



NEW MEXICO HEALTH INSURANCE EXCHANGE (NMHIX)

REQUEST FOR PROPOSALS FOR

**Health Insurance Exchange
Financial Audit
Vendor**

RFP No. 2013/100

RFP Issued: Wednesday, December 11, 2013

Proposals Due By: Monday, December 23, 2013

Contents

SECTION 1: BACKGROUND INFORMATION	1
1.1 BACKGROUND ON THE NEW MEXICO HEALTH INSURANCE EXCHANGE.....	1
1.2. PURPOSE OF THE RFP	1
1.2.1 <i>Records to Be Audited</i>	2
SECTION 2: ADMINISTRATIVE INFORMATION	3
2.1 PROCUREMENT ADMINISTRATOR	3
2.2 KEY DATES	3
2.3 CONTRACT DATES.....	3
2.4 RESTRICTIONS ON COMMUNICATIONS	4
2.5 QUESTIONS, REQUESTS FOR CLARIFICATION, AND SUGGESTED CHANGES	4
2.6 AMENDMENT AND WITHDRAWAL OF THIS RFP	4
2.7 AMENDMENT AND WITHDRAWAL OF PROPOSALS	4
2.8 SUBMISSION OF PROPOSALS	4
2.9 COSTS OF PREPARING THE PROPOSAL.....	5
2.10 NO COMMITMENT TO CONTRACT	5
2.11 REJECTION OF PROPOSALS.....	5
2.12 NONMATERIAL VARIANCES	5
2.13 SUBCONTRACTORS	5
2.14 REFERENCE CHECKS	6
2.15 INFORMATION FROM OTHER SOURCES	6
2.16 PROPOSAL CLARIFICATION PROCESS.....	6
2.17 DISPOSITION OF PROPOSALS	6
2.18 REQUESTS FOR CONFIDENTIAL TREATMENT.....	6
2.19 RELEASE OF CLAIMS	7
2.20 OFFEROR PRESENTATIONS.....	7
2.21 AWARD NOTICE AND ACCEPTANCE PERIOD	7
2.22 NO CONTRACT RIGHTS UNTIL EXECUTION.....	8
2.23 CHOICE OF LAW AND FORUM	8
2.24 PROTESTS.....	8
SECTION 3: SCOPE OF SERVICES	8
3.1 OBJECTIVES OF THE AUDIT	8
3.2 GENERAL NATURE OF AUDIT SERVICES.....	9
3.3 SPECIFIC SERVICES TO BE PERFORMED	9
3.4 AUDIT STANDARDS TO BE FOLLOWED	9

3.5	SPECIFIC REPORTS TO BE ISSUED.....	9
3.6	REPORTING CRITERIA.....	10
3.6.1	<i>Significant deficiencies</i>	10
3.6.2	<i>Uncorrected Prior Comments and Questioned Costs</i>	11
3.6.3	<i>Identification of Fraud or Illegal Activities</i>	11
SECTION 4: GENERAL CONTRACTUAL INFORMATION.....		12
4.1	NMHIX’S RESPONSIBILITIES.....	12
4.2	THE FIRM’S RESPONSIBILITIES.....	12
4.3	PAYMENT FOR SERVICES.....	14
4.3.1	<i>Payment Procedures</i>	14
4.3.2	<i>Method of Payment</i>	14
4.4	MODIFICATIONS TO STATEMENT OF WORK.....	14
4.5	VERIFICATION OF INFORMATION.....	ERROR! BOOKMARK NOT DEFINED.
SECTION 5: TECHNICAL PROPOSAL.....		16
5.1	RESPONSIVENESS.....	16
5.2	PREPARATION STANDARDS.....	ERROR! BOOKMARK NOT DEFINED.
5.3	BINDING.....	ERROR! BOOKMARK NOT DEFINED.
5.4	FORMAT OF THE TECHNICAL PROPOSAL.....	16
5.5	DEVIATION FROM SPECIFICATIONS.....	20
5.6	SUBMISSION DATE FOR TECHNICAL PROPOSAL.....	20
SECTION 6: COST PROPOSAL.....		21
6.1	“NOT TO EXCEED” PROPOSAL.....	21
6.2	DEVIATION FROM SPECIFICATIONS.....	21
6.3	SUBMISSION DATE FOR COST PROPOSAL.....	21
SECTION 7: EVALUATION OF PROPOSALS.....		ERROR! BOOKMARK NOT DEFINED.
7.1	OVERALL EVALUATION CRITERIA.....	22
7.2	EVALUATION OF MANDATORY REQUIREMENTS.....	ERROR! BOOKMARK NOT DEFINED.
7.3	EVALUATION OF THE TECHNICAL PROPOSAL.....	22
7.4	EVALUATION OF THE COST PROPOSAL.....	ERROR! BOOKMARK NOT DEFINED.
7.5	COMBINED SCORE.....	ERROR! BOOKMARK NOT DEFINED.

Section 1: Background Information

1.1 Background on the New Mexico Health Insurance Exchange

The New Mexico Legislature passed SB 221 and 589 as amended, the “New Mexico Health Insurance Exchange Act,” (the “Act”) during the 2013 Regular Session, and Governor Susana Martinez signed the Act on March 28, 2013. The New Mexico Health Insurance Exchange (NMHIX) is created as a nonprofit public corporation (501c4).

The NMHIX’s mission is to provide qualified individuals and employers with increased access to health insurance in New Mexico. Our vision is to improve the quality of life for New Mexicans, especially when it comes to their health, their access to health care providers, and their financial security.

NMHIX is governed by a 13-member board of directors that was appointed in April 2013. Since then the board has made the decision that it will be a “hybrid model” in 2014 and a State based Exchange in 2015. A state-based SHOP for small businesses has been created and has begun enrolling small businesses and their employees. During 2014, NMHIX will utilize the Federal Exchange platform to enroll individuals into coverage. The NMHIX will implement its own state-based individual exchange on January 1, 2015 (beginning enrollment October 1, 2014).

NMHIX has secured two Level I Exchange Establishment Grants. The first grant was for \$34.3 million and the second grant was for \$18.6 million, for a total of \$52.9 million. Through the end of calendar year 2013, approximately \$26.5 million has been spent, and will be the focus of Year 1’s audit.

The ACA and Office of Management and Budget have both released financial standards to be followed by any recipient of federal grant funding, as well as audit requirements of recipients. This RFP serves to satisfy both sets of reporting and auditing requirements.

1.2. Purpose of the RFP

The purpose of this RFP is to solicit proposals to audit the New Mexico Health Insurance Exchange (NMHIX) and its administration of Federal Exchange Establishment grant awards for the fiscal years ending December 31, 2013¹, from independent certified public accounting firms, hereinafter referred to as firm(s), qualified to do business in the state of New Mexico. Audits of State based Exchanges are mandated by the Affordable Care Act

¹ Year 1 will consist of auditing April 29, 2013 through December 31, 2013; subsequent years will follow the full calendar year.

and the United States Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments, and Nonprofit Organizations.”

1.2.1 Records to Be Audited

The shall perform financial and compliance audits of the books and records of NMHIX. These books and records include, but are not limited to, the following:

1. Receipts
2. Disbursements
3. General Ledger
4. Revenues and Expenses, Detail Report by Cost Center

NMHIX reserves the right to withdraw this RFP at any time and for any reason. Receipt of proposal materials by NMHIX or submission of a proposal to NMHIX confers no rights upon a firm nor obligates NMHIX in any manner.

Section 2: Administrative Information

2.1 Procurement Administrator

The Procurement Administrator for this project shall be:

Anita Schwing
Chief Financial Officer
New Mexico Health Insurance Exchange
6301 Indian School Road NE, Suite 100
Albuquerque, NM 87110
505-314-5211
RFP@NMHIX.com

Offerors may submit questions to the Procurement Administrator at the email listed above.

2.2 Key Dates

RFP Activity	Key Date
RFP Released	December 11, 2013
Proposal DUE	December 23, 2013, 3 p.m. MST
Estimated Award Date	January 10, 2013
Estimated Contract Execution Date	January 17, 2014

2.3 Contract Period and Terms and Conditions

The NMHIX intends on signing a three-year contract with the possibility two, one-year extensions. Below are the dates to be audited during the contract years:

Contract Year	Dates to be Audited	Final Audit Report Due
Contract Year 1	April 29, 2013 – December 31, 2013	April 1, 2014
Contract Year 2	January 1, 2014 – December 31, 2014	April 1, 2015
Contract Year 3	January 1, 2015 – December 31, 2015	April 1, 2016
Extension Period 1	January 1, 2016 – December 31, 2016	April 1, 2017
Extension Period 2	January 1, 2017 – December 31, 2017	April 1, 2018

The contract will incorporate provisions from the Exchange's Standard Terms and Conditions for contracts for services, insofar as applicable. A copy of the Exchange's Standard Terms and Conditions can be found at <http://www.nmhix.com/wp-content/uploads/2013/01/NMHIX-standard-contract.pdf>

2.4 Restrictions on Communications

From the issue date of this RFP until the Evaluation Committee announces its preferred Contractor, all communications related to this RFP must be with the Procurement Administrator, and all such communications must be in writing. The Procurement Administrator will respond only to written questions regarding the procurement process and this RFP. Oral questions will not be accepted. Offerors may be disqualified if they contact any employee or affiliate of The Health Insurance Exchange regarding this RFP.

2.5 Questions

Offeror's may submit questions to the Procurement Administrator through the email noted in Section 2.1. The NMHIX may provide written responses to those questions, but are not obligated to do so.

2.6 Amendment and Withdrawal of this RFP

The NMHIX reserves the right to amend or withdraw the RFP at any time and for any reason. Amendments and or notices of withdrawal will be sent to the list of interested Offerors.

2.7 Amendment and Withdrawal of Proposals

Offerors may amend or withdraw their Proposals at any time before the Award Date. The amendment must be in writing, signed by Offeror, and received by the time set for the receipt of Proposals. Offerors must notify the Procurement Administrator in writing prior to the deadline for Proposals if they wish to completely withdraw their Proposals.

2.8 Submission of Proposals

The Procurement Administrator must receive all components of the Proposal by the deadline. It is Offeror's responsibility to ensure that the Proposal is received prior to the deadline. Postmarking by the due date will not substitute for actual receipt of the Proposal.

2.9 Costs of Preparing the Proposal

The costs of preparation and delivery of the Proposal are solely the responsibility of Offeror.

2.10 No Commitment to Contract

The NMHIX reserves the right to reject any or all Proposals received in response to this RFP at any time prior to the execution of the Contract. Issuance of this RFP in no way constitutes a commitment by The Health Insurance Exchange to award a contract.

2.11 Rejection of Proposals

The NMHIX may reject outright and not evaluate any Proposal that does not comply with the terms of this RFP.

2.12 Nonmaterial Variances

The NMHIX reserves the right to waive or permit cure of nonmaterial variances in a Proposal if, in the judgment of the NMHIX, it is in the Exchange's best interest to do so. The determination of materiality is in the sole discretion of NMHIX.

2.13 Subcontractors

Contractor is solely responsible for fulfillment of the Contract. The NMHIX will make payments only to the Contractor. The Contractor will not subcontract any portion of the services to be performed under the Contract without the prior expressed written approval of The Health Insurance Exchange. Contractor will include all proposed subcontractors in its Proposal. In the event The Health Insurance Exchange approves any subcontractor, Contractor will remain fully responsible for complying with the duties and obligations under the Contract.

Any use of subcontractors by Contractor will not obligate The Health Insurance Exchange as a party to the subcontract, nor create any right, claim, or interest for the subcontractor against The Health Insurance Exchange, its agents, employees, representatives, or successors. The parties agree that there are no third party beneficiaries, intended or otherwise, to the Contract.

2.14 Reference Checks

The NMHIX reserves the right to contact any reference to assist in the evaluation of the Proposal, to verify information contained in the Proposal, and to discuss Offeror's qualifications and the qualifications of any subcontractor identified in the Proposal.

2.15 Information from Other Sources

The NMHIX reserves the right to obtain and consider information from other sources concerning an Offeror, such as Offeror's capability and performance under other contracts, the qualifications of any subcontractor identified in the Proposal, Offeror's financial stability, past or pending litigation, and other publicly available information.

2.16 Proposal Clarification Process

The NMHIX reserves the right to contact an Offeror after the submission of Proposals for the purpose of clarifying a Proposal. This contact may include written questions, interviews, site visits, or requests for corrective pages in Offeror's Proposal. The NMHIX will not consider information received from or through Offeror if the information materially alters the content of the Proposal or the type of services Offeror is offering to the NMHIX. An individual authorized to legally bind Offeror shall sign responses to any request for clarification. Failure to comply with requests for additional information may result in rejection of the Proposal.

2.17 Disposition of Proposals

All Proposals become the property of NMHIX and shall not be returned to Offeror.

2.18 Requests for Confidential Treatment

Any Proposal submitted which contains information for which Offeror is requesting confidential treatment must be conspicuously marked by Offeror on the outside as containing confidential

information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information.

Failure to properly identify specific information as confidential shall relieve The Health Insurance Exchange from any responsibility to treat such information as confidential. Information not marked confidential may be viewed by the public or a competitor, or may be released in any way.

As between the NMHIX and the Offeror, the NMHIX will own all right, title and interest in and to and all ideas presented in any Proposal, and shall therefore have the right to use any such ideas.

2.19 Release of Claims

By submitting a Proposal, Offeror agrees that it waives and releases all claims or causes of action against the NMHIX based on any misunderstanding concerning the information provided in this RFP or concerning The Health Insurance Exchange's failure, negligent or otherwise, to provide Offeror with pertinent information in this RFP.

2.20 Offeror Presentations

At the sole discretion of the NMHIX and/or its Evaluation Committee, some Offerors may be asked to participate in oral interviews, presentations, and/or demonstrations prior to the selection of a Contractor. This process is intended to allow Offerors to demonstrate their proposed solutions and clarify any elements of their Proposal. Any cost associated with interviews, presentations, and/or demonstrations will be borne solely and entirely by Offeror. The presentation may occur at The Health Insurance Exchange's offices, via the Internet, or at another location as specified by The Health Insurance Exchange.

2.21 Award Notice and Acceptance Period

A "Notice of Intent to Award" will be sent to the successful Offeror. Negotiation and execution of the Contract shall be completed no later than 14 days from the date of the Notice of Intent to Award or such other time as designated by NMHIX. If the successful Offeror fails to negotiate and deliver an executed Contract by that date, the NMHIX, in its sole discretion, may cancel the award and award the Contract to another Offeror the Health Insurance Exchange believes meets this RFP's requirements and will provide the best value to NMHIX. A "Notice of Intent to

Award” will be sent to the unsuccessful Offerors once a contract is executed or at such other time as designated by The Health Insurance Exchange.

2.22 No Contract Rights until Execution

No Offeror shall acquire any legal or equitable rights regarding the Contract unless and until the Contract has been fully executed by the successful Offeror and The Health Insurance Exchange.

2.23 Choice of Law and Forum

This RFP and the Contract shall be governed by the laws of the United States and of the State of New Mexico, without regard to principles of conflicts of law. Any and all litigation or actions commenced in connection with this RFP shall be brought to the appropriate federal or state courts in the State of New Mexico.

2.24 Protests

Any actual or prospective Offeror who believes it is aggrieved in connection with the solicitation or award of a Contract hereunder may protest to the Executive Director of The Health Insurance Exchange. Such a protest shall be submitted in writing within five working days after the aggrieved Offeror knows or should have known of the facts giving rise thereto; provided that a protest of an award or proposed award shall in any event be submitted in writing within five working days after the award of the Contract; provided further that no protest based upon the content of the RFP or other solicitation documents shall be considered unless it is submitted in writing prior to the date set for the receipt of offers.

The Executive Director of The Health Insurance Exchange or a designee may settle and resolve a protest concerning the solicitation or award of a contract hereunder. If the protest is not resolved by mutual agreement, the Executive Director of The Health Insurance Exchange or a designee shall promptly issue a decision in writing to uphold or deny the protest.

Section 3: Scope of Services

3.1 Objectives of the Audit

The objectives of the audit are to determine whether (a) NMHIX’s financial statements are fairly presented in all material respects in accordance with the required basis of accounting, (b) the schedule of expenditures of federal awards is presented fairly in all

material respects in relation to the financial statements taken as a whole, (c) NMHIX has internal controls over material compliance requirements of each major federal program, and (d) NMHIX has complied with material compliance requirements of each major federal program

3.2 General Nature of Audit Services

The selected firm shall audit the following:

- All federal, state, and local funds received and expended by NMHIX.
- The books, accounts, and papers of NMHIX.

3.3 Specific Services to Be Performed

The selected firm shall perform an OMB Circular A-133 audit to determine whether the financial statements of NMHIX present fairly the financial position and results of operations in accordance with the appropriate basis of accounting and in compliance with federal and state laws and regulations.

3.4 Audit Standards to Be Followed

The audits shall be conducted in accordance with auditing standards generally accepted in the United States of America, Government Auditing Standards: 2007 Revision; the provisions of the U.S. Office of Management and Budget (OMB) Circulars A-87, A-133 2007 revision, and the Circular A-133 Compliance Supplement (current revision).

3.5 Specific Reports to Be Issued

The selected firm shall provide the following reports to the Operations and Finance Committee of the Board of Directors, for each fiscal year:

1. Auditor's opinion on the financial statements and on the schedule of expenditures of federal awards.
2. Statement of assets, liabilities, and fund balance.
3. Statement of changes in fund balance.
4. Comparative schedule of budgeted to actual revenues and expenditures by Cost Center.
5. Audit adjustments. If there are no audit adjustments, a statement to this effect must be included in the audit report.
6. Schedule of expenditures of federal awards, as required by OMB Circular A-133.

7. Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
8. Single audit report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.
9. Schedule of findings and questioned costs, in accordance with OMB Circular A-133, including the status of uncorrected findings from prior audits.
10. A summary of the auditor's results, in accordance with OMB Circular A-133
11. Management's corrective action plan.
12. Management letter. Any internal control and compliance deficiencies that are not significant deficiencies must be described in a written management letter, which must be referenced in the auditor's report(s) on internal control and compliance. This management letter must be submitted to NMHIX with the other reports noted in this section.

The final report shall be delivered to the Operations and Finance Committee of the Board of Directors and the NMHIX CFO no later than April 1 of each year.

3.6 Reporting Criteria

The reports described above shall be presented as prescribed by the American Institute of Certified Public Accountants (AICPA) in "Government Auditing Standards and Circular A-133 Audits", current revision, except that a written management letter describing internal control and compliance deficiencies not reported in the auditor's report is required. The management letter must be submitted with the other required reports.

3.6.1 Significant deficiencies

The reports shall contain all significant deficiencies, with those significant deficiencies that are considered material weaknesses being appropriately segregated and identified. Any other matters conveyed to management shall be in writing in the management letter and shall be discussed during the exit conference.

Significant deficiencies presented as part of the reports shall be well developed and shall consist of the following components to the extent practicable:

- a. A statement of deficiency;
- b. The criteria for the significant deficiency;
- c. The cause of the deficiency;
- d. The effect of the deficiency;
- e. A recommendation for correction; and
- f. Management's response and corrective action plan.

3.6.2 Uncorrected Prior Comments and Questioned Costs

If applicable, the firm shall report on any uncorrected comments reported in the preceding audit. Also, if applicable, a firm shall report on the status of prior-year questioned costs, whether resolved with the federal grantor or unresolved. The questioned costs to be reported on shall include all questioned costs from the preceding audit plus any unresolved questioned costs from prior years.

3.6.3 Identification of Fraud or Illegal Activities

The firm shall immediately report, in writing, any fraud, irregularity, or illegal act or indication thereof that comes to its attention during the term of the contract. The report shall be made to the Operations and Finance Committee of the Board of Directors

Section 4: General Contractual Information

4.1 NMHIX's Responsibilities

1. NMHIX shall make all files and records accessible to the firm, on site.
2. NMHIX shall provide assistance to the firm, namely, gathering supporting documentation from the files and preparing schedules.
3. NMHIX shall make appropriate personnel available for interviews and information-gathering purposes.
4. NMHIX shall designate the Chief Financial Officer as the liaison to coordinate activities between NMHIX and the firm.
5. The Operations and Finance Committee of the Board of Directors and the NMHIX's CEO and CFO will discuss the draft audit report with the firm and shall provide the firm a written response to the draft report.
6. The Operations and Finance Committee of the Board of Directors may review and comment on the firm's audit working papers.
7. The Operations and Finance Committee of the Board of Directors shall review and provide written acceptance of the final audit report and NMHIX shall provide payment to the firm in accordance with Section 4.3.
8. Upon final approval by the Operations and Finance Committee of the Board of Directors, the firm shall be responsible for working with NMHIX to distribute all approved final audit reports.

4.2 The Firm's Responsibilities

1. The selected firm shall designate a project manager who shall be the contact with the Operations and Finance Committee of the Board of Directors. The project manager shall oversee all activities for the firm in relation to this audit.
2. The firm shall be responsible for familiarity with appropriate state and federal laws and regulations, and appropriate auditing standards and requirements, including Generally Accepted Auditing Standards and requirements issued by the American Institute of Certified Public Accountants; Government Auditing Standards: 2007 Revision issued

by the Comptroller General of the United States; the Single Audit Act Amendments of 1996, OMB Circular A-133: 2007 Revision, and the Circular A-133 Compliance Supplement (current revision). The firm shall also be responsible for familiarity with the New Mexican Health Insurance Exchange Act of 2013, chapter 54.

3. The firm shall be responsible for personnel, supplies, and equipment.
4. The firm shall be responsible for all services offered in The firm's proposal, regardless of whether the firm provides such services.
5. The firm shall have general professional liability insurance or specific professional liability insurance for this engagement and provide proof of said coverage in its technical proposal.
6. The firm shall be responsible for correcting all material errors and omissions in the performance of the contract.
7. The firm shall notify NMHIX CFO when field work begins on the audit.
8. The firm shall communicate by telephone no less than weekly with the liaison designated by NMHIX.
9. The firm shall communicate in writing any proposed personnel substitution (including their qualifications) to the NMHIX CFO and receive written approval prior to implementation.
10. The firm shall provide a draft copy of the audit report to the CFO and CEO of NMHIX at a time to be determined during contract negotiations, and discuss its contents with the Operations and Finance Committee of the Board of Directors.
11. Upon completion of field work and after providing a draft copy of the audit report to the Board of Directors, the firm shall conduct an exit conference with NMHIX.
12. The firm shall retain, at the firm's expense, all working papers and reports for a minimum of ten (10) years or until all audit-related disputes are resolved. The firm shall be required to make working papers available, upon request, to designated representatives of NMHIX or any representatives authorized by NMHIX, and the Office of the Inspector General.
13. the firm shall respond to all inquiries of successor auditors, in accordance with AU Section 315 of the AICPA Professional Standards.

4.3 Payment for Services

4.3.1 Payment Procedures

Payment is predicated upon completion of the described work and delivery of the required documentation.

Invoices must be signed, by an individual authorized to legally bind the firm, and submitted to the NMHIX CFO with adequate supporting documentation, including but not limited to the following:

- a. The firm's invoice number
- b. NMHIX's personal service contract number
- c. "Remit to" address
- d. Description of the services performed
- e. Period the services cover
- f. Total hours worked, broken down by charge rate and the following personnel categories: Partner, Manager, Supervisor, Senior, and Staff.
- g. Total hours worked, broken down by charge rate and the firm individual
- h. Travel costs, identifying the date and purpose of trip, amount of lodging costs, number of miles driven, cost per mile, and total mileage costs

4.3.2 Method of Payment

After appropriate review and approval of the audit firm's Final Report, NMHIX shall process such invoices for payment. Every reasonable effort shall be made to provide payment to the firm within 30 days after receipt and approval of a properly supported invoice.

- a. The firm may submit an invoice for 50% of the contracted amount prior to submission of final audit report to NMHIX.
 - b. The firm may submit an invoice for the remaining 50% of the contracted amount upon submission of the final report to NMHIX.
3. Penalties for non-delivery or Late Delivery of Services
Penalties for non-delivery or late delivery of services shall be established during the contract negotiation process.

4.4 Modifications to Statement of Work

Any modifications to the statement of work shall be thoroughly discussed with the selected firm and agreed to in writing by the firm and NMHIX prior to implementation. If necessary, the contract amount shall be amended to reflect such modification.

Section 5: Technical Proposal

5.1 Responsiveness

In order to be considered, the proposal submitted by a firm must be completely responsive to this RFP. All conditions printed on the RFP are hereby made a part of the conditions under which the proposal is submitted and shall be incorporated, in whole or in part at NMHIX’s discretion, into any contract on this project. Further, the contents of a proposal, in whole or in part at NMHIX’s discretion, shall become part of any contract resulting from that proposal. Failure of a firm to accept these obligations may result in disqualification from the procurement process.

5.4 Format of the Technical Proposal

The technical proposal shall respond completely to the requirements stated in this section. In order to permit effective comparisons of competing proposals, the following format shall be adhered to:

Section Number	Section Title
1	Title Page – Include name of the firm, local address, telephone number, fax number, email address (if any), name of contact person, and date.
2	Table of Contents – Clearly identify the material by section and page number
3	Transmittal Letter—In the form of a standard business letter and shall be signed by an individual authorized to legally bind the firm. It shall include the following: <ul style="list-style-type: none">a) A statement indicating the firm is a corporation or other legal entity.b) A statement that no attempt has been made or shall be made by the firm to induce any other person or a firm to submit or not to submit a proposal.c) A statement of affirmative action that the firm does not discriminate in its employment practices because of race, color, religion, age (except as provided by law), sex, marital status, political affiliation, national origin, or persons with disabilities. In addition, the firm shall provide a statement of compliance with the requirements of Title VI of the Civil Rights Act of 1964.d) A statement that the firm is a properly licensed certified public accountant in the State of New Mexico. This information will be verified with the New Mexico Public Accountancy Board.e) A statement that the firm is in compliance with the provisions of Government Auditing Standards: 2007 Revision, issued by the U.S.

	<p>General Accounting Office, concerning continuing education requirements, independence, and external quality control review (peer review).</p> <p>f) A statement that the firm has reviewed all relationships and has determined that it meets the objectivity and independence standards of ET sections 55 and 101 A statement that the firm is in compliance with the provisions of Government of the Code of Professional Conduct of the American Institute of Certified Public Accountants.</p> <p>g) Prior to contract execution, a firm may be asked to disclose additional information involving relationships with major vendors of NMHIX or its components.</p> <p>h) A statement of whether the firm’s most recent peer review included a review of specific government engagements. A copy of the firm’s most recent peer review report must be submitted.</p> <p>i) A statement that the firm has not been the subject of any disciplinary action.</p> <p>j) A statement that the firm has liability insurance, together with proof of such coverage. A copy of such proof of insurance coverage must be submitted.</p> <p>k) A statement identifying all addenda to this RFP issued by NMHIX and received by the firm. If no addenda have been received, a statement to that effect shall be included.</p> <p>l) A statement that no cost or pricing information has been included in the technical proposal.</p> <p>m) A statement that the firm certifies the following in connection with this procurement:</p> <ol style="list-style-type: none"> (1) The preliminary cost proposal has been arrived at independently, without consultation, communication, or agreement with any other the firm or with any competitor, for the purpose of restricting competition as to any matter relating to such preliminary cost proposal. (2) Unless otherwise required by law, the preliminary cost proposal has not knowingly been disclosed by the firm prior to award, directly or indirectly, to any other firm or to any competitor. <p>n) A statement that the person signing this proposal certifies that he or she is the person in the firm’s organization responsible for, or authorized to make, decisions as to the prices quoted and that he or she has not participated, and shall not participate, in any action contrary to m.(1) or m.(2) of the above paragraph.</p> <p>o) A statement that the firm’s proposal shall remain valid until three (3)</p>
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	<p>months after the closing date of the receipt of the proposals.</p> <p>p) A statement that, should a firm be awarded the contract for audit services, all working papers and reports shall be retained, at the firm’s expense, for a minimum of three (3) years or until all audit-related disputes are resolved.</p> <p>q) A statement that, should a firm be awarded the contract for audit services, the firm shall make working papers available, upon request, to (Audit Committee or other authorized entity) , the New Mexico Human Services Department, and/or the Office of the Inspector General.</p>
<p>4</p>	<p>Audit Firm Qualifications</p> <p>a) The Firm Background and Experience: The details of the firm background and experience shall cover the following:</p> <ul style="list-style-type: none"> (1) Date the firm was established. (2) Location of the firm’s clientele (local, regional, national, or international). (3) Total number of professional staff. (4) Provide a listing and description of all firm-wide experience during the last three consecutive calendar years in working on the following types of audits: <ul style="list-style-type: none"> (a) OMB Circular A-133 audits of other state agencies. (b) Other OMB Circular A-133 audits. (c) Other audits involving health care facilities. (d) Other governmental audits. <ul style="list-style-type: none"> 1. For each audit listed, provide the year, engagement partner, total hours, and name and telephone number of the principal client contact. Prior clients will be contacted by NMHIX during the evaluation phase. (5) Provide a minimum of three references for audits included above. The reference should include the individuals name, title, organization audited, email address, and telephone number. <p>b) Individual Staff Qualifications</p> <ul style="list-style-type: none"> (1) Provide a brief biographical sketch describing the qualifications of each auditor, including IT auditors, who may be assigned to the engagement. Include the auditor’s current office location. Also include a list of all continuing professional education (CPE) courses taken by each auditor and the corresponding hours awarded for each course completed for the last four consecutive calendar years.

	<p>c) Describe each auditor’s audit experience in the following categories:</p> <ul style="list-style-type: none"> (1) OMB Circular A-133 audits of other state agencies. (2) Other OMB Circular A-133 audits. (3) Other audits involving health care facilities. (4) Other governmental audits. <p>d) Work Plan and Audit Approach – The firm shall present the work plan, including the audit approach, that would be used in providing the audit services required in this RFP. The work plan shall include, but not be limited to, the following audit approach areas for a local health department:</p> <ul style="list-style-type: none"> (1) Setting audit objectives. (2) Audit planning and analytical procedures. (3) Establishing materiality levels. (4) Documenting internal control and assessing control risk. (5) Testing IT general and application controls. (6) Testing compliance with laws and regulations. (7) Sampling techniques. (8) Developing the audit plan and the audit program. (9) Collecting and documenting evidence. (10) Developing audit reports. <p>e) Include any IT applications that have been developed and existing software that would be available.</p> <p>f) Address activities unique to a health insurance exchange and the audit approach the firm would use to examine them.</p> <p>g) Cost Proposal - Include the table shown in Section 6.1 and a brief narrative explanation for how the Offeror arrived at the budget.</p>
5	<p>Represent- ation Letter</p> <p>The technical proposal shall include a representation letter stating that the firm is in compliance with Generally Accepted Auditing Standards and the provisions of <u>Government Auditing Standards: 2007 Revision</u>, issued by the Comptroller General of the United States, U.S. General Accounting Office, concerning continuing education requirements, independence, and external quality control review (peer review).</p> <p>The representation letter shall include the following language relating to independence:</p> <p style="padding-left: 40px;">As auditors of NMHIX, for the year ended December 31, 2013, we are independent in accordance with the objectivity and independence standards of AU Sections 220 and 543 of the AICPA Professional Standards and Professional Ethics Committee</p>

	<p>Interpretation 101.10 <i>(except, if applicable, for the impairment described below.) [The firm shall include with the required language relating to independence any impairment the firm may have.]</i></p> <p>The representation letter shall be signed by the same person who signs the cost proposal and the transmittal letter in the technical proposal.</p>
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5.5 Deviation from Specifications

If the technical proposal deviates from the detailed specifications and requirements of this RFP, the transmittal letter shall identify and explain these deviations. NMHIX reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

5.6 Proposal Submission

To be considered for contract award, 5 copies of the technical proposal (which includes the Cost Proposal) must be at the office of NMHIX offices at 6301 Indian School Road NE, Suite 100, Albuquerque, NM 87110, addressed to the Procurement Administrator by 3 p.m. MST on December 20, 2013.

Section 6: Cost Proposal

6.1 “Not to Exceed” Proposal

The cost proposal shall be for the services requested in this RFP and shall provide name of the firm and personnel classification, audit hours, and rate information as shown in the following schedule format:

Personnel Category	Year 1			Year 2			Year 3		
	Hourly Rate	Hours	Cost	Hourly Rate	Hours	Cost	Hourly Rate	Hours	Cost
Partner									
Manager									
Supervisor									
Senior									
Staff									
		Personnel Costs							
		Travel Costs							
		Total Contract							

The Total Contract amount is the maximum amount to be billed for services in each year.

The cost proposal shall be signed by the same person who signs the transmittal and representation letters in the technical proposal.

6.2 Deviation from Specifications

If the cost proposal deviates from the specifications and requirements of this RFP, the transmittal letter shall identify and explain these deviations. NMHIX reserves the right to reject any proposal containing such deviations or to require modifications before acceptance.

Proposals of firms that are disqualified in the evaluation of technical proposals will not be eligible for an evaluation of cost proposals.

6.3 Submission of Cost Proposal

The Cost Proposal should be submitted as part of the Technical Proposal, as shown in Section 5.4.

Section 7: Evaluation

7.1 Overall Evaluation Criteria

The proposals shall be evaluated by a RFP COMMITTEE, appointed by the NMHIX CFO.

7.3 Evaluation of the Technical Proposal

Each technical proposal will be evaluated in the following categories. The maximum number of points available in each category is shown beside that category below:

Firm Background and Federal Grant Audit Experience	30 points
Individual Staff Qualifications	15 points
Work Plan and Audit Approach	25 points
<u>Cost</u>	<u>30 points</u>
TOTAL	100 points

Members of the RFP evaluation committee will individually evaluate the technical proposal and award points accordingly. The committee will then meet as a group to discuss and clarify any issues and/or responses. The scores established by each committee member will then be combined, and the average score (total score divided by number of committee members) will become the total score for each bidding firm. The evaluation committee will make a recommendation to the Operations and Finance Committee of the Board of Directors. Once approved by the operations and Finance Committee of the Board of Directors the Offeror will be notified of the Intent to Award the contract to that vendor.