

**Finance Audit Committee Special Meeting
New Mexico Lottery Authority
February 23, 2016
MINUTES**

Call to Order: D. Salzwedel called the meeting to order at 10:00 a.m., and asked for a roll call. Present and constituting a quorum were; Dan Salzwedel and John Kubiak. M. Koson - absent.

The following employees were present: David Barden, Sylvia Jaramillo, Wendy Ahlm and Wilma Atencio. Also attending were Othiamba Uni with Think New Mexico.

Approve Proposed Agenda: D. Salzwedel called for a motion to approve the proposed agenda. J. Kubiak moved to accept the proposed agenda as presented; second by D. Salzwedel. Carried; 2-0.

FINANCE AUDIT Committee Report – M, Koson, Committee Chair:

Award RFP for Legal Services: D. Barden reported that the lottery's Legal contract for services is up and new contracts need to be approved by the Board. Due to the legislative session a call for a special meeting of the Finance Audit Committee was not initiated until today. The lottery is seeking approval to contract with the firms that have been selected by the evaluation committee. D. Barden reported that the legal RFP was divided into three sections - Intellectual Property, Human Resources and General Counsel. The committee scored the RFP Proposals submitted and have submitted their recommendation to the CEO. There were five firms that were deemed qualified and each submitted at least one proposal. The contract will be awarded for one year, with four - one year extensions. This will give the lottery the flexibility to issue a new RFP at the end of the one year, if needed.

S. Jaramillo reported that the lottery issued the RFP Proposal on November 17, 2015; fourteen firms requested the RFP. The legal RFP was published in the NM State Bar weekly publication, the ABQ Journal and the lottery website. We received one question from one legal firm. On December 11, the Q&A was sent to all 14 legal firms. The Evaluation committee consisted of three members, S. Jaramillo served as Chair and the two remaining members were Wendy Ahlm, Director of Advertising & Marketing and Evelyn McKnight, Director of Human Resources. On December 22, the evaluation committee received proposals from five legal firms in the three sections of Intellectual Property, Human Resources and General Services.

Human Resources: 4 firms submitted proposals: Conklin, Woodcock and Ziegler; Justine Fox-Young and Baker Law Office (Joint Collaboration); Park & Associates and Rodey, Dickason, Sloan, Akin & Robb.

Intellectual Property: 3 firms submitted proposals: Park & Associates; Romero & Constant and Rodey, Dickason, Sloan, Akin & Robb

General Counsel: All five firms submitted proposals: Conklin, Woodcock and Ziegler; Justine Fox-Young and Baker Law Office (Joint Collaboration); Park & Associates and Rodey, Dickason, Sloan, Akin & Robb and Romero & Constant.

On January 5, the proposals were provided to the evaluation committee. Each member reviewed and scored each proposal individually, and then a group meeting was held for consensus scoring of the proposals. The scoring among the members was consistent.

The Cost proposals were provided to the committee and a final score was reached by the committee.

The scoring breakdown:

55% - Experience and Capability
 20% - Responsiveness to NMLA and Technical Capability
 75% - Individual scoring
 25% - Cost Proposal

The weighting of scores was determined pursuant to the RFP and was similar to weighting used in the last RFP for legal services.

S. Jaramillo further reported that based on the accumulated scoring, the evaluation committee recommends the following contracts be awarded:

Combined Contract for Human Resources and General Counsel is awarded to: Conklin, Woodcock and Ziegler.

Intellectual Property be awarded to: Rodey, Dickason, Sloan, Akin & Rob

Secondary General Counsel is awarded to: Justine C. Fox-Young and Baker Law Firm

S. Jaramillo provided the scoring and recommendation documents to both D. Salzwedel and J. Kubiak for review.

Each specialty was scored separately by the committee. The pricing for senior attorneys, junior attorneys and paralegals (if any) are listed on the scoring sheets provided.

D. Barden reported that the Conklin law firm was the highest rated in both HR and General Counsel. The firm selected for intellectual property pricing is actually less than what the lottery currently pays.

S. Jaramillo reported that the weighing for the individual scoring is subjective. Each member of the committee individually rated the firms and the committee as a consensus scored the cost proposals and came up with an accumulated scoring for each proposal. The scoring was done independently. The cost is objective based on what each firm proposed.

D. Salzwedel asked is this gives the lottery the flexibility to choose firms as the CEO/lottery sees fit. D. Barden reported yes, depending on the nature of the legal issue and who is under contract to perform the work.

D. Salzwedel asked if the board (if it's in their purview) have the flexibility to choose a firm/individual as well. S. Jaramillo reported yes, if it is one of the three recommended and one of the contracted law firms in its specialized area.

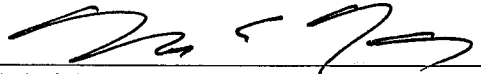
Both D. Salzwedel and J. Kubiak took some time to review the documents, score sheets, recommendations, RFP, proposals submitted by each firm, along with reviewing resumes and recommendations provided by each firm thoroughly and asked additional questions of the CEO and S. Jaramillo as chair of the evaluation committee.

Based on this review and for flexibility purposes, the Finance Audit Committee recommends that all five firms be awarded a one year contract for legal services in the areas they submitted proposals and that D. Barden is authorized to negotiate and execute such contracts as necessary for the best interest of the Lottery. Both D. Barden and S. Jaramillo concurred with the recommendations and the lottery will proceed with this recommendation.

J. Kubiak made a motion that all five firms that responded to the RFP for Legal Services who were qualified through the vetting process by the evaluation committee be awarded contract for legal services by the New Mexico Lottery and that D. Barden be authorized to negotiate and execute such contracts as necessary for the best interest of the Lottery; second D. Salzwedel. Carried; 2-0.

Other: None

ADJOURNMENT: D. Salzwedel entertained a motion to adjourn the meeting. J. Kubiak moved to adjourn the meeting; second by D. Salzwedel. Carried; 2-0. The meeting adjourned at 11:02 a.m.



Mark Koson, Committee Chair
Date 3/23/16