

**REQUEST FOR PROPOSALS FOR
AUDITING SERVICES**

Issued by:

New Jersey Higher Education Student Assistance Authority Evaluation Committee

Date Issued: February 3, 2026

Question Cut-off Date: February 13, 2026

Proposals Due: March 9, 2026

**Jerry Traino
Acting Executive Director
Chief Financial Officer**

**Higher Education Student Assistance Authority 4 Quakerbridge Plaza
P.O. Box 545
Trenton, New Jersey 08625**

**Contact:
Roseann Sorrentino**

Table of Contents

1.0	PURPOSE AND INTENT.....	1
2.0	DEFINITIONS.....	1
3.0	BACKGROUND.....	3
3.1	The Higher Education Student Assistance Authority	3
3.2	HESAA Financial Systems.....	3
3.3	HESAA Programs and Funds to be Audited	4
4.0	SCOPE OF SERVICES.....	7
4.1	Audit Objectives.....	7
4.2	Audit Reports.....	8
4.3	Additional Services.....	10
5.0	REQUIRED COMPONENTS OF THE PROPOSAL	10
5.1	Overview	10
5.2	Cost Proposal.....	10
5.3	Additional Information.....	11
F.	CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN IRAN	12
6.0	PROPOSAL SUBMISSION	13
6.1	Delivery	13
6.2	Questions	13
6.3	RFP Addenda	13
6.4	Cost Liability	13
7.0	SPECIAL TERMS & CONDITIONS	13
7.1	Term.....	13
7.2	Termination.....	13
7.3	Transition	14
7.4	Contract.....	14
7.5	Open Public Records Act	15
7.6	Price Alteration.....	16
7.7	Proposal Errors	16

7.8	Joint Venture	16
7.9	Prime Contractor Responsibilities	17
7.10	Subcontracting and Assignment.....	17
7.11	Security and Confidentiality.....	18
7.12	Privacy Policy	19
7.13	Additional Work and/or Special Projects	19
7.14	Severability.....	20
8.0	SELECTION PROCESS.....	20
8.1	Small Business Preference	20
8.2	Disabled Veterans' Business Preference.....	21
8.3	Evaluation Criteria.....	21
8.4	Right to Waive	22
8.5	Proposal Discrepancies.....	22
8.6	Negotiation	22
8.7	Best and Final Offer (BAFO).....	23
8.8	Board Approval	23

1.0 PURPOSE AND INTENT

The New Jersey Higher Education Student Assistance Authority (“HESAA” or “Authority”) is seeking proposals from qualified accounting firms to act as the independent auditor. The Authority is a public body corporate and politic, which is “in but not of” the State of New Jersey, Department of State and is an instrumentality of the State. The Authority requires annual financial audits of its funds and accounts that are not recorded on the State’s accounting system, including separate financial and compliance audits for its Student Loan Revenue Bond issues used to fund loans originated pursuant to the New Jersey College Loans to Assist State Students (NJCLASS) loan program, other HESAA programs and funds, and the New Jersey World Trade Center Scholarship Fund. In addition, the independent auditor will be required to provide the Agreed upon Procedure (AUP) review for HESAA’s annual bond transactions.

2.0 DEFINITIONS

The following definitions will be part of any contract awarded as a result of this RFP.

Addendum or Addenda – Written clarification or revision to this RFP issued by HESAA.

Amendment – A change in the scope of services to be provided by the Contractor. An amendment is not effective until it is signed by the Authority.

AUP - Agreed Upon Procedure engagement for HESAA’s annual bond transactions wherein the Contractor will act as fact-finder and issue a letter describing the procedures performed and the Contractor’s findings.

Bidder – An individual or business entity that submits a proposal in response to this RFP.

Business Day – Any weekday, excluding Saturdays, Sundays, State legal holidays, and State-mandated closings unless otherwise indicated.

Contract – The HESAA Standard Terms and Conditions; (2) this RFP and any addenda to the RFP; and, (3) the Contractor’s Proposal including any attachments or documents incorporated by reference (hereinafter “Proposal”) including any attachments or documents incorporated by reference, including, if applicable Bidder responses to clarifications and a Bidder’s Best and Final Offer, (4) other negotiated document, and/or (5) third party document.

Contractor – The bidder awarded a contract resulting from this RFP.

EO 122 – Executive Order 122 issued by Governor McGreevey on July 23, 2004. EO 122 governs the accountability of Authorities to the public in their accounting and financial reporting processes.

Evaluation Committee – A sub-committee of the HESAA Board, appointed to draft this RFP, review and evaluate proposals submitted in response to this RFP, and recommend a Contract award to the HESAA Audit Committee and, ultimately the HESAA Board.

Fairness Opinion - An independent analysis indicating whether certain financial elements in a transaction, such as price, are fair to a specific constituent, from a financial point of view.

FASB – Financial Accounting Standards Board which creates the standards for private entities in the United States, and the generally accepted accounting principles that form the basis for a company's financial statements.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the Authority unless there is a change in the scope of services.

GAAP - Generally Accepted Accounting Principles are the accounting rules, standards, and procedures issued by the Financial Accounting Standards Board and the Governmental Accounting Standards Board.

GASB – Government Accounting Standards Board which creates the standards for governmental entities in the United States, and the generally accepted accounting principles that form the basis for those entities' financial statements.

Joint Venture – A business undertaking by two or more entities to share risk and responsibility for a specific project.

May – Denotes that which is permissible, not mandatory.

NJBEST – New Jersey Better Educational Savings Trust, as authorized by N.J.S.A. 18A:71B-37 et seq.

NJCMF – New Jersey Cash Management Fund.

NJCLASS – New Jersey College Loans to Assist State Students, as authorized by N.J.S.A. 18A:71C-21 et seq.

Personally Identifiable Information (PII) – As defined by the State information security manual (<https://www.cyber.nj.gov/home/showpublisheddocument/1021/638767859725630000>) any information about an individual maintained by an agency, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

Project – The undertaking or services that are the subject of this RFP.

Request for Proposal or RFP – This document, which establishes the bidding and contract requirements and solicits proposals to meet the needs of the Authority for engaging an independent auditor.

Shall or Must – Denotes that which is a requirement. Failure to meet a material requirement will result in the rejection of a proposal as non-responsive.

Should – Denotes that which is recommended, not mandatory.

State – State of New Jersey.

Subtasks – Detailed activities that comprise the actual performance of a task.

Subcontractor – An entity having an arrangement with a Contractor, whereby the Contractor uses the products and/or services of that entity to fulfill some of its obligations under its contract with the Authority, while the Contractor retains full responsibility for the performance of all of its obligations under the contract, including payment to the subcontractor. The subcontractor has no legal relationship with the Authority, only with the Contractor.

Task – A discrete unit of work to be performed.

Transaction – The payment or remuneration to the Contractor for services rendered annually to the Authority pursuant to the terms of the contract.

3.0 BACKGROUND

3.1 The Higher Education Student Assistance Authority

HESAA provides students and their families with financial aid and informational resources to pursue their education beyond high school. HESAA is a comprehensive financial aid agency, which dates back to 1959 and provides nearly \$635 million in aid annually to help New Jersey students achieve their educational goals. HESAA also manages and administers student loan portfolios of approximately \$2.1 billion, and assists over 1 million students, families, and educators each year by providing financial aid information and assistance.

The Authority's programs include over \$477 million annually in state funded grant and scholarship programs, up to \$160 million in State supplemental NJCLASS loan originations, and the NJBEST 529 College Savings program that has in excess of \$5.8 billion in assets under management.

3.2 HESAA Financial Systems

HESAA currently utilizes the State's financial systems to account for the majority of administrative expenditures related to the State grant and scholarship programs and the NJCLASS programs as well as the disbursement of all grant and scholarship payments to students. All of the transactions processed through the State accounting system fall under the scope of the State's annual financial statement audit conducted by the State Office of Legislative Services and are not included in the scope of services being requested under this RFP.

The Authority maintains a LAN-based General Ledger accounting package to account for transactions related to special programs not accounted for on the State accounting system due to specific operational requirements of certain non-state programs or due to the investment nature of the funds. The largest of these non-state programs is the bond-funded NJCLASS Loan Program.

Additionally, Federal Family Education Loan program (FFELP) loans held by the Authority under its bond financings are serviced by the Pennsylvania Higher Education Assistance Agency and Navient Solutions Inc., and all associated loan accounting records are maintained by these servicers. The auditing firm that is awarded this contract will need to rely on reports prepared by the servicers' independent auditors. KPMG LLP and Baker Tilly, LLP currently audit the Pennsylvania Higher Education Assistance Agency and Navient Solutions, Inc., respectively. With respect to the NJBEST program, accounting records are maintained by the State Division of Investments and Franklin Distributors LLC ("Franklin") for the respective college savings investments under their management and are subject to separate independent audits, currently being performed by Ernst & Young LLP.

3.3 HESAA Programs and Funds to be Audited

A. NJCLASS/FFELP Loan Programs

The NJCLASS loan program is a supplemental education loan program established by the Authority to offer an alternative source of loan funds to assist students and their parents, spouses, legal guardians or other relatives providing financial support in meeting the costs of the students' education at an eligible degree-granting college or university located within or outside New Jersey. The Authority administers the NJCLASS Loan Program in accordance with the rules and regulations promulgated by the Authority. The Authority has issued bonds to fund NJCLASS loans since 1991.

In 2001, the Authority began using a portion of the NJCLASS Loan Program bond proceeds to purchase portfolios of existing loans with a New Jersey nexus issued through the FFELP program. In addition to loans purchased from outside servicing organizations, the NJCLASS Loan Program also used bond proceeds to purchase portfolios of rehabilitated FFELP student loans from the portfolio of previously defaulted FFELP student loans owned by the Authority when it was the New Jersey State guaranty agency. The Authority is not the servicer on any of the FFELP loans acquired with NJCLASS/FFELP Bond proceeds. The Authority no longer purchases or originates FFELP loan due to the cancellation of FFELP in 2010.

Total Assets of the NJCLASS Loan Program are in excess of \$2.05 billion. The assets consist primarily of education loan receivables (principal and interest). Other significant assets include cash and investments. The NJCLASS Program utilizes the services of a Trustee Bank to process all bond issues transactions.

Liabilities consist primarily of bonds payable. There are currently 28 series of bonds outstanding in 12 bond issues totaling approximately \$1.688 billion.

Operating Revenues are comprised of interest income on student loans and application/administrative fee income.

Operating Expenses include: bond interest expense (the largest component), fees paid to servicing agents, bad debt expense, and various program expenses.

Non-Operating Revenues/Expenses consists of income on investments and revenues earned through gains on redemptions of bonds as a result of refunding transactions, and expenses such

as parity or equity releases, loans forgiven, underwriter expenses, and expenses related to the two NJCLASS repayment programs for borrowers experiencing financial hardship, the Repayment Assistance Program and Household Income Affordable Repayment Plan.

From the inception of the program the NJCLASS loan records have been maintained on internally developed software, housed on an in-house IBM mainframe computer system. HESAA began transitioning NJCLASS loan records to an Oracle-based system in the third quarter of 2021. Student loan records for the FFELP loan program are maintained on computer systems operated by the servicers, who provide loan program information to HESAA, consisting of monthly servicing reports, purchase transaction detail reports, and billings for contracted services and loan purchases.

Transactions for the NJCLASS Program are summarized and entered into the general ledger, via journal entries, on a monthly basis. There are several thousand monthly transactions that are summarized into approximately twenty (20) journal entries on a monthly basis.

NJCLASS are funded using the proceeds from the periodic sale of tax- exempt bonds issued by the Authority. HESAA evaluates its options for issuing taxable bonds each year and such taxable bond financing could occur in the future. HESAA's current bonds are backed solely by revenues generated by the repayment of student loans, investment agreements, and the moral obligation of the State; no State appropriations for the payment of principal or interest are provided or necessary for the self-sustaining NJCLASS program.

More detailed information on HESAA and the NJCLASS loan program, including bond transaction history, can be found in the Higher Education Student Assistance Authority Student Loan Revenue Bonds Series 2025 Official Statement at:

<https://emma.msrb.org/IssueView/Details/RE399067>.

The Authority services all NJCLASS loans after disbursement. The Authority utilizes the services of third parties for purposes of verification, processing, and servicing of its portfolio of FFELP student loans.

B. Other HESAA Programs and Funds

1. **Federal Collections Escrow** – is the conduit for collections received from defaulted borrowers in FFELP. HESAA transferred its FFELP guaranty portfolio to the Kentucky Higher Education Assistance Authority (KHEAA), the successor guaranty agency, in January 2021. Therefore, this portfolio is no longer accounted for by HESAA, but the results of prior years may possibly be shown in comparative statements.
2. **NJCLASS Loan Reserve Fund (LRF)** – reimburses the various HESAA bond issues for defaulted loans from five NJ Cash Management Funds. The accounts were established under the terms of the Master Indentures. The reserve no longer exists and therefore is no longer accounted for by the Agency but the results of prior years may possibly be shown in comparative statements.
3. **NJBEST Administrative Fund** – receives fee income from the fund managers, Franklin Templeton Investments. Income is used to pay any NJBEST program expenses not covered by Franklin Templeton, as well as fund NJBEST scholarships.

Receipts: This fund receives monthly fee income from Franklin on behalf of the accounts managed by both it and the New Jersey Department of Treasury, Division of Investments. In addition, interest income received in the NJCMF account is recorded monthly.

Disbursements: The fund pays NJBEST Scholarships and program expenses through transfers to the NJBEST appropriation unit within the State general fund.

There are fewer than 120 transactions per year, which provide funding for approximately 600 scholarships and related program expenses.

4. **Direct Loan Servicing Revenue Fund** – in the past, this fund received fee income from Federal Direct Loan servicing revenue earned through a Teaming Contract Arrangement with the Higher Education Loan Authority of Missouri (MOHELA). While this contract no longer exists, the fund still exists.

Receipts: Monthly interest income on the NJCMF account.

Disbursements: Disbursements can be used for program expenses in the future.

There are 12 transactions per year for receipts plus a few disbursements.

5. **NJCLASS Life of Loan Servicing Reserve Fund** – on a monthly basis, this fund receives the unexpended balance, after deducting program expenses, of NJCLASS program revenue, which includes income from application, servicing, and administrative fees. In addition, the fund receives a share of collections on defaulted NJCLASS loans. This fund is held as a reserve against the expense of administering and servicing NJCLASS loans in future years. Further, the fund may receive parity or equity distributions from NJCLASS.

Receipts: This fund receives the revenue items described above, as well as monthly investment income on the NJCMF account.

Disbursements: The NJCLASS Life of Loan Servicing Reserve Fund pays NJCLASS program administrative expenses through transfers to the NJCLASS administration appropriation unit within the State general fund. Further, disbursements are made from the NJCLASS Life of Loan Servicing Reserve Fund for capital expenses of the agency and bond issue closing costs.

Other: Accrued expense (compensated absences) is adjusted annually in June.

There are fewer than 100 transactions per year.

C. The World Trade Center Scholarship Fund

The World Trade Center Scholarship Fund was statutorily created following the terrorist attacks of September 11, 2001. The Fund is a 501(c)3 non-profit organization charged with raising funds to assist in securing higher education for the surviving spouses and dependent children of persons who were New Jersey residents on September 11, 2001 and who were killed in the terrorist attack

on the United States on September 11, 2001, who died as a result of injuries received in the attack, who died as a result of illness caused by exposure to the attack sites, or who are missing and officially presumed dead as a direct result of the attack. Scholarships are awarded annually to eligible recipients from the Fund for the costs of undergraduate study at an institution of higher education.

Accounting for the financial activities of the fund is conducted in accordance with FASB standards for non-profit organizations.

Receipts: Annual State of New Jersey appropriation; corporate and individual donations, and monthly NJCMF investment income on donations received.

Disbursements: Include scholarship awards, approximately 150 disbursements, and payment of program expenses.

Total annual transactions for the New Jersey World Trade Center Scholarship Fund are approximately 90.

4.0 SCOPE OF SERVICES

Within 90 days after the June 30th close of each fiscal year the Authority is required to file financial reports on programs and funds where financial records are not maintained on the State's accounting system.

HESAA is seeking the services of an independent auditing firm to issue three separate audit reports. Each report will contain financial statements prepared in accordance with GAAP and in compliance with GASB and FASB pronouncements, as applicable. The Independent Auditor's Report will be required for each audit. Additionally, for the NJCLASS Loan Program, an Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting is to be provided. Each report will be posted on HESAA's website and used in HESAA's bond offering documents.

The Contractor will meet privately with the HESAA Board Audit Committee at least twice a year, once prior to the commencement of the annual audit and once upon issuance of the final audit reports. The Contractor shall also present the final audit report to the full HESAA Board annually at the October HESAA Board meeting.

4.1 Audit Objectives

In order to ensure HESAA compliance thereto, for all programs and funds audited, the independent auditor shall determine:

- a. Whether the financial statements present fairly the financial position, the results of operations and cash flows in accordance with generally accepted accounting principles; and
- b. Whether the Authority has an internal control structure that provides reasonable assurance that the programs and funds are in compliance with applicable laws and regulations, and that the assets of these programs and funds are adequately safeguarded.

4.2 Audit Reports

The audit reports to be issued under the terms of this RFP shall, in a format agreeable to the Authority, cover the periods July 1st to June 30th of each fiscal year being audited. Each report shall be made up of at least the following specific parts:

- A. For the NJCLASS Loan Program – (two-year comparative audited financial statements are required)**
 - 1. Independent Auditor's Report
 - 2. Management's Discussion and Analysis, which the accounting firm has subjected to limited procedures;
 - 3. Statement of Net Assets;
 - 4. Statement of Revenues, Expenses, and Changes in Net Assets;
 - 5. Statement of Cash Flows (direct method);
 - 6. Footnote disclosures that are complete and satisfy all GASB and FASB disclosure requirements, as applicable;
 - 7. Supplemental schedules and reports consisting of:
 - a. Combining Schedules of Net Assets by individual bond fund;
 - b. Combining Schedules of Revenues, Expenses, and Changes in Net Assets by individual bond fund;
 - c. These schedules are to be subjected to the auditing procedures applied in the audit of the basic financial statements, and included in the report; and
 - d. An Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting.

The Auditor's Report on Compliance shall be based on the following criteria:

- i. An opinion as to whether the Funds were administered in compliance with applicable laws and regulations. A statement of positive assurance on those items that were tested for compliance and negative assurance on those items not tested.
 - ii. Material findings of non-compliance presented in their proper perspective: size of universe in number of items and dollars, number and dollar amount of transactions tested, number and corresponding dollar amount of instances of noncompliance.
 - iii. Identification of total amounts questioned, if any, as a result of noncompliance and the auditor's recommendations for necessary corrective action.
 - iv. The auditor's report on the internal control structure that includes the auditor's understanding of the current internal control structure and the assessment of control risk.
- B. For the Other HESAA Programs and Funds audit— (two-year comparative audited financial statements are required)**

1. Management's Discussion and Analysis, which the accounting firm has subjected to limited procedures; and
2. Combined Statements of Fiduciary Net Assets;
3. Combined Statements of Changes in Fiduciary Net Assets;
4. Notes to Combined Financial Statements;
5. Supplemental schedules and reports consisting of:
 - a. Combining Schedules of Fiduciary Net Assets by individual program or fund;
 - b. Combining Schedules of Changes in Fiduciary Net Assets by individual program or fund.

These schedules are to be subjected to the auditing procedures applied in the audit of the basic financial statements, and included in the report.

- c. An Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting.

The Auditor's Report on Compliance shall be based on the following criteria:

- i. An opinion as to whether the Funds were administered in compliance with applicable laws and regulations. A statement of positive assurance on those items that were tested for compliance and negative assurance on those items not tested.
- ii. Material findings of non-compliance presented in their proper perspective: size of universe in number of items and dollars, number and dollar amount of transactions tested, number and corresponding dollar amount of instances of noncompliance.
- iii. Identification of total amounts questioned, if any, as a result of noncompliance and the auditor's recommendations for necessary corrective action.
- iv. The auditor's report on the internal control structure that includes the auditor's understanding of the current internal control structure and the assessment of control risk.

C. Specific requirements for the New Jersey World Trade Center Scholarship Fund audit – (A single year presentation is required)

1. Independent Auditor's Report
2. Statement of Financial Position
3. Statement of Activities
4. Statement of Cash Flows
5. Notes to Financial Statements

D. Additionally, for all three audit reports, if reportable conditions exist, the independent auditor shall provide a separate management letter that should be based upon:

1. The scope of the work done in obtaining an understanding of the internal control structure and in assessing control risks.

2. The Authority's significant internal controls or control structure including the controls established to ensure compliance with laws and regulations that have a material impact on the financial statements and those that provide reasonable assurance that assets are being managed in compliance with applicable laws and regulations; and
3. The reportable conditions, including the identification of material weaknesses, identified as a result of the auditor's work in understanding and assessing the control risk. If the auditor limits its consideration of the internal control structure for any reason, the circumstances should be disclosed in the management letter.

4.3 Additional Services

The Contractor will also be required to perform AUP reviews that test the data prepared to be included in the Preliminary and Final Official Statements published as part of the Authority's annual issuance of bonds to fund the NJCLASS loan program. The Contractor will be required to provide letters approving the use of the most recent audited financial statements of the Authority in these offering documents.

5.0 REQUIRED COMPONENTS OF THE PROPOSAL

5.1 Overview

This section of the bidder's response proposal shall set forth the bidder's overall technical approach and plans to meet the requirements of section 4.0 of this RFP. The response should include an overview of the firm's organization and structure and should document to the Authority that the bidder understands the objectives of the audits to be conducted under the scope of work, the nature of the required work, and the level of effort necessary to successfully complete the audit engagement. The narrative should also document to the Authority that the bidder's general approach and plans to undertake and complete the engagement are appropriate to the tasks involved.

In addition, the proposal shall outline the firm's experience in the audit of bond funds, its familiarity with student loan programs and the requirements of all relevant GASB and FASB Pronouncements and E.O. 122, and should list the specific staff that would be assigned to the audit engagement.

The Bidder shall briefly acknowledge understanding and acceptance of all the terms and conditions and other mandatory provisions. The terms and conditions of HESAA's RFP supersede any conflicting terms and conditions submitted by the bidder unless submitted by the bidder no later than the deadline to submit questions and waived by HESAA and modified and mutually agreed to in writing.

5.2 Cost Proposal

The Firm Fixed Price proposal shall present the total cost of performing all three audits and the AUP. No further costs shall be added or billed to the Authority.

In addition, the proposal should separately detail the cost of each year's annual financial statement and compliance audits for the NJCLASS Programs, the Other HESAA Programs and Funds, and the World Trade Center Scholarship Fund, as well as the AUP. The acceptable format

for the cost proposal is presented in Attachment 1 (Cost Proposal by Contract Year). It must include the Firm Fixed Price for the initial three-year contract term and each of the optional extension years.

The bidder shall also submit a detailed chart showing the person-hours for each audit, by staffing level, proposed to meet the requirements of this RFP for each year of the initial three-year contract and each of the optional extension years.

For purposes of determining the reasonability of the firm's proposal and estimating the cost of any additional work that the Authority may request, the proposal should also include an estimated staffing plan, which is a schedule detailing the all-inclusive hourly rate of each staff level at the firm, and the estimated hours to be spent by each staff level on each of the three audits. The acceptable format for the estimated staffing plan is presented in Attachment 2 (Estimated Staffing Plan by Contract Year).

5.3 Additional Information

- A.** A copy of a valid New Jersey Business Registration must be submitted by the selected firm, N.J.S.A. 52:32-44. To facilitate proposal evaluation and the contract award process, the bidder shall submit the Business Registration form with the proposal. If not already registered with the New Jersey Division of Revenue, registration can be completed online at the Division of Revenue website: <https://nj.gov/treasury/purchase/doingbusiness.shtml>.
- B.** Pursuant to Public Law 2005, Chapter 51 (Chapter 51) State departments, agencies and authorities are precluded from awarding contracts exceeding \$17,500 to Contractors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of State Contractors is based on the Contractors' political contributions. N.J.S.A. 19:44A-20.14. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C.A. 527 that also meets the definition of a continuing political committee within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The firm shall submit the required certification form(s) and disclosure form(s) with its proposal. Failure to submit such forms and/or failure of such forms to evidence compliance with Chapter 51 shall be cause for rejection of the firm's proposal. Any firm selected shall maintain compliance with Chapter 51 during the term of its engagement.
- C.** Pursuant to Public Law, 2005 Chapter 271 (Chapter 271) firms must disclose their (and their principals') political contributions within the immediately preceding twelve (12) month period. N.J.S.A. 19:44a-20.27. No prospective firm will be precluded from being awarded a contract by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to formal appointment the firm anticipated to be selected will be required to submit Chapter 271 disclosures. To facilitate proposal evaluation and contract award process, the Contractor shall submit the Chapter 271 disclosure with the proposal.

Please also be advised of your responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to N.J.S.A.19:44A-20.13 if your firm receives contracts in excess of \$50,000 from a public entity during a calendar year. It is your firm's responsibility to determine if filing is necessary. Failure

to file can result in the imposition of financing penalties by ELEC. Additional information about this requirement is available from ELEC at (888) 313-3532 or www.elec.state.nj.us.

- D. In accordance with N.J.S.A. 52:34-13.2 (Public Law 2005, Chapter 92), all services performed pursuant to this engagement shall be performed within the United States of America.
- E. Pursuant to Public Law 1995, Chapter 159, effective January 1, 1998 and notwithstanding the provision of any other law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set-off shall not allow for the deduction of any expense or other deduction which might be attributable to the taxpayer, partner, or shareholder subject to set-off under this Act, N.J.S.A. 54:49-19.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under N.J.S.A.54:49-19. No request for conference, protest, or subsequent appeal to the Tax Court from any protest shall stay the collection of the indebtedness.

F. CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN IRAN

Pursuant to N.J.S.A. 52:32-58, the bidder must certify that neither the bidder, nor one of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.

- G. The Terms and Conditions set forth in the "HESAA Terms & Conditions" are incorporated into any contract resulting from this RFP. The HESAA Terms & Conditions can be found on the HESAA website at: Procurements_TermsandConditions.pdf
- H. In accordance with N.J.S.A. 52:25-24.2, in the event the Bidder is a corporation, partnership or limited liability company, the Bidder must disclose all 10% or greater owners by (a) completing and submitting the Ownership Disclosure Form with the Quote; (b) if the Bidder has submitted a signed and accurate Ownership Disclosure Form dated and received no more than six (6) months prior to the Quote submission deadline for this procurement, the Division may rely upon that form; however, if there has been a change in ownership within the last six (6) months, a new Ownership Disclosure Form must be completed, signed and submitted with the Quote; or, (c) a Bidder with any direct or indirect parent entity which is publicly traded may submit the name and address of each publicly traded entity and the name and address of each person that holds a 10 percent or greater beneficial interest in the publicly traded entity as of the last annual filing with the federal Securities and Exchange Commission or the foreign equivalent, and, if there is any person that holds a 10 percent or greater beneficial interest, also shall submit links to the websites containing the last annual filings with the

federal Securities and Exchange Commission or the foreign equivalent and the relevant page numbers of the filings that contain the information on each person that holds a 10 percent or greater beneficial interest. N.J.S.A. 52:25-24.2. A Bidder's failure to submit the information required by N.J.S.A. 52:25-24.2 will result in the rejection of the Quote as non-responsive and preclude the award of a Contract to said Bidder.

6.0 PROPOSAL SUBMISSION

6.1 Delivery

Proposals must be emailed to Procurements@hesaa.org by the 4:00 pm deadline on March 9, 2026. Please type "Independent Auditors" in the subject line.

6.2 Questions

HESAA will accept questions pertaining to this RFP from all potential bidders electronically. Questions shall be directed to Procurements@hesaa.org.

Questions will be accepted until 4:00 pm on February 13, 2026. In the event that it becomes necessary to clarify or revise this RFP, such clarifications or revisions will be by Addendum. Any Addendum to this RFP will become part of this RFP and part of any contract entered as a result of this RFP.

The Authority also reserves the right to distribute additional background information or material to all bidding firms.

6.3 RFP Addenda

All RFP Addenda will be posted on the HESAA website. It is the sole responsibility of the bidder to be knowledgeable of all addenda related to this RFP.

6.4 Cost Liability

HESAA will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

7.0 SPECIAL TERMS & CONDITIONS

7.1 Term

The contract entered as a result of this RFP will be for three years, commencing July 1, 2026 with the independent audit of HESAA's fiscal year 2026 financial statements. HESAA shall have the option to extend the contract for two (2) one-year periods, if it is deemed in the best interest of the Authority to do so.

7.2 Termination

Unless otherwise provided herein, HESAA reserves the right to terminate any agreement entered

into as a result of this RFP provided written notice has been given to the Contractor at least thirty days prior to such proposed termination date. The Contractor may terminate the contract upon sixty days' notice to the Authority. In the event a new Contractor is selected, the prior Contractor shall facilitate transfer of all necessary information, including databases, files, and other information needed for the continued operation of the application, to the new Contractor, and otherwise cooperate with HESAA and the new Contractor to effectuate an orderly transition. The old Contractor shall provide this information to the new Contractor no later than thirty days after contract termination.

7.3 Transition

In the event the services are scheduled to end either by contract expiration or by termination, it shall be incumbent upon the firm to continue the service, if requested by HESAA, until new services can be completely operational. At no time shall this transitional period extend more than ninety (90) days beyond the expiration date of the existing contract. The firm will be reimbursed for this service at the rate in effect when this transitional period clause is invoked by HESAA.

7.4 Contract

The Contract awarded, and the entire agreement between the parties, as a result of this Bid Solicitation shall consist of: (1) Higher Education Student Assistance Authority Standard Terms and Conditions, (2) this RFP and any addenda to this RFP, (3) the Contractor's proposal, including any attachments or documents incorporated by reference, including, if applicable Bidder responses to clarifications and a Bidder's Best and Final Offer, (4) other negotiated document, and/or (5) third party document. In the event of a conflict in the terms and conditions among the documents comprising this Contract, the order of precedence, for purposes of interpretation thereof, shall be as listed from highest ranking to lowest ranking as noted above.

Any other terms or conditions, not included with the Bidder's Quote and accepted by HESAA, shall not be incorporated into the Contract awarded. Any references to external documentation, including those documents referenced by a URL, including without limitation, technical reference manuals, technical support policies, copyright notices, additional license terms, etc., are subject to the terms and conditions of the Bid Solicitation and the Higher Education Student Assistance Authority Standard Terms and Conditions. In the event of any conflict between the terms of a document incorporated by reference, the terms and conditions of the Bid Solicitation and the Higher Education Student Assistance Authority Standard Terms and Conditions shall prevail.

In the event that it becomes necessary to revise, modify, clarify or otherwise alter the contract resulting from the RFP, amendments will be in writing signed by an authorized representative of HESAA and the Contractor.

Any statistics or values shown in the RFP are either based on past history or best estimates and are not a guarantee of future volumes and trends. The future quantities, values or activities may be more or less than those noted herein and could change during the course of the contract term. HESAA will make no allowances or concessions to a bidder for any alleged misunderstanding because of quantity, character or other conditions.

7.5

Open Public Records Act

Pursuant to the New Jersey Open Public Records Act (OPRA), N.J.S.A. 47:1A-1 et seq., or the common law right to know, all documents submitted in response to this RFP are subject to disclosure by HESAA as “government records” in accordance with N.J.A.C. 17:12-1.2(b) and (c).

Contractor should submit a completed and signed Confidentiality/Commitment to Defend Form with the proposal. In the event that Contractor does not submit the Confidentiality form with the proposal, HESAA reserves the right to request that the Contractor submit the form after proposal submission. The Confidentiality/Commitment to Defend Form can be found at: <https://nj.gov/treasury/purchase/forms/ConfidentialityForm.pdf>.

After the opening of the proposals, all information submitted by a Contractor in response to this RFP is considered public information notwithstanding any disclaimers to the contrary submitted by a Contractor. Proprietary, financial, security, and confidential information may be exempt from public disclosure by OPRA and/or the common law when the Contractor has a good faith legal or factual basis for such assertion.

When the RFP contains a negotiation component, the proposal will not be subject to public disclosure until a notice of intent to award a Contract is announced.

As part of its proposal, a Contractor may request that portions of the proposal be exempt from public disclosure under OPRA and/or the common law. Contractor must provide a detailed statement clearly identifying those sections of the proposal that it claims are exempt from production, and the legal and factual basis that supports said exemption(s) as a matter of law. The State will not honor any attempts by a Contractor to designate its price sheet, price list/catalog, and/or the entire proposal as proprietary and/or confidential, and/or to claim copyright protection for its entire proposal. If HESAA does not agree with a Contractor’s designation of proprietary and/or confidential information, HESAA will use commercially reasonable efforts to advise the Contractor. Copyright law does not prohibit access to a record which is otherwise available under OPRA.

In order not to delay consideration of the proposal or HESAA’s response to a request for documents, HESAA requires that Contractor respond to any request regarding confidentiality markings within the timeframe designated in HESAA’s correspondence regarding confidentiality. If no response is received by the designated date and time, HESAA will be permitted to release a copy of the proposal with HESAA making the determination regarding what may be proprietary or confidential.

HESAA reserves the right to make the determination as to what to disclose in response to an OPRA request. Any information that HESAA determines to be exempt from disclosure under OPRA will be redacted.

In the event of any challenge to the Contractor’s assertion of confidentiality that is contrary to HESAA’s determination of confidentiality, the Contractor shall be solely responsible for defending its designation, and in doing so, all costs and expenses associated therewith shall be the responsibility of the Contractor. HESAA assumes no such responsibility or liability.

7.6 Price Alteration

Proposal prices must be typed or written in ink. Any price change (including “white-outs”) must be initialed. Failure to initial price changes shall preclude a contract award from being made to the bidder.

7.7 Proposal Errors

A bidder may request that its proposal be withdrawn prior to the proposal submission opening. Such request must be made, in writing, to Procurements@hesaa.org. If the request is granted, the bidder may submit a revised proposal as long as the proposal is received prior to the announced date and time for proposal submission and at the place specified.

If, after the proposal submission opening but before contract award, a bidder discovers an error in its proposal, the bidder may make a written request to Marnie Grodman for authorization to withdraw its proposal from consideration for award. Evidence of the bidder’s good faith in making this request shall be used in making the determination. The factors that will be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the bidder’s exercise of reasonable care; and that HESAA or the State will not be significantly prejudiced by granting the withdrawal of the proposal. After the proposal submission opening, while pursuant to the provisions of this section, a bidder may request to withdraw its proposal and HESAA may, in its discretion, allow the bidder to withdraw it; HESAA also may take notice of repeated or unusual requests to withdraw by a bidder and take those prior requests to withdraw into consideration when evaluating the bidder’s proposals.

All requests to withdraw a proposal must identify the RFP, “Independent Auditors,” include the final proposal submission date, and be sent to Procurements@hesaa.org.

If during a proposal evaluation process, an obvious pricing error made by a potential contract awardee is found, HESAA shall issue a written notice to the bidder. The bidder will have three days after receipt of the notice to confirm its pricing. If the bidder fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and the extended price and the bidder’s intention is not readily discernible from other parts of the proposal, HESAA may seek clarification from the bidder to ascertain the true intent of the proposal.

7.8 Joint Venture

If a joint venture submits a proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture’s proposal. Authorized signatories from each party comprising the joint venture must sign the proposal. Each party to a joint venture must submit a separate Ownership Disclosure Form, Political Disclosure Forms, Disclosure of Investigations and Actions Involving Bidder form, Disclosure of Investment Activities in Iran form, and Affirmative Action Employee Information Report. Each party comprising the joint venture

must also possess a valid Business Registration Certificate issued by the Department of the Treasury, Division of Revenue prior to the award of a contract. Refer to Section 5.3 of this RFP.

7.9 Prime Contractor Responsibilities

The selected Contractor, **and any successor Contractor**, (in the event of merger/acquisition or other change in operating status), will be required to assume sole responsibility for the complete effort of any contract(s) awarded to the Contractor subsequent to its bid submission, and assume all cost incurred by HESAA, directly or indirectly, in connection with or as a result of the transition. If a merger/acquisition has been announced prior to or during the Contractor's proposal preparation period, the bidder shall identify all relevant or emerging dates surrounding the merger relative to official name change, system changes, account number changes, etc., if known at the time of bid submission.

HESAA will consider the prime Contractor to be the sole point of contact with regard to contractual matters. The prime Contractor is responsible for the professional quality, technical accuracy, and timely completion of all services awarded to the Contractor as a result of this solicitation, and will, without additional compensation, correct or revise any errors, omissions, or other deficiencies in their products, services, reports, equipment, information, etc. in order to meet the requirements as specified herein. The successful Contractor will furnish the names of the officers and management personnel who will be utilized in the fulfillment of any agreement resulting from this request.

7.10 Subcontracting and Assignment

All subcontractors must be approved by HESAA. If the Contractor has knowledge prior to the proposal submission date that any part of the work covered by this request will be subcontracted, the Contractor must identify the subcontracting organization, its officers, and the contractual arrangements made therewith, and state what services are to be subcontracted.

If, during the contract term, the Contractor desires to employ or replace any subcontractor, the Contractor must provide ninety days written notice to HESAA. HESAA will evaluate the replacement firm's qualifications. No replacement firm shall begin work without prior HESAA approval.

The prime Contractor is totally responsible for adherence by the subcontractor to all provisions of the contract between the Contractor and HESAA. Nothing contained in these specifications or subsequent specifications shall be construed as creating any contractual responsibility between the subcontractor(s) and HESAA.

The Contractor is prohibited from assigning, transferring, conveying, subletting, or otherwise disposing of the agreement or its rights, title, or interest therein or its power to execute such agreement to any other person, company, or corporation without the previous consent and approval, in writing, by HESAA. Unless otherwise agreed to in writing by HESAA, the Contractor shall bear all cost incurred by the Authority, directly or indirectly, in connection with or as a result of such an assignment.

7.11 Security and Confidentiality

A. DATA CONFIDENTIALITY

All data contained in the source documents supplied by the Authority are to be considered confidential and shall be solely for the use of the Authority. The Contractor will be required to use reasonable care to protect the confidentiality of the data. Any use, sale, or offering of these data in any form by the Contractor or his/her employees or assignees will be considered in violation of this contract and will cause an infraction to be reported to the State Attorney General for possible prosecution. Penalties for violations of such guarantees will include, but are not limited to, cancellation of contract and/or legal action with no damages paid by the Authority or the State of New Jersey.

All financial, statistical, personnel, customer and/or technical data supplied by HESAA to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data that are deemed confidential. The following shall not be considered confidential information and shall not be subject to the provisions of this section 7.11 A.: Any information that (a) was in Contractor's possession before receipt from a HESAA; (b) is independently developed or acquired by or for Contractor without use of a data owner's proprietary information; (c) is rightfully received by Contractor from a third party without a duty of confidentiality; (d) was disclosed by a data owner to a third party not under an obligation of confidentiality; or (e) is or becomes available to the public through no fault of Contractor. Contractor will not release any confidential information to a third party without the consent of the data owner unless required in order to comply with judicial or administrative process. Prior to releasing a data owner's confidential information in response to judicial process, the Contractor shall give the data owner advanced written notice of the subpoena, if not legally prohibited, and provide the data owner the opportunity to object to the required disclosure. Any other use, sale, or offering of these data to a third party without the data owner's consent in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the Contractor's suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution. The Contractor shall be liable to HESAA for a breach of confidentiality subject to the insurance requirements set forth in this RFP.

The Contractor shall assume the total financial liability incurred by the Contractor associated with any breach of confidentiality.

When requested, the Contractor and all project staff including its subcontractor(s) must complete and sign confidentiality and non-disclosure agreements provided by HESAA. The Contractor shall require all staff to view yearly security awareness and confidentiality training modules provided by the Contractor. It shall be the Contractor's responsibility to ensure that any new staff sign the confidentiality agreement and complete the security awareness and confidentiality training modules within one month of the employee's start date.

To protect the State of New Jersey from losses resulting from Contractor employee theft, fraud or dishonesty, security clearance/background check for all Contractors and project staff must be obtained and must be provided to HESAA upon request. Refer to the National Institute of Standards

and Technology (NIST) Special Publication (SP) 800-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

B. SECURITY STANDARDS

The Bidder should complete and submit the HESAA Security Due Diligence Third-Party Information Security Questionnaire (<https://www.hesaa.org/Documents/RFPs/Fillable%20PDF%20NJ-Third-Party-Information-Security-Questionnaire.pdf>) with its Quote. If a Bidder does not submit the completed Questionnaire with the Quote, the Bidder must comply within seven (7) Business Days of the HESAA's request or HESAA may deem the Quote non-responsive.

This Questionnaire is designed to provide HESAA with an overview of the Bidder's security and privacy controls to ensure that the Bidder will (1) meet the Authority's objectives as outlined and documented in the Statewide Information Security Manual; and (2) comply with HESAA's security requirements as outlined in Section 6 – Data Security Requirements – Contractor Responsibility. HESAA reserves the right to remove a Bidder from consideration of Contract award if HESAA determines that the Bidder's Questionnaire failed to sufficiently convey that the Bidder's security and privacy controls meet HESAA's requirements.

HESAA has executed a Confidentiality/Non-Disclosure Agreement which is attached to the Questionnaire. The Bidder should countersign the Confidentiality/Non-Disclosure Agreement and include it with its submitted Questionnaire. If a Bidder does not submit the signed Confidentiality/Non-Disclosure Agreement with the Questionnaire, the Bidder must comply within seven (7) Business Days of HESAA's request or the HESAA may deem the Quote non-responsive. No amendments to Confidentiality/Non-Disclosure Agreement are permitted.

To the extent permissible under OPRA, the New Jersey common law right to know, and any other lawful document request or subpoena, the completed Questionnaire and supplemental documentation provided by the Bidder will be kept confidential and not shared with the public or other Bidders.

7.12 Privacy Policy

The Contractor is responsible for adhering to the Authority's privacy policy and ensuring that any subcontractors to the prime Contractor also adhere to the policy. The Authority retains the right to seek any and all legal remedies in the event of a breach of the privacy policy by the prime Contractor or any subcontractor. HESAA's Privacy Policy can be found at: <https://www.hesaa.org/Documents/PrivacyNotice.pdf>

7.13 Additional Work and/or Special Projects

The pricing response in this RFP is intended to be all-inclusive; the Authority anticipates that no additional work or special projects will be necessary other than what has already been listed in this solicitation. However, the Authority recognizes that changes in federal and State law and regulations over the course of the term of the contract may create additional work required from the Contractor.

In the event of additional work and/or special projects, the Contractor must present a written proposal to perform the additional work to HESAA. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Contractor in its proposal.

The Contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the Contractor in the Contractor's original proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the Contractor in its original proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

No additional work and/or special project may commence without the Authority's written approval. In the event the Contractor proceeds with additional work and/or special projects without the Authority's written approval, it shall be at the Contractor's sole risk. HESAA shall be under no obligation to pay for work performed without HESAA's written approval.

7.14 Severability

In the event that any provision of this RFP or any agreement executed in accordance herewith shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision.

8.0 SELECTION PROCESS

8.1 Small Business Preference

This RFP includes an evaluation preference for those Bidders who are registered as a Small Business Enterprise (SBE) with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit as of the date the proposal is received by HESAA.

In order to receive the preference, the Bidder must be registered as a qualified small business with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit, by the date the proposal is received by HESAA.

A Bidder should verify its Small, Minority, Veteran, and Women Owned Business Certification status on the "Maintain Terms and Categories" Tab within its profile in [NJSTART](#). In the event of an issue with a Bidder's Small, Minority, Veteran, and Women Owned Business Certification status, [NJSTART](#) provides a link to take corrective action.

If the Bidder has previously registered or been certified as a Small Business Enterprise, the Bidder should ensure it is currently registered and that its registration is active with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit, prior

to submitting the proposal, to be eligible for award. The Bidder should ensure that it has completed the annual verification, if required.

Information, registration requirements and application are available at <https://www.nj.gov/treasury/revenue/ucs.shtml>.

8.2 Disabled Veterans' Business Preference

This RFP includes an evaluation preference for those Bidders who are registered as a Disabled Veterans' Business with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit as of the date the proposal is received by HESAA.

In order to receive the preference, the Bidder must be registered as a qualified Disabled Veterans' Business with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit by the date the proposal is received by HESAA.

A Bidder should verify its Small, Minority, Veteran, Women and Disabled Veterans' Business Certification status on the "Maintain Terms and Categories" Tab within its profile in **NJSTART**. In the event of an issue with a Bidder's Small, Minority, Veteran, Women and Disabled Veterans' Business Certification status, **NJSTART** provides a link to take corrective action.

If the Bidder has previously registered or been certified as a Disabled Veterans' Business, the Bidder should ensure it is currently registered and that its registration is active with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit, prior to submitting the proposal, to be eligible for award. The Bidder should ensure that it has completed the annual verification, if required.

Information, registration requirements and application are available at: <https://www.nj.gov/treasury/revenue/ucs.shtml>.

8.3 Evaluation Criteria

A. Technical Evaluation Criteria

The Authority will select a firm based on responses to the proposals. The Authority will evaluate and score the proposals received in response to this RFP using the following criteria. Each criterion will be scored, and each score multiplied by the predetermined weight to develop the Technical Evaluation Score:

1. (20 percent) The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP;
2. (20 percent) The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio;
3. (20 percent) The quality of relevant service to governmental entities in previous transactions;

4. (20 percent) Familiarity with laws, rules and regulations relevant to governmental audits; and
5. (20 percent) The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services.

Small Business and Disabled Veterans' Business Preferences: If the Bidder is registered as a Small Business Enterprise and/or a Disabled Veteran-Owned Business (DVOB) with the Division of Revenue and Enterprise Services, Small Business Registration and M/WBE Certification Services Unit as of the date of proposal submission, the Bidder will receive an additional 50 points added to its final weighted Technical Evaluation Score.

B. Price Evaluation

For evaluation purposes, Bidders will be ranked from lowest to highest according to the total Quote price located on the fee proposal.

8.4 Right to Waive

HESAA waive minor irregularities or omissions in a proposal. HESAA reserves the right to waive a requirement provided that the requirement does not materially affect the procurement or the State's interests associated with the procurement.

8.5 Proposal Discrepancies

In evaluating proposals, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum of the column of figures.

8.6 Negotiation

In accordance with N.J.S.A. 52:34-12(f) and N.J.A.C. 17:12-2.7, after evaluating Quotes, HESAA may establish a competitive range and enter into negotiations with one (1) Bidder or multiple Bidders within this competitive range. The primary purpose of negotiations is to maximize HESAA's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one (1) Bidder or multiple Bidders. Negotiations will be structured by HESAA to safeguard information and ensure that all Bidders are treated fairly.

Negotiations will be conducted only in those circumstances where it is deemed by HESAA to be in the Authority's best interests and to maximize the Authority's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price Quote in response to this Bid Solicitation since HESAA may, after evaluation, make a Contract award based on the content of the initial submission.

8.7 Best and Final Offer (BAFO)

HESAA may invite one (1) Bidder or multiple Bidders to submit a Best and Final Offer (BAFO). Said invitation will establish the time and place for submission of the BAFO. Any BAFO that does not result in more advantageous pricing to HESAA will not be considered, and HESAA will evaluate the Bidder's most advantageous previously submitted pricing.

HESAA may conduct more than one (1) round of BAFO in order to attain the best value for the Authority.

BAFOs will be conducted only in those circumstances where it is deemed by HESAA to be in the Authority's best interests and to maximize the Authority's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price Quote in response to this Bid Solicitation since HESAA may, after evaluation, make a Contract award based on the content of the initial submission.

8.8 Board Approval

Appointment of a firm is subject to approval by the Authority's Board.

Attachments:

1. Cost Proposal by Contract Year
2. Estimated Staffing Plan by Contract Year

Attachment 1

Cost Proposal by Contract Year

	Total Cost	NJCLASS Loan Program	Individual Audits Other HESAA Programs and Funds	World Trade Center	AUP
Year 1					
Year 2					
Year 3					
Total Initial Term Cost					
Extension Year 1					
Extension Year 2					
Total Proposal Cost					

Attachment 2

Estimated Staffing Plan by Contract Year

Estimated Staffing Plan – Individual Audits				
	Total Hours	NJCLASS Loan Programs (hours)	Other HESAA Programs and Funds (hours)	World Trade Center (hours)
Year 1				
Staff level				
	Totals			
Year 2				
Staff level				
	Totals			
Year 3				
Staff level				
	Totals			
Extension Year 1				
Staff level				
	Totals			
Extension Year 2				
Staff level				
	Totals			