



Sacramento Public Library

828 I Street, Sacramento, CA 95814

www.saclibrary.org

Sacramento Public Library Authority

Request for Proposal SPLBID 1139

ANNUAL AUDIT SERVICES

Proposal Due Date: February 14, 2020 by 3:00 p.m.

To: Sacramento Public Library Authority
Annual Audit Services SPLBID 1139

Attn: Johnny Ea, Finance Manager
Finance Department, 4th Floor
828 I Street
Sacramento, CA 95814

REQUEST FOR PROPOSAL (RFP)
ANNUAL AUDIT SERVICES

SECTION I – INTRODUCTION

The Sacramento Public Library Authority (the Authority) is requesting proposals from qualified certified public accounting firms to audit its financial statements for three years beginning with the fiscal year ending June 30, 2020, with the option of extending the contract for two (2) additional years at the Authority's discretion.

You are invited to submit a proposal for the performance of said services. The proposal process, terms, and conditions will be in strict accordance with the requirements and guidance contained herein.

An unbound original and five (5) copies of your complete proposal, including all information herein requested, must be delivered to the Authority's office at the following address:

Sacramento Public Library Authority
Attention: Johnny Ea, Finance Manager
Finance Department, 4th Floor
828 I Street
Sacramento, California 95814

All proposals must be in writing, sealed, and be **received and time-stamped at the Authority's offices no later than 3:00 p.m. on Friday, February 14, 2020**. **Clearly specify on the sealed envelope: "Response to RFP No. 1139 for Annual Audit Services"**.

Proposals received later than the above date and time will be rejected and returned to the proposer unopened. Faxed or emailed only proposals will not be accepted.

In consideration of a contract award, the Authority will not discriminate against any individual on the grounds of race, national origin, color, religion, sexual orientation, age, or disability.

The Authority has limited office space available. All space requirements and other miscellaneous requirements and concerns should be made known to the Authority during contract negotiations.

The firm selected, if any, will be that one whose proposal is most responsive to this RFP, and is deemed to be to the best advantage of the Authority. Proposals must be valid for one hundred twenty (120) days after the proposal due date. The Authority reserves the right to modify and/or suspend any and all aspects of this procurement, to obtain further information from any firm or person responding to the RFP, to waive any informality or irregularity as to form or content of this RFP or any response thereto, to be the sole judge of the merits of the proposals received, and to reject any or all proposals.

SECTION II – BACKGROUND

The Authority

Sacramento Public Library is the fourth largest library system in California serving more than 1.5M residents in Sacramento County, including the cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova and Sacramento. The system is a Joint Powers Authority, governed by a 15-Member Board comprised of elected officials from each of the member jurisdictions, with representation based on each jurisdiction’s population. The Authority operates 27 libraries, a Central Library in downtown Sacramento, and three bookmobiles. With approximately 771,000 cardholders, Sacramento Public Library welcomes nearly 3.6 million visitors and circulates over 8.1 million items each year. The system has a collection of more than 1.4 million items (including ebooks), and an annual budget of approximately \$50 million. The Library Director serves as the Executive Director of the Authority. More information about the Library Authority is available on its website at www.saclibrary.org.

Audited financial statements through fiscal year ending June 30, 2019, may be viewed on the Sacramento Public Library website at <https://www.saclibrary.org/About/Our-Governance/Budget-and-Plans>.

Funding

At inception, the Members contributed all current and capital assets under their control related to library services, excluding land and buildings. The Members have agreed to provide and maintain existing and future library building facilities for the Authority.

The Authority's operating costs are primarily funded through annual appropriations from the Members. Library services at branches within the City of Sacramento are also augmented by a voter-approved Parcel Tax, Measure X (approved by voters in 2004 and renewed in 2016) for an additional 10 years to “fund Library services”. In addition, voters in the City of Sacramento approved Measure B in June 2014, authorizing the City to collect an additional parcel tax of \$12 per parcel for single-family residential parcel (rates vary for other parcel types) for 12 years. Measure B is to provide funding for “core Library services”.

Operating costs of each branch are funded by the appropriate Member according to the location of the facility, through Member contributions. Certain authorized maintenance and other facilities costs paid directly by the Members on behalf of the Authority are not reflected as Member contributions (i.e., County and City contributions) and are not a part of these financial statements as those costs are shown directly in the appropriate fund of the respective Member.

SECTION III - SCOPE OF SERVICES

ANNUAL AUDIT

The successful bidder, hereafter referred to as Auditor, will conduct an annual audit in accordance with generally accepted government auditing standards to obtain reasonable assurance as to whether the financial statements of the Authority are free of material weaknesses supporting the amounts and

disclosures in the financial statements. The Auditor will assess the accounting principles used, the revenue and expenditure projections made by management, and evaluate the overall financial statement presentations.

The Auditor will assist the Authority in responding to inquiries and/or requirements from State, Federal, and local agencies on issues related to the audits for which the Authority and the Auditor are responsible. All reports resulting from the audits shall set forth the scope of the examination together with the opinion and compliance in accordance with State Board of Accountancy rules.

The Auditor will be required to prepare annually (in coordination with the Authority's Finance Manager or designee) year-end Financial Statements, including editing and printing final bounded copies.

The Auditor will be required to examine all grant awards, funding agreements, and contracts made by the Authority to project sponsors, to ascertain that:

- all Authority ledgers and other records correctly identify expenditures by funding source and are in compliance with applicable budget line item authorizations for both administrative and capital allocations.

The auditing firm will identify any and all significant deficiencies or material weaknesses noted as a result of their field work. The auditors will advise management of any and all weaknesses, in the opinion of the auditor, which will result in violation or impairment of Authority policies or accepted accounting practices and standards. The Authority management shall be provided ample opportunity to respond to and clarify any and all points or findings. In addition to management's response, the final Internal Control Letter shall set forth findings and recommendations for improvements to internal controls, as they relate to compliance with applicable laws, standards, and fiscal policies of the Authority. A listing of all non-material items that were identified during the audit, as well as a listing of the status of unresolved management letter comments from prior audits, shall be submitted to Authority staff.

The following auditing standards shall be followed:

- generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA);
- standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards;
- provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and non-Profit Organizations.

The following reports are required:

- A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

- A management report with recommendations for improving operations.

The following assistance will be available to the Auditor:

- the Authority Finance staff will be available to work with the selected firm to ensure a smooth audit for the years ending June 30, 2020, June 30, 2021 and June 30, 2022, plus two additional years if the contract is renewed.
- the selected firm will be provided adequate workspace within the Authority’s office.

PROPOSED SCHEDULE FOR THE FISCAL YEAR AUDIT

In the first year of audit, the auditor is expected to complete the following tasks by the dates indicated below:

Tasks	Due Date
Interim Fieldwork	Week of June 22, 2020
Schedules: The auditor shall provide the Authority with a list of all schedules and confirmations to be prepared by the Authority.	July 31, 2020
Final Fieldwork: The Authority expects the same audit staff that performed the interim fieldwork to perform the final audit work, whenever possible.	Week of Sept 28, 2020
Draft Financial Statements and Footnotes, and Internal Control Letter for Authority staff review.	October 23, 2020
Authority review and return draft and related letters back to auditor with comments/changes.	October 30, 2020
Final audit report and related letters issued and received by Authority.	November 6, 2020
Presentation to the Budget/Audit Committee of the Board.	Week of Nov 16, 2020

ADDITIONAL TASKS

From time to time the Authority may require additional or special accounting and/or audit related services. Where it can be demonstrated upon completion of successful negotiations, that it is to the Authority’s benefit to engage the Auditor for such services, the Authority may amend the Auditor’s contract to include said services without a subsequent formal bid process. *Proposals submitted should address the proposer’s ability and willingness to provide special support services upon request and provide reasonable estimates of hourly rates, by fiscal year, to be anticipated by the Authority should such services be required.* This formal bid process will be considered to include and encompass such additional services.

SECTION IV- PROPOSAL CONTENTS AND FORMAT

It is expected that proposals submitted to the Authority will be of professional caliber in content and appearance. All descriptions and information should be clear, concise and provide sufficient information to minimize questions and assumptions. The Authority accepts no financial responsibility

for any costs incurred by others in the preparation of proposals. Upon receipt at the Authority's offices, all proposals submitted in response to this RFP will become the property of the Authority.

COVER LETTER

Your proposal cover letter must:

- be signed by an officer authorized to bind your company contractually;
- state that the proposal is firm for a 120-day period from the proposal submission deadline;
- provide the name, title, address, and telephone number of the individual to whom correspondence and other contacts should be directed during the consultant selection process;
- provide the name, title, address, and telephone number of the individual who will negotiate with the Authority and who can contractually bind your firm; and
- mention any proposed co-venture arrangements or subcontractors.

PROPOSER INFORMATION and UNDERSTANDING of AUTHORITY NEEDS

In this section, you must provide the following information:

- your firm's name, address, and telephone number;
- a list of principal partners;
- a brief discussion demonstrating the proposer's understanding of the nature of the services to be provided and their significance to the Authority's financial reporting responsibilities.

CAPABILITIES and EXPERIENCE

It is the intent of the Authority to award a contract to the best qualified firm(s) submitting a proposal that demonstrates substantial experience in providing Annual Audit services of the kind required by the Authority.

Your proposal must provide:

- an overview of the breadth and depth of professional resources of the firm(s) participating in the proposed team, in particular as they relate to the scope of work described in Section III;
- a brief description of similar assignments for which your firm or team has provided services in the past 3 years, including client names; and
- resumes for all key team members.

TECHNICAL and MANAGEMENT APPROACH

In this section, you should describe your approach to the delivery of services included in Section III, above. In particular, your proposal must:

- provide a work plan detailing the audit program to be followed for both the interim and final audit;

- identify the project manager, his or her availability, strengths, and history with the firm;
- identify the key team members and their proposed roles and availability;
- describe your approach to budget control; and
- describe your approach to client communications and ongoing coordination.

Proposals must discuss workload for all key team members, indicating their expected availability, the percentage of their time that will be devoted to the Authority’s contract, and any other assurances as to their ability to provide the requested services in a responsive and timely manner.

COST PROPOSAL

Discuss your proposed fee arrangement.

- Provide a separate schedule of the hourly billing rates for team members.
- Provide a “not to exceed” fixed fee by fiscal year including associated fees (e.g. printing costs, travel, attendance at meetings, etc.). Please use the following format.

AUDIT WORK COST PROPOSAL PER YEAR

SERVICE	FY 2019-20	FY 2020-21	FY 2021-22
Interim Field Work	\$	\$	\$
Final Field Work			
Prepare Drafts & Issue Final Auditor’s Report with Audited Financial Statements and Related Footnotes, and Internal Control Letters			
TOTAL	\$	\$	\$

ASSURANCES AND MISCELLANEOUS

You must provide at least three references (names and current telephone numbers) from similar work for the Project Manager and other key team members. The references must include a brief description of the projects, and the roles of the respective team members.

In addition, you must provide the following:

- a list of contracts terminated (partially or completely) by your clients for convenience or default within the past three (3) years. For each contract, the list must include contract value, description of work, contract number, name and the telephone number of the contracting entity;

- Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
- Describe how and why your firm is different from other firms being considered, and why selection of your firm is the best decision for the Authority.
- Include a copy of your firm’s most recent peer review report, the related letter of comments, and the firm’s response to the letter of comments.

SECTION V - EVALUATION CRITERIA/METHOD OF AWARD:

Proposals will be evaluated by a selection committee appointed by the Finance Manager, and scored (maximum of 100 points) using the following criteria:

Criterion	Points
1. Understanding of Authority Needs	15
2. Technical and Management Approach	30
3. Capabilities and Experience	30
4. Cost	25
Total Points	100

During the evaluation process, emphasis will be placed upon each proposer’s overall qualifications to perform the services and work described in this RFP, including the firm’s understanding and response to the tasks in Section III. In addition, the Authority will also consider the qualifications and experience of the proposed personnel.

The proposals will be reviewed for reasonableness of cost and accuracy. Proposers with a score of 75 points or higher may be invited, at the Authority’s sole discretion, to a briefing and interview with the selection committee. Costs of participating in the interview are the responsibility of the firm.

Once the top proposer has been identified, Authority staff will start contract negotiations with that proposer. If contract negotiations are not successful, another proposer may be asked to negotiate a contract with the Authority. The award, if any, will be made to the responsive proposer whose proposal is most advantageous to the Authority, considering technical, cost and other factors.

The Authority reserves the right to select any firm or reject any or all firms as determined by the Authority; to make such selection without holding interviews or oral presentations; to request additional information; and to negotiate the final terms and conditions of an agreement with the selected firm.

COST EVALUATION AND CRITERIA

The proposal with the lowest price will receive the highest points in the cost criterion. Other proposals will be scored proportionately, in relation to the lowest price. Among the Authority’s requirements is the expectation that proposers will use reasonable costs, based on industry standards.

If it is determined that a proposer's supporting cost data are not accurate, purposely misleading, and/or cannot be linked to the total price, the proposal will be considered non-responsive and it will be rejected in total.

The Authority reserves the right to ask for clarification from any proposer. The proposal should include contact information for the purpose of clarification. The evaluation panel will collectively recommend a vendor to the Library Director. The Library Authority Board will approve the final vendor selection and contract.

All proposals must be made on the basis of, and either meet or exceed, the requirements contained in the scope of services.

SELECTION PROCESS TIMELINE

Activities	Due Date
Release of RFP	Jan 14, 2020
Deadline for submission of written questions to the Authority (3:00 p.m.)	Jan 31, 2020
Authority Responds to Written Questions <i>(if necessary)</i>	Feb 6, 2020
Proposals Due and Bid Opening (3:00 p.m.)	Feb 14, 2020
Invitation to Interviews Issued <i>(if necessary)</i>	Week of Feb 24, 2020
Interviews <i>(if necessary)</i>	Week of Mar 2, 2020
Recommendation for award & selected firm notified	Week of Mar 9, 2020
Award Contract by Authority Board <i>(subject to change)</i>	Mar 26, 2020

SECTION VI - OTHER TERMS AND CONDITIONS

The Proposer agrees to the following:

1. To examine the RFP and conditions thoroughly. At the time of the opening of proposals, each Proposer will be presumed to have read and to be thoroughly familiar with the plans, specifications, and contract documents (See Attachment A for Authority Professional Services Agreement). The failure or omission of any Proposer to examine any form, instrument, or document shall in no way relieve any Proposer from any obligation in respect to their proposal.
2. To provide for appropriate insurance, deposits, and performance bonds as required.
3. To comply with all federal, state, and local laws, ordinances, and rules.
4. Note any exceptions or objections to the terms and conditions of the Professional Services Agreement (Attachment A).

Authority expressly reserves the following rights:

1. To waive or reject any and/or all irregularities in the proposals submitted.
2. To waive or reject any and/or all proposals or portions thereof.
3. To reject all proposals and negotiate with an individual Proposer or any other person or entity.

4. To base awards with due regard to quality services, experience, compliance with specifications, and other such factors as may be necessary due to circumstance.
5. To make the award to any Proposer whose proposal is in the best interest of the Authority.
6. To negotiate different terms and conditions with any Proposer the Authority may choose.
7. To utilize concepts submitted to the Authority, via proposal, without compensation.

Authority Not Bound by Oral Statements. The Authority will not be bound by any oral statement or representation contrary to the written specifications.

Ownership and Use of Documents. All documents, reports, proposals, submittals, working papers or other materials submitted to Authority from the Proposer shall become the sole and exclusive property of Authority, in the public domain and not the property of the Proposer and are subject to public disclosure under the California Public Records Act. See the Professional Services Agreement (Attachment A) for additional information. The Proposer shall not copyright, or cause to be copyrighted, any portion of any said documents submitted as a result of this solicitation. Further, the Authority may utilize concepts submitted via proposal without compensation.

Qualifications of Proposer. The Authority may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish all information and data for this purpose as Authority may request. Authority reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy Authority that such Proposer is properly qualified to carry out the obligations of the contract and to complete work contemplated therein. Conditional proposals will not be accepted.

Informality. The Authority reserves the right to waive any informality, irregularity, or defect in the proposal process and to select any Proposer, even if the selected proposal does not meet all requirements of this RFP. Any such waiver by the Authority shall not be deemed a waiver with respect to any subsequent informality, irregularity, or defect in the proposal process.

Execution of Contract. No contract shall be binding on the Authority until it has been approved by the Authority Governing Board, approved as to form by the Counsel of the Authority, and executed by the Library Director.

General Provisions. Proposer must review Attachment A – Professional Services Agreement and note any exceptions or objections to the terms and conditions.

Contract Term. The term of the contract shall be for the period of three (3) years with a two (2) year extension option, unless terminated, canceled or extended as provided in the professional services agreement Attachment A.

QUESTIONS

Questions about this RFP should be directed to Johnny Ea, Finance Manager, via email to: jea@saclibrary.org. All questions received and responses will be posted at the Sacramento Public Library's website located at <https://www.saclibrary.org/About/Our-Governance/Request-For-Proposal>.