

NEW MEXICO HIGHER EDUCATION DEPARTMENT

RFP # 70-950-16-0001

**Request for Proposals for Accounting Services
Questions and Answers**

1. Can NMHED provide proposed FY16 audit deficiencies in order to evaluate their extent and nature?

See RFP # 70-950-16-0001 Amendment #1 Section I.B and APPENDIX H.

The auditor has provided a preliminary list of areas of concern which has been summarized in Appendix H (see RFP # 70-950-16-001 Amendment # 1 pages 11-12).

2. What is the timeline for completion of the FY16 audit?

See RFP # 70-950-16-0001 Amendment #1 Section I.C.

FY16 Audit is not complete. The department has requested and been granted an audit extension for FY16. Currently, the audit is expected to resume in March 2017. The work detailed in Scope of Work Part I will prepare the Agency for the FY16 audit. The Audit is expected to resume after the contract period begins.

3. If the FY16 audit is delayed, and/or deficiencies identified in FY16 audit cannot be provided to contractor, will the start of the contract be delayed?

See RFP # 70-950-16-0001 Amendment #1 Section I.C.

See RFP # 70-950-16-0001 Amendment #1 Section I.B.

The Contractor will identify deficiencies. The Audit is expected to resume after Contactor begins performance of Scope of Work Part I. The audit timeline will not impact the start date of the Contract.

4. Will NMHED provide dedicated accounting personnel to oversee and assist with contract performance during duration of contract in order to meet timelines described in request for proposal? If so, how many, and what is the staff accounting background? How many

hours per week will staff be available to assist in obtaining supporting documentation, for example?

Per RFP Section IV.B.3, Items 12-14, the Contactor is required to have ongoing communication with the Agency Staff. Financial Coordinator Supervisor Patrick Lucero will oversee the performance of the contract. The Agency is currently thinly resourced, and cannot devote full time assistance to the Contractor. Two agency staff will be able to assist throughout completion of the Contract. Staff will not be able to dedicate a set number of hours to assist in completion of the Contractor. Staff will be able to assist in obtaining available documentation to Contractor.

Background for Patrick Lucero

Current position: Financial Coordinator Supervisor

Education:

Bachelor in Accountancy/Computer Science

Bachelor in Liberal Arts - Art History

Master in Information Systems

Experience: 23 years of experience consisting of State, Federal, Local, and Fortune 50 with various accounting and financial departments. Five years with Department of Defense/Department of Energy/ University of California. Four years with GAP Corp. Inc. / Global International Trade Affairs. Three years Law Enforcement, City of Santa Fe Police Department. State Government Experience with Department of Finance and Administration, Department of Cultural Affairs, Department of Homeland and Emergency Management, and Higher Education Department.

Background for Jeremy Bangs

Current Position: Business Operations Specialist – Advanced

Education:

Master of Business Administration, New Mexico State University, 2009

Bachelor of Business Administration, New Mexico State University, 2008

Experience: Seven years of state government experience in the areas of compliance, finance, auditing and business operations; 2 years of experience in investment transaction reconciliation

at the New Mexico Educational Retirement Board; 5 years of experience in contract compliance, federal grant compliance, accounts payable and customer service support at the New Mexico Children, Youth and Families Department.

5. Can NMHED provide details regarding the status of any OMB-A133 and Uniform Guidance internal or external assessments and progress on compliance?

NMHED is currently in compliance with the single audit.

6. In *Section IV. A. Detailed Scope of Work Part I*, the RFP requires the contractor to “prepare reconciliations on a variety of funds and accounts including, but not limited to: bank accounts, state and federal expenditures, investments, capital assets and projects;” However, the RFP does not specify the specific time periods (months/year) for proposed account and fund reconciliations.

- a. What date have the reconciliations been completed through?

Audit financials for 2015 are complete and available. Of the various accounts that the Agency maintains, last dates of reconciliation vary. Although some accounts were reconciled in FY16, they need to be evaluated for accuracy.

- b. Are we to assume the contractor will perform reconciliations only through the period ending June 30, 2016?

See RFP # 70-950-16-0001 Amendment #1 Section I.C., Section IV.A, APPENDIX C., APPENDIX C, Exhibit 1.

No. The Agency requires governmental accounting services to be performed in order to rectify deficiencies for fiscal year 2016, and previous years if necessary. The Agency requires the Contractor to identify all deficiencies with Agency accounts and financials. Contractor will prepare reconciliations for all accounts that are identified as deficient and bring Agency financials and accounts current and up to date.

7. Are federal billings currently being processed regularly and timely?

Federal Billings are being processed, but the Agency needs to improve consistency, timeliness, and tracking. The Contractor will need to identify any deficiencies in federal billings and rectify the deficiencies.

8. NMHED is requesting the following as part of *Section IV. A., Scope of Work, Part I*:

- *analysis of state and federal financial data and identification of **deficiencies**; and*
- *identification of financial adjustments and correct any **deficiencies**; and*
- *identification and facilitation with **rectifying deficiencies** in supporting accounting documentation.*

- a) Can NMHED define materiality levels related to identification of financial adjustments?

Not at this time.

- b) The term “rectify” has not been defined in *Section I.E., Definition of Terminology*. Please provide a definition.

See RFP # 70-950-16-0001 Amendment #1 Section I.E.

“Rectify” means cure Agency accounting deficiencies and bring agency financials and accounts current and up to date.

- c) Are “rectifying deficiencies” limited only to correcting deficiencies identified during FY16 financial statement audit?

See RFP # 70-950-16-0001 Amendment #1 Section I.C., Section IV.A, APPENDIX C., APPENDIX C, Exhibit 1.

The Agency requires governmental accounting services to be performed in order to rectify deficiencies for fiscal year 2016, and previous years if necessary. The Agency requires the Contractor to identify all deficiencies with Agency accounts and financials. Contractor will prepare reconciliations for all accounts that are identified as deficient and bring Agency financials and accounts current and up to date.

- d) The term “deficiencies” has not been defined in *Section I.E., Definition of Terminology*. Please provide a definition.

See RFP # 70-950-16-0001 Amendment #1 Section I.E.

“Deficiencies” means areas in which the Agency is not following proper accounting procedures or maintaining appropriate documentation in accordance with best accounting practices.

- e) Is the term “deficiencies” limited to deficiencies identified in the FY16 financial statement audit?

See RFP # 70-950-16-0001 Amendment #1 Section I.C., Section IV.A, APPENDIX C., APPENDIX C, Exhibit 1.

No. The Agency expects that any deficiencies that are identified be rectified. The Agency requires governmental accounting services to be performed in order to rectify deficiencies for fiscal year 2016, and previous years if necessary. The Agency requires the Contractor to identify all deficiencies with Agency accounts and financials. Contractor will prepare reconciliations for all accounts that are identified as deficient and bring Agency financials and accounts current and up to date.

9. In *Section IV. A. Detailed Scope of Work Part I* the RFP states that “The Agency requires all necessary skills be utilized to identify and rectify financial deficiencies. As described above and in the Scope of Work, Part I, detailed in the Sample Contract, all deficiencies must be identified and rectified within 90 days of execution of the contract. The Contractor must allocate whatever resources necessary to complete the Scope of Work, Part I, within 90 days.”

- Circumstances may arise where supporting documentation is not available to perform and/or complete the reconciliations requested; for example, DFA sub-ledger information is not available due to record retention policy.
- Additionally, controls may be placed in operation during the course of the contract to correct a deficiency, however the control was not in place during the entire fiscal year. In this case, deficiencies may not be “rectified” in the subsequent financial statement audit due to circumstances beyond contractor’s control.

How will agency determine that contractor has met the Scope of Work in such circumstances?

The Agency will assess whether the Contractor could have reasonably obtained documents in order to complete the Scope of Work. The Agency acknowledges that even if the Scope of work is successfully complete, the FY16 audit may result in findings based on controls that were not in place prior to the Contract.

10. In *Section IV. A. Detailed Scope of Work Part II*, RFP states that “...The Contractor will provide training to agency staff.”
- a. How many staff are to be trained?

From 2-4 agency staff.

- b. What is the accounting background of staff to be trained?

Background for Patrick Lucero

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Education:

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Master in Information Systems

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11. Is NMHED aware of significant vacation time by key staff during the next six months?

No.

12. Can work on the contract be commenced prior to the contract protest period?

Yes, if the awarded contract is executed. Work on the contract shall commence once the contract has been fully executed with all the required signatures including execution by the Department of Finance and Administration. Work by the awarded Offeror need not be delayed or suspended during the protest period. Filing of a protest does not require immediate suspension of the work.

13. What is the current accounting staff (or other staff assigned to accounting) by position and experience?

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14. Is there a point person internally at HED who will act as the lead in this project?

Financial Coordinator Supervisor Patrick Lucero will act as the point person for NMHED.

15. Does the agency know whether HED's financial statements are material to the State's CAFR?

NMHED financials are not material to CAFR.