

City of Santa Fe, New Mexico

memo

DATE: May 1, 2014

TO: Finance Committee
BDDB Committee
SWAMA Committee

FROM: Robert Rodarte, Purchasing Officer
Purchasing Division

VIA: Marcos A. Tapia, Finance Director
Finance Department

ISSUE: Award of Request for Proposal # '14/38P
Financial and Compliance-Auditing Services Fiscal Year Ended June 30, 2014

SUMMARY:

On April 21, 2014, five proposals were received for the above referenced service as follows:

	Evaluation Written Score
Accounting and Consulting Group, LLP, Albuquerque	2095
REDW, Albuquerque	1975
Moss-Adams LLP, Albuquerque	1902.5
Clifton Gunderson LLP, Albuquerque	1720
Griego Professional Services, LLC, Albuquerque	1380

The evaluation criteria consisted of work requirements and audit approach (20%); cost proposal and hourly breakdown (30%); capability of the firm to perform all aspects of the audit (40%); and key personnel experience (10%). The proposal was reviewed and evaluated by Marcos A. Tapia, Teresita Garcia, Finance, Robert Rodarte, Purchasing, Liza Kerr, Internal Auditor and Mark Tupler, Member of Audit Committee.

The using department has reviewed the proposals and recommends award to Accounting and Consulting Group, LLP, Albuquerque in the amount of \$175,576.00, the breakdown is as follows: City of Santa Fe \$121,423.00, Buckman Operation Project \$34,492.00 and Santa Fe Solid Waste Management \$19,661.00 .

Budget will be available in FY '14-'15 in account number 12013.501300 (Finance – Professional Services), 52501.510300 (SWAMA Landfill Operations – Professional Services), 7280000.510300 (BDD Operation Project - Professional Services).

ACTION:

It is requested that this recommendation of award to Accounting and Consulting Group, LLP, Albuquerque, in the amount of \$175,576.00 be reviewed, approved and submitted to the City Council for its consideration.

Attachment(s):

1. A copy of the professional service agreement.
2. A copy of tabulation score sheet

EVALUATION SCORES

'14/38/P

**FINANCIAL AND COMPLIANCE-AUDITING SERVICES
FISCAL YEAR ENDED JUNE 30, 2014**

Written Evaluation Scores

Evaluation Committee	Accounting and Consulting Group LLP	REDW	Moss-Adams LLP	Clifton Gunderson, LLP	Griego Professional Services, LLC
Marcos A. Tapia	400	350	350	280	180
Teresita Garcia	400	280	270	300	160
Robert Rodarte	475	445	380	360	340
Liza Kerr	400	430	452.5	350	280
Mark Tupler	420	470	450	430	420
Total	2095	1975	1902.5	1720	1380



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909
www.santafenm.gov

Javier M. Gonzales, Mayor

Councilors:

- Peter N. Ives, Mayor Pro Tem, Dist. 2
- Patti J. Bushee, Dist. 1
- Signe I. Lindell, Dist. 1
- Joseph M. Maestas, Dist. 2
- Carmichael A. Dominguez, Dist. 3
- Christopher M. Rivera, Dist. 3
- Ronald S. Trujillo, Dist. 4
- Bill Dimas, Dist. 4

IPA Recommendation Form for Audits

(Please print on your agency's letterhead)

- ❖ Complete the audit contract (including obtaining the IPA's signature) and submit it to the Office of the State Auditor with this form by the deadline indicated at 2.2.2.8(G)(6)(c).

I.

Agency Contact Information Requirement

Name of Agency: City of Santa Fe
 Address of Agency: P O Box 909
 Phone # of Agency: 505-955-6532 FAX# of Agency 505-955-6745
 City: Santa Fe (State: NM) Zip: 8 7 5 0 4 - Web Site Address: santafenm.gov

Agency Head Contact Information

Name of Agency Head: Marcos A. Tapia Title of Agency Head: Finance Director
 E-mail address of Agency Head: mtapia@santafenm.gov

Agency Contact Information

Name of Agency Contact: Teresita Garcia Title of Agency Contact: Assistant Finance Director
 Phone # of Agency Contact: 505-955-6532 FAX# of Agency Contact 505-955-6745
 E-mail address of Agency Contact: tmgarcia@santafenm.gov

Notice: Please fill out e-mail address of contact person. All fully executed contracts will be sent via e-mail.

II.

Recommended Independent Public Accountant (IPA) Information

As required by the Audit Rule, Section 2.2.2.8.E(3), an IPA subject to contract restriction is responsible for informing this agency whether it is eligible to engage in this proposed contract. As the agency contact for this proposed contract, I am verifying herein that the IPA has certified its eligibility to engage in this proposed contract. _____ (signature of Agency Contact).

Name of IPA Firm: Accounting & Consulting Group, LLP
 Phone # 1-505-883-2727 Fax: 1-505-884-6719 E-mail Address: rcordova@acqsw.com

Name of the IPA Firm's on-site manager: Morgan Browning
 (Note: The name of the On-Site Manager must match the name listed in the Audit Contract. If there is a change, the Office of the State Auditor must be notified in writing)

III.

For which Fiscal Year (FY) is this recommendation being made: FYE 6-30-2014
 Estimated Audit Start Date 7-1-2014 Estimated Completion Date 11-30-2014

IV.

Please check the box below that applies to your agency (a Single Audit should have been included in the procurement if the agency expended \$500,000 or more of federal funds. American Recovery and Reinvestment Act (ARRA) expenditures should be included in this determination):

- My agency procured an annual financial and compliance audit without a Single Audit.
- My agency procured an annual financial and compliance audit with a Single Audit.

V.

Please check the appropriate box below:

- This is a multi-year award and this request applies to the 1st year of a 3 year Proposal.
- This is a one year procurement award for only the fiscal year indicated in Section III.

VI.

Rotation Requirement: (Per Section 2.2.2.8.H(1)(b) NMAC)

How many years has your agency contracted with the IPA recommended above for annual compliance audit services consecutively without a minimum of a 2 year break? none. If this is considered a small purchase (no more than \$60,000 excluding gross receipts tax (GRT); in any of those consecutive years has the cost of the audit engagement been over \$60,000 (excluding GRT)? Yes No

VII.

BREAKDOWN	<input checked="" type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	
	1 st Year Hours FYE <u>2014</u>	1 st Year Cost	2 nd Year Hours FYE <u>2015</u>	2 nd Year Cost	3 rd Year Hours FYE <u>2016</u>	3 rd Year Cost
AGENCY CONTRACTS						
Financial Statement Audit	<u>590</u>	<u>\$73,750</u>	<u>590</u>	<u>\$73,750</u>	<u>159</u>	<u>\$73,750</u>
Federal Single Audit	<u>170</u>	<u>\$21,250</u>	<u>170</u>	<u>\$21,250</u>	<u>170</u>	<u>\$21,250</u>
Financial Statement Preparation	<u>160</u>	<u>\$18,480</u>	<u>120</u>	<u>\$4,725</u>	<u>120</u>	<u>\$4,725</u>
Other allowed nonaudit Services	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other (housing authorities, or other component units)	<u>307</u>	<u>\$32,235</u>	<u>85</u>	<u>9,350</u>	<u>85</u>	<u>9,350</u>
SUB TOTAL	<u>1,227</u>	<u>\$147,715</u>	<u>965</u>	<u>\$118,630</u>	<u>965</u>	<u>\$118,630</u>
Gross Receipts Tax		<u>\$10,200</u>		<u>\$8,304</u>		<u>\$8,304</u>
TOTAL COMPENSATION		<u>\$155,915</u>		<u>\$126,934</u>		<u>\$126,934</u>

I hereby certify that all the information submitted in this recommendation is true, accurate and complete to the best of my knowledge. Furthermore, I also hereby certify that, to the best of knowledge, my agency complied with applicable provisions of the New Mexico Procurement Code (Sections 13-1-28 through 13-1-199 NMSA 1978) and the Audit Rule (2.2.2 NMAC) in the procurement of the IPA and recommendation to the State Auditor. Finally, I hereby attest that I have the authority to certify the information submitted in this recommendation on behalf of the agency.

Agency Head/Designee: _____
(Signature) (Print Name)

(Title and Date)

(THIS SECTION APPLIES TO SCHOOLS AND UNIVERSITIES ONLY)

This IPA recommendation has been reviewed and approved by our oversight agency (please select one) the Higher Education Department (HED) or the Public Education Department (PED) as required by Section 12-6-14 NMSA 1978, and as indicated by the following oversight agency signature and date.

Oversight Agency Signature

Printed name of signer

Date

**STATE OF NEW MEXICO
AUDIT CONTRACT**

This CONTRACT is made and entered into this 1 day of July, 2014, by and between the

City of Santa Fe

hereinafter referred to as the "Agency", and
Accounting & Consulting Group,LLP

hereinafter referred to as the "Contractor", and is effective as of the date upon which it is approved by the Office of the State Auditor, hereinafter referred to as "State Auditor".

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

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

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

A. The Contractor shall conduct a financial and compliance audit of the following applicable statements and schedules of the Agency for the period from **July 1, 2013 through June 30, 2014:**

- (1) Basic Financial Statements consisting of the government-wide financial statements, fund financial statements, budgetary comparison statements for the general fund and major special revenue funds (GASB 34, footnote 53), and the notes to the financial statements;
- (2) Required supplemental information (RSI), if applicable, consisting of budgetary comparison schedules for the general fund and major special revenue fund data presented on a fund, organization, or program structure basis because the budgetary information is not available on the GAAP fund structure basis for those funds (*GASB Statement No. 41, Budgetary Comparison Schedules—Perspective Differences an amendment of GASB Statement No. 34*) must be audited and included in the auditor's opinion (AAG-SLV 14.52);

- (3) Supplemental Information (SI) that must be audited and included in the auditor's opinion (AAG-SLV 14.52), if applicable, consisting of:
 - (a) Component unit fund financial statements and related combining statements (if there are no separately issued financial statements on the component unit per AAG-SLV 3.20);
 - (b) Combining financial statements;
 - (c) Individual fund budget comparison statements for remaining funds that have an adopted budget, including proprietary funds, that did not appear as basic financial statement budget comparisons for the general fund, major special revenue funds or as RSI as described above; and
 - (d) Remaining supplemental information on schedules as required by Section 2.2.2.10.A(2)(f) NMAC.
- B. The contractor shall apply certain limited procedures to the following required supplemental information (RSI), if applicable, and report deficiencies in or the omission of required information in accordance with the requirements of AU-C 730.05 to 730.09:
 - (1) The Management Discussion and Analysis (MD&A);
 - (2) RSI data required by Statements 25, 27, 43 and 45 regarding pension plans and post employment healthcare plans administered by defined benefit pension plans; and
 - (3) Schedules derived from asset management systems (GASB 34, paragraphs 132 to 133).
- C. 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* (Section 2.2.1, et seq., NMAC).
- D. If this contract is for a:
 - 1) hospital that does not qualify as a governmental entity under the criteria in Sections 1.01 and 1.02 of the *AICPA Audit and Accounting Guide State and Local Governments* (March 1, 2006), then another appropriate reporting model should be used; or
 - 2) school district, the audit will include the audit of any related charter schools and their respective foundations that qualify as component units of those charter schools in accordance with the provisions specified in Sections 2.2.2.10.A(1) and

2.2.2.12.C, NMAC. If a 501(c)(3) component unit organization had a gross annual income in excess of \$250,000, Section 6-5A-4, NMSA 1978 requires that entity to be audited regardless of materiality.

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, 2014** and in accordance with Section 2.2.2.9, NMAC:
- (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 list of the passed adjustments required by AU-C 580.14; and
 - (4) a copy of the completed State Auditor Report Review Guide available at www.osanm.org;
- B. For purposes of Section 2.2.2, NMAC, reports postmarked by the Agency's due date provided in Section 2.2.2.9.A, NMAC, will be considered received by the due date provided in that section. Unfinished or excessively deficient reports will not satisfy this requirement; such reports will be rejected and returned to the Contractor and the State Auditor may take action in accordance with Section 2.2.2.13.C, NMAC. If copies of the engagement letter, management representation letter, list of past adjustments and the completed Report Review Guide are not received by the State Auditor with the audit report or prior to submittal of the audit report, the report will not be considered 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 Agency's oversight agency should be notified, but confidential audit information shall be omitted from that notification.
- D. Pursuant to Section 2.2.2.8.Q, NMAC, the Contractor shall prepare a written and dated engagement letter which 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 Section 2.2.2.13, NMAC, the State Auditor will authorize the Contractor to print and submit the final audit report. Within

two 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 18 copies of the audit report to the Agency. 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 agreement, including New Mexico gross receipts tax, shall not exceed \$155,916.
- 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 Section 2.2.2.8.N(1), NMAC, 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	\$73,750
(2) Federal single audit	\$21,250
(3) Financial statement preparation	\$18,480
(4) Other nonaudit services, such as depreciation schedule updates	
(5) Other (i.e., component units, specifically identified)	\$32,235

Gross Receipts Tax = \$10,201

Total Compensation = \$155,916

- D. The Agency shall pay the Contractor the New Mexico gross receipts tax levied on the amounts payable under this agreement and invoiced by the Contractor.
- E. Pursuant to Section 12-6-14, NMSA 1978 and Section 2.2.2.8.N, NMAC, 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, infra, 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, this Contract may be extended by the parties for two successive one-year terms at the same price, terms and conditions as stated in the original proposal. Each annual extension of the contract shall be executed by mutual agreement of the parties and approval of the State Auditor pursuant to Section 2.2.2.8.G(4), NMAC.

5. **TERMINATION, BREACH AND REMEDIES**

- A. This Contract may be terminated, without cause, by either of the parties upon written notice delivered to the other party at least ten (10) days prior to the intended date of termination. This Contract may be terminated immediately by either of the parties upon written notice delivered to the other party if a material breach of any of the terms of this Contract occurs. Unjustified failure to deliver the audit report in accordance with Paragraph 2, supra, shall constitute a material breach of this Contract. The Agency may immediately terminate this Contract upon written notice to the Contractor pursuant to Paragraph 19, infra. Pursuant to Section 2.2.2.8.S, NMAC, the State Auditor also may immediately terminate this Contract upon written notice to the Contractor after determining that the audit has been unduly delayed, or for any other reason. By termination pursuant to this Paragraph, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE OTHER LEGAL RIGHTS AND REMEDIES AFFORDED THE STATE CAUSED BY THE CONTRACTOR'S DEFAULT OR BREACH OF THIS CONTRACT.
- B. If the Agency terminates this Contract under this paragraph, 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

as provided in Paragraph 3(E), supra. If the Contractor terminates this Contract under this paragraph, the Contractor shall repay to the Agency the full amount of any progress payments for work performed under the terms of this Contract.

- C. If the Agency or the Contractor terminates this Contract pursuant to this paragraph, the party that terminates the Contract shall immediately send the State Auditor written notice of the termination.
- 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.

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 Section 2.2.2.8.L, NMAC, the Contractor may subcontract only with independent public accounting firms that are on the State Auditor's List of Approved Firms pursuant to Section 2.2.2.8.B, NMAC, and that are not otherwise restricted by the Office from entering into such a contract pursuant to Section 2.2.2.8.E, NMAC.

9. **RECORDS AND AUDIT**

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 from 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, its 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 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 the audited financial statements on their respective websites once publicly released by the State Auditor.

13. **CONFLICT OF INTEREST**

The Contractor 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. The Contractor certifies that 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 have been followed as required by the applicable professional standards.

14. **INDEPENDENCE**

The Contractor affirms and represents 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 Section 2.2.2.8.M, NMAC. 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 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 incorporates 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 Section 2.2.2.8.Q, NMAC, 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 acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of 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 Agency's governing body for the performance of this Contract. If sufficient appropriations and authorization are not made by the Agency's governing body, this Contract shall terminate upon written notice being given by the Agency to the Contractor. 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 agrees to 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 agrees to take appropriate steps to correct these deficiencies.

22. WORKING PAPERS

- A. 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 from 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, the Contractor shall deliver the original or clear, legible copies of all working papers to the State Auditor.
- B. The working papers of a predecessor Contractor are to be made available to a successor Contractor in accordance with AC-C and 210.12. Any costs incurred are to be borne by the requestor Contractor.

23. DESIGNATED ON-SITE STAFF

The Contractor's on-site individual auditor responsible for supervision of work and completion of the audit is Morgan Browning, CPA, CGFM. 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

If no other provisions are listed in this section, the remainder below is intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Contract as of the date of signature by the State Auditor.

AGENCY

CONTRACTOR

NAME: City of Santa Fe

NAME: _____

BY: _____

BY: _____

TITLE: Mayor

TITLE: _____

DATE: _____

DATE: _____

This Contract has been approved by:

STATE AUDITOR

BY: _____

TITLE: DEPUTY STATE AUDITOR

DATE: _____

State Auditor Contract No. 14 -



KELLEY A. BRENNAN, ACTING CITY ATTORNEY 5/1/14

MARCOS A. TAPIA, FINANCE DIRECTOR

YOLANDA Y. VIGIL, CITY CLERK