contribution(s): _____

(Attach extra pages if necessary)

Signature _____ Date _____

Title (Position) _____

—OR—

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

Signature _____ Date _____

Title (Position) _____

APPENDIX D: SAMPLE CONTRACT

Contract No. _____

STATE OF NEW MEXICO

AUDIT CONTRACT

(Higher Education)

_____,
hereinafter referred to as the "Agency," and

_____,
hereinafter referred to as the "Contractor," agree:

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

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

A. The Contractor shall conduct a financial and compliance audit of the college or university using the business-type activity model consisting of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows; and budget comparison schedules presented in the format required by NMAC Section 2.2.2.12.E (2) for the period from [FILLABLE].

B. The audit scope requires the Contractor to provide an opinion on the budget comparison schedules (see AAG-SLV 14.53 and the requirements of NMAC Section 2.2.2.12.E (2)). ASAS No. 119 opinion on the budget comparison does not meet this requirement.

C. The Contractor shall apply certain limited procedures to the Management Discussion and Analysis (MD&A) and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09.

D. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards, OMB Circular A-133, and Requirements for Contracting and Conducting Governmental Audits (NMAC Section 2.2.2.1, et seq.).

2. DELIVERY AND REPRODUCTION

A. In order to meet the delivery terms of this Contract, the Contractor shall deliver the following documents to the State Auditor on or before December 1, 2026 and in accordance with NMAC Section 2.2.2.9:

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

B. Reports postmarked by the Agency's due date will be considered received by the due date for purposes of NMAC Section 2.2.2.9. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with NMAC Section 2.2.2.13.C. If the State Auditor does not receive copies of the engagement letter, management representation letter, summary of

findings form and the completed Report Review Guide with the audit report or prior to submittal of the audit report, the State Auditor will not consider the report submitted to the State Auditor.

C. As soon as the Contractor becomes aware that circumstances exist that will make the Agency's audit report late, the Contractor shall immediately provide written notification of the situation to the State Auditor. The notification shall include an explanation regarding why the audit report will be late, when the IPA expects to submit the report and a concurring signature by the Agency. The State Auditor shall also notify the Agency's oversight agency, but confidential information shall be omitted from that notification.

D. Pursuant to NMAC Section 2.2.2.8.Q, the Contractor shall prepare a written and dated engagement letter that identifies the specific responsibilities of the Contractor and the Agency. The Contractor shall submit to the State Auditor an electronic copy of the signed and dated engagement letter and a list of client prepared documents with expected delivery dates within ten (10) days of the entrance conference.

E. After its review of the audit report pursuant to NMAC Section 2.2.2.13, the State Auditor shall authorize the Contractor to print and submit the final audit report. Within five business days from the date of the authorization to print and submit the final audit report, the Contractor shall provide the State Auditor with TWO copies of the report and an electronic version of the audit report, in PDF format. After the State Auditor officially releases the audit report by issuance of a release letter, the Contractor shall deliver 10 copies of the audit report to the Agency. The Agency or IPA shall ensure that every member of the Agency's governing authority shall receive a copy of the report.

F. The Agency, upon delivery of its audit report, shall submit the required copies of the data collection form, audit report and corrective action plan to the federal clearinghouse designated by the Office of Management and Budget and each federal awarding agency if the schedule of findings and questioned costs disclose audit findings directly related to federal awards.

3. COMPENSATION

A. The total amount payable by the Agency to the Contractor under this Contract, including New Mexico gross receipts tax and expenses, shall not exceed the local GRT rate in effect for Luna Community College's main campus location in Las Vegas, San Miguel County, New Mexico. Any GRT billed in excess of the local Las Vegas/San Miguel County rate—including higher tax rates resulting from the Contractor's out-of-district business location code—shall be borne solely by the Contractor and will not be reimbursed by the Agency.

B. Contractor agrees not to, and shall not, perform any services in furtherance of this Contract prior to approval by the State Auditor. In accordance with Section 12-6-14(A), NMSA 1978, and NMAC Section 2.2.2.8.N(1), Contractor acknowledges and agrees that it will not be entitled to payment or compensation for any services performed by Contractor pursuant to this Contract prior to approval by the State Auditor.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	
(2) Federal single audit	
(3) Financial statement preparation	
(4) Other non-audit services, such as depreciation schedule updates	
(5) Other (i.e., component units, specifically identified)	
Gross Receipts Tax	_____
Total Compensation	_____

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

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

4. TERM

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

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

5. TERMINATION, BREACH AND REMEDIES

A. This Contract may be terminated:

1. By either party without cause, upon written notice delivered to the other party and the State Auditor at least ten (10) days prior to the intended date of termination.
2. By either party, immediately upon written notice delivered to the other party or the State Auditor, if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the report in accordance with Paragraph 2 shall constitute a material breach of this Contract.

3. By the Agency pursuant to Paragraph 19, immediately upon written notice to the Contractor and the State Auditor.
4. By the State Auditor, immediately upon written notice to the Contractor and the Agency after determining that the audit has been unduly delayed, or for any other reason.

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

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

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

6. STATUS OF CONTRACTOR

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

7. ASSIGNMENT

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

8. SUBCONTRACTING

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

9. RECORDS

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

10. RELEASE

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

11. CONFIDENTIALITY

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

12. PRODUCT OF SERVICES; COPYRIGHT AND REPORT USE

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

13. CONFLICT OF INTEREST

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

14. INDEPENDENCE

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

15. AMENDMENT

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

16. MERGER

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

17. APPLICABLE LAW

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

18. AGENCY BOOKS AND RECORDS

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

19. APPROPRIATIONS

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

20. PENALTIES FOR VIOLATION OF LAW

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

21. EQUAL OPPORTUNITY COMPLIANCE

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

22. WORKING PAPERS

The Contractor shall retain its working papers of the Agency's audit conducted pursuant to this Contract for a period of at least five (5) years after the date shown on the opinion letter of the audit report, or longer if requested by the federal cognizant agency for audit, oversight agency for audit, pass through-entity or the State Auditor. The State Auditor shall have access to the working papers at the State Auditor's discretion. When requested by the State Auditor or the Agency, the Contractor shall deliver the original or clear, legible copies of all working papers to the requesting entity.

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

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is determined by the Contractor. The Contractor shall notify the Agency and the State Auditor in writing of any changes in staff assigned to perform the audit.

24. INVALID TERM OR CONDITION

If any term or condition of this Contract shall be held invalid or unenforceable, the remainder of this Contract shall not be affected.

25. OTHER PROVISIONS

The audit shall cover the whole reporting entity of the college or university including all component units, pursuant to Sections 2.2.2.10(A) and 2.2.2.12(E)(3) NMAC, Requirements for Contracting and Conducting Audits of Agencies. If a 501(c)(3) component unit organization had a gross annual income in excess of $100,000, Section 6-5A-4 NMSA 1978 requires that entity be audited regardless of materiality. For the Agency and each component unit thereof, the Contractor shall:

(a) Prepare a schedule detailing the sources of and earmarked or special designated funding. "Earmarked or special designated funding" means educational funding intended to target a specific group, including without limitation funds to address sex-based discrimination in education under Title IX.

(b) Perform expenditure tests on expended earmarked or special designed funding, to ensure the funds were expended appropriately, to be performed on the greatest of (i) 5% of the total expenditures or (ii) at least 20 transactions selected in a stratified manner.

SIGNATURE PAGE

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

AGENCY	**CONTRACTOR**
NAME: _____	**NAME: _____**
BY: _____	**BY: _____**
TITLE: _____	**TITLE: _____**
DATE: _____	**DATE: _____**