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May 29, 2024

MEMORANDUM

FROM: Rita Scheett, Procurement Manager
SUBJECT: RFP 24-337-0014 Evaluation Committee Report

In accordance with the Request for Proposals for External Audit Services issued by the SIC on April 9, 2024, three responses were received prior to the April 29, 2024, 3:00 PM MDT deadline. Responses were received from Hinkle + Lander's; Eide Bailly, LLP; and Moss Adams, LLP.

The evaluation committee consisted of 1) Brent Shipp, CPA, CFA, CAIA, and CFO for the State Investment Council; 2) Mike Everett, State Investment Council Audit Committee Member and retired Vice-President of Finance at Cisco Systems, Inc. 3) Wayne Propst, State Investment Council Audit Committee Member and Department of Finance and administration Cabinet Secretary.

As part of the competitive selection process, all offerors' proposals were evaluated in a fair and systematic manner using the evaluation criteria established in the RFP. A 100-point scale was used to evaluate responses as outlined below:

1. Capability of Firm & Professionalism RFP Section V B1 - Points awarded for the resources, independence standards, peer review/results of reference check, firm's prior experience, as well as professionalism demonstrated in the response to the RFP, such as organization and completeness of the proposal, etc. will be evaluated.	30 pts
2. Work/Audit Approach & Methodology RFP Section V B2 - Points awarded for knowledge of audit objectives, understanding of SIC's objectives, needs, and product to be delivered; technical plan and time estimate; staffing plan; and approach for planning and conducting the work efforts of subsequent years.	15 pts
3. Technical Experience, Knowledge, & Qualifications RFP Section V B3 - Points awarded for commitment to governmental audit practice, strength of governmental audit experience of the on-site manager; experience, knowledge, and specialization of the proposed audit team; GASB 34 and 35 experience, experience with component units; attendance at continuing professional education seminars.	40 pts

4. References RFP Section V B4 -Points awarded for individual references will be awarded based upon an evaluation of the favorable references for work performed for previous clients receiving similar services to those proposed for this contract as well as other relevant information provided.	5 pts
5. Cost The evaluation of each offeror's cost will be conducted using the following formula: Lowest Proposal Cost / This Offeror's Cost X Total Possible Points = Awarded Points	10 pts

Additional preference points available: 5 pts - NM resident vendor; 10 pts – NM resident veteran

Proposals were initially assessed for mandatory requirements including a Letter of Transmittal, Statement of Independence, Campaign Contribution Form, and receipt of a minimum of three organizational references as stated in Section IV B.6 of the RFP. The Procurement Manager noted that only two references were received for Eide Bailly.

The submissions were scored independently by the evaluation committee against the requirements of the RFP. Proposals were reviewed for completeness and responsiveness to the audit specifications. Demonstration of minimum qualifications, technical criteria and capabilities, and cost considerations were fully examined and rated to determine the best qualified respondent. Due to the technical nature of investments transactions, the diversity of investments and the asset size of the funds (currently greater than \$52 billion market value), careful consideration was given to the offeror's experience, staff capabilities, and audit approach.

This final evaluation scoring matrix was established:

Evaluation Matrix								
Criteria	Points	Hinkle & Larson			Eide Bailly		Moss Adams	
		Scores	Total		Scores	Total	Scores	Total
1. Capability of Firm	30	Everett	20	75	25	82	30	89
		Propst	30		30		30	
		Shipp	25		27		29	
2. Work Requirements & Audit Approach	15	Everett	10	35	15	42	15	39
		Propst	15		15		10	
		Shipp	10		12		14	
3. Technical Experience	40	Everett	30	98	35	110	40	116
		Propst	38		40		38	
		Shipp	30		35		38	
4. Cost	10	Everett	8.7	25.7	8.5	25.5	10	30
		Propst	8		8		10	
		Shipp	9		9		10	
5. References	5	Everett	5	15	5	13	5	15
		Propst	5		5		5	
		Shipp	5		3		5	
TOTAL SCORE				248.7		272.5		289
		Plus NM Preference pts		Y		N		Y

Garnering the highest point totals for Criteria 1, 2, and 3 was Moss Adams LLP, and the committee recommended Moss Adams be awarded the contract. The matter of approval of the selection of external auditor was presented to the State Investment Council by the Audit Committee at the May 28, 2024 Council meeting and unanimously approved.