



INVITATION FOR REQUEST PROPOSAL

THIS IS NOT AN ORDER

Date: February 3, 2012

Requisition #: N20277

Bid Due: **Thursday, February 23, 2012, 2:30 PM**
(Detroit, Michigan Time). No late, fax, e-mail or
any other electronic method to respond to this
request will be accepted.

Bid Name: **Burton Endowment Fund Independent**
Financial Audit for FY Ending 6-30-12

Return To:

Purchasing Department
DETROIT PUBLIC LIBRARY
5201 Woodward Avenue
Detroit, MI 48202
Phone: 313-833-4017

The following must be filled in:

All material should be bid delivered to the Library. Shipping charges, if any, added as a separate item on invoice.

Indicate if: DELIVERED NO CHARGE _____ or DELIVERY CHARGE WILL BE MADE FROM _____.

Delivery will be made within _____ days. TERMS _____.

INSTRUCTIONS TO BIDDERS

BIDS DEADLINE:

No bids will be accepted after reading has begun. Bids are available for examination immediately thereafter.

QUANTITY OFFER:

If slight increase in quantity will result in reduction of unit costs, an additional bid on that basis is requested.

MORE THAN ONE OFFER:

If a bidder has more than one product meeting the specification, he is privileged to offer additional bids. Brand names are used to describe quality rather than preference.

WITHDRAWAL:

Proposals shall be valid for a minimum of 120 days following the deadline for submitting offers. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given The Detroit Public Library of Offer or's intent to withdraw its offer. Offers may only be cancelled by submitting notice at least 15 days before the expiration of the then current 120-day period.

RIGHT TO REJECT:

The Library reserves the right to waive any irregularity in any bid or to reject any and all bids for any reason whatsoever, without recourse from respondent, or split award by items unless otherwise stipulated, should it be deemed for its best interest. The Library reserves the right to choose the offer that best fits the needs of the Library.

CHANGE OF SPECIFICATION:

If for sufficient reason you wish to revise specifications or get interpretation, your request will receive consideration if presented to us as much in advance of bid opening date as possible. If a change in specifications is found desirable, the Library will notify all bidders by mail and postpone bid-opening date if necessary.

TERMS OF SETTLEMENT:

Cash discount for payment in 30 days is acceptable. Terms of less than 30 days, except when stated in specification, will not be considered. Where net bid is equal to bid with cash discount deducted, award is made to the net bid.

CONTAINERS:

Packing, reels, etc., if chargeable, must be shown as separate items. Contractor must pay return freight. Bids incorporating charge for returnable containers, etc., will be considered an agreement to reimburse the Library by check, immediately on their return, regardless of other outstanding charges against the Library, unless the charge is carried on a memo billing by the seller.

WORKMANSHIP:

All materials furnished must be new, of latest model and standard first grade quality, of best workmanship and design, unless otherwise expressly specified. Contractor shall, if required, furnish satisfactory evidence of quality of materials. Offers of experimental or unproved equipment may be disregarded.

INSPECTION:

Cost of inspection or tests and handling of goods failing to meet specifications will be borne by Contractor.

PATENTS:

Contractor shall protect and indemnify, against expense of any nature, shall bear cost of any suits which may arise, and shall pay all damages which may be awarded against, the Library for the use, under this specification, of any patented device, process, apparatus, material or invention.

ERRORS OR OMISSIONS:

Bidders are not permitted to take advantage of any errors or omissions in specifications since full instruction will be given should they be called to our attention not less than two working days before bids are due.

FAIR EMPLOYMENT PRACTICES ACT:

The bidder agrees that he will not discriminate against any employee or applicant for employment, to be employed in the performance of a contract that may arise from this bid with respect to his hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment because of his age, except when based on a bona fide occupational qualification or because of his race, color, religion, national origin or ancestry.
(Act no. 251 P.A. 1955, as amended.)

The bidder further agrees that he will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to age, sex, race, creed, color or national origin. Affirmative action shall mean: 1) The issuance of a statement of policy regarding equal employment opportunity and its communication to all personnel involved in recruitment, hiring, training, assignment and promotion; 2) Notification of all employment sources of company policy and active efforts to review the qualifications of all applicants regardless of age, sex, race, creed, color or national origin; 3) Recruiting in the minority group community for employees; and 4) Establishing an internal system of reporting concerning equal employment, recruiting, hiring, upgrading and the like. (City of Detroit Ordinance no. 206-G.)

Breach of these covenants may be regarded as a material breach of the contract. The bidder further agrees that he will require a similar covenant on the part of any sub-contractor employed in the performance of this contract.

Bidder Signature

Print Name

Title

Date

Telephone

Fax

Payment Address *(if different from that on reverse)*

City

State

Zip Code

The Detroit Public Library
Burton Endowment Fund
REQUEST FOR PROPOSAL
Independent Financial Audit
For Year Ending June 30, 2012

REQUEST FOR PROPOSAL

Table of Contents

	<u>Page Number</u>
Table of Contents	2
Section I INFORMATION BEING REQUESTED FROM THE PROPOSER	
A. Title Page	3
B. Table of Contents	3
C. Letter of Transmittal	3
D. Profile of the Proposer	3
E. Summary of Proposer's Qualifications	4
F. Scope Section	4
Section II INFORMATION PROVIDED BY THE REQUESTERS	
A. Requester's Name and Address and the Recipient of Proposals	5
B. Nature of Services Required	5
C. Description of Entity and Records to be Audited	6
D. Assistance Available to the Proposer	7
E. Time Considerations and Requirements	7
F. Engagement Stipulations	7
G. Payment for Services	8
H. Preengagement Terms and Conditions	8-9
I. Special Requests and Considerations	9
Section III EVALUATION OF PROPOSALS	
A. Technical Factors	9
B. Cost Factors	9
Section IV AWARD OF ENGAGEMENT	10
Addenda and Modifications	10
Enclosures	
A. Non-Collusion Affidavit	
B. Protests and Appeals Procedure	
C. Statement of No Proposal	

Section I INFORMATION BEING REQUESTED FROM THE PROPOSER

In order to simplify the review process and obtain the maximum degree of comparability, proposers shall submit their proposals in accordance with the following outline:

A. Title Page

On the title page clearly indicate the name of the proposing firm, the local address and telephone number, the name and title of the contact person, and the date.

B. Table of Contents

Include a clear identification of the material by section and page number.

C. Letter of Transmittal

Limit to a maximum of two pages

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period required.
2. Clearly state the bid for initial year of the engagement.
3. Provide the hourly rates to be charged for the Partner, Manager, and Staff classifications and total costs by classifications, incidental costs and total costs.
4. Provide the names of individuals who will be authorized to make representations for the proposing firm, their titles, addresses, telephone numbers, and E-mail addresses.
5. Provide the firm's federal ID number.
6. State that the individual signing this letter will be authorized to bind the firm to the bid proposal.

D. Profile of the Proposer

1. Give the location of the principal office from which the work is to be conducted and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
2. Describe the range of audit activities performed by the local office with specific concentration on governmental organizations.
3. Affirm that the proposer does not have a record of substandard audit work. Enclose a copy of the most recent peer or quality control review covering governmental audits.
4. The firm shall provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.

5. The firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.
6. The firm shall provide a spreadsheet of audit engagement history with Burton Endowment Fund listing: fiscal years audited, audit completion dates, and audit report date during the past ten (10) years (2002 to 2011).

E. Summary of Proposer's Qualifications

1. Identify the personnel who will conduct the Burton Endowment Fund audit, providing resumes for each person (qualifications, and specific experience) to be assigned to the audit. Indicate the percentage of the supervisors' time that will be devoted to this audit engagement. (The resumes may be included as an appendix.)
2. Describe the office's audit experience related to the type and scope of services the Burton Endowment Fund has requested. Provide a list of recent local and regional office audit clients similar in size and scope of operations as the Burton Endowment Fund along with the names and phone numbers of client officials responsible for three of the audits listed.
3. Briefly describe your firm's approach to working with a client and the process you use to maintain timely high quality communication with client management and the Board of Commissioners.

F. Scope Section

Clearly describe the scope of the required services to be provided. Define the scope of these services in terms of the matters discussed in the following subsections:

1. Financial Audit - Describe your approach to the evaluation of the system of internal controls and the development of audit programs that test those controls. State the primary purpose of the examinations, unless it is otherwise intended, is to express an opinion on the financial statements and that such examinations are subject to the inherent risks that errors or irregularities may not be detected. State the examination will be made in accordance with generally accepted auditing standards. State you are qualified and prepared to audit the financial statements of the Burton Endowment Fund considering Generally Accepted Accounting Principles (GAAP), and authoritative citations of (e.g.: Government Accounting Standards Board (GASB), certain guides of the American Institute of Certified Public Accountants (AICPA), and other standard setting bodies).
2. Management Letter - State that a management letter will be prepared for each year of the Burton Endowment Fund engagement with emphasis on opportunities for improvement of internal controls and management of financial resources. Describe your approach to the development of such letters. It must be emphasized that these letters are considered to be of significant importance to the Detroit Public Library Commission.

Section II INFORMATION PROVIDED BY THE REQUESTERS

A. Requester's Name and Address and the Recipient of Proposals

1. Name and address of the requesters:

The Detroit Public Library
5201 Woodward Ave.
Detroit, Michigan 48202

2. Contact for questions regarding request for proposal document:

Mr. Michael McElgunn
Purchasing Agent
313-481-1325
313-833-5341-Fax
mmcelgu@detroitpubliclibrary.org

Contact for questions regarding the audit:

Ms. Maria Norfolk
Director of Business and Financial Operations
313-481-1315
313-833-5341-Fax
mnorfolk@detroitpubliclibrary.org

3. Nine (9) original sets of the proposal response must be submitted in sealed envelopes, (containers), clearly marked “**N20277 2012 Burton Audit**” and sent to:

Michael McElgunn
Purchasing Agent
5201 Woodward Ave
Detroit, Michigan 48202

The proposal must be received by Thursday, February 23, 2011, 2:30 P.M. (Detroit Michigan Time) according to the Purchasing Office Clock. No late, fax, e-mail or any other electronic method to respond to this request will be accepted.

B. Nature of Services Required

1. The engagement period shall begin approximately July 1, 2011 for the audit of the fiscal year ended June 30, 2012. Extension of the engagement may occur annually at the discretion of the Detroit Public Library.
2. Reports and documents required annually beginning with fiscal year ended June 30, 2012.
 - a) Certified financial Statements for the Burton Endowment Fund.
 - b) Management letter for the Burton Endowment Fund.

C. Description of Entity and Records to be Audited

1. Brief description of the Detroit Public Library.

The Detroit Public Library established by legislative acts is among the ten largest public libraries in the nation, and is the largest system in the State of Michigan. The Library is an independent municipal corporation governed by a seven-member commission. The mission of the Detroit Public Library is to support and enhance the quality of life in the City of Detroit and the State of Michigan by providing library and information services that meet the cultural, professional, educational, and recreational needs of our constituents. Additional information about the scope of Detroit Public Library activities can be found at <http://Detroitpubliclibrary.org>

The Burton Endowment Fund

The Burton Endowment Fund (the “Fund”) as modified is an irrevocable trust in perpetuity created by the late Clarence M. Burton on October 17, 1921. The income of the trust is to be used for the purchase of books, papers, pamphlets, and other forms of historical data which are suitable for the Burton Historical Collection located in the Detroit Public Library. The Fund is administered by the Detroit Library Commission (the “Commission”).

The Fund is an organization described in Internal Revenue code Section 115, exempt from taxation as well as unrelated business income tax.

2. Computer systems and software programs utilized in processing financial and administrative data.

The Burton Endowment Fund is on Quickbooks.

3. The source of revenue for the Burton Endowment Fund:

Realized gain (loss) on the sale of securities, dividends, and interest income – The annual investment income from the Burton Endowment Fund securities and mutual funds is the source of revenue. The fair market value has averaged approximately \$2.4 to \$2.5 million dollars over the past few years.

A resolution adopted by the DPL Commission in 1967 requires that the average annual investment earnings for the preceding three years must exceed a certain threshold. If the threshold is not met, income from investment must be reinvested and not spent until such time as the threshold is met.

4. Accounts have been maintained and annual reports have been prepared generally on the modified accrual basis of accounting in previous years.

5. An annual budget is prepared for the Burton Endowment Fund based upon anticipated expenditures that serve as a basis for monitoring expenses throughout the term of the budget. The annual Burton Endowment Fund budget is presented and approved by the Board of Commissioners.

D. Assistance Available to the Proposer

1. A representation letter will be provided.
2. The Detroit Public Library will provide working space in the Detroit Public Library building on Woodward Avenue.

E. Time Considerations and Requirements

1. Proposal submission date: **February 23, 2012, 2:30 p.m.**
2. Oral presentations may be required by selected proposers to Detroit Public Library management and/or the members of the audit sub-committee of the Commissioners.
3. Engagement award date: Not later than **June 30, 2012.**
4. Actual fieldwork to begin: **August 1, 2012.**

5. Dates for submission of draft reports Detroit Public Library management:

The drafts of the Report of Independent Auditors, the audited financial statements, and the management letter is due for review by management and/or the audit sub-committee of the commissioners by **October 1, 2012.**

6. Dates for submission of final reports to the Detroit Public Library management:

- a) The Report of Independent Auditors and the audited financial statements are due by **November 1, 2010.**
- b) The management letter is due by **November 1, 2012.**
- c) Oral presentation of the audit report to the audit sub-committee of Commissioners on **November 1, 2012.**

F. Engagement Stipulations

1. Period of engagement begins approximately **July 1, 2012** for fiscal year ending June 30, 2012. The engagement is renewable annually at the discretion of the Detroit Public Library Commission.
2. Renewal will be contingent upon a number of factors including a limit on the percentage increase in hourly rates to that of the percentage increase in the inflation rate.
3. The contents of the proposal with the successful audit organization will become contractual obligations if the proposal is accepted. Failure of the successful proposer to accept these obligations in a contractual agreement, purchase order, or similar acquisition instrument may result in cancellation of the award.

G. Payment for Services

1. Upon invoice approval of the Chief Administrative Officer of the Detroit Public Library, progress payments will be made against progress billings in accordance with a schedule agreed to by all parties in advance.
2. Final payment will be made within 30 days following the submission of all the following: a) Financial Reports, and b) Management Letter.

H. Preengagement Terms and Conditions

1. Audit organizations (proposers) are cautioned to submit their proposals initially on the most favorable basis including price and terms since an award may be made without negotiation based upon price and terms of the proposals as initially submitted.
2. Restrictions to proposers:
 - a) Categories of information set forth in this request for proposal (RFP) will be utilized in determining the suitability of the proposers and the audit methods they propose.
 - b) The Burton Endowment Fund is not liable for any costs associated with the preparation of the proposers' proposals or any other costs incurred by any proposer prior to the beginning of the engagement period.
 - c) All responses, inquiries, or correspondence relating to or in reference to this RFP and all reports, charts, displays, schedules, etc. and other documentation produced by the bidding organizations will, when received by Detroit Public Library, become the property of the Detroit Public Library
 - d) The proposing firm affirms that to the best of its knowledge, there exists no actual or potential conflict between the proposer and members of its staff and the Detroit Public Library. Proposer also affirms that there exists no actual or potential conflict between a Detroit Public Library employee and the proposer.
3. Preparation of offers:
 - a) Bidders are expected to examine the specifications and instructions contained in this RFP. Failure to do so will be at the proposer's risk.
 - b) In order to be considered for selection, proposers must submit a complete response to this RFP following the format as outlined in the RFP.
 - c) The proposal shall be signed by a duly authorized official of the proposer and dated upon such execution.
 - d) Offers for supplies or services other than those specified in this RFP will not be considered.

- e) Bidders who submit a proposal may be required to make an oral presentation of their proposal. These presentations provide an opportunity for the proposer to clarify the proposal to ensure thorough mutual understanding.
- f) No change in professional hours, travel, incidental expenses, maximum average rate per hour, and total audit costs as stated in the organization's bid would normally be permitted.

I. Special Requests and Considerations

- 1. Prior to approving final payment for any audit services rendered, the Chief Administrative Officer of the Detroit Public Library will receive from the successful proposer a summary of the hours for the annual examination.
- 2. This RFP is a request for audit services only. It in no way implies or guarantees the selection of the successful proposer as the provider of consulting or management services should such services be desired by the Detroit Public Library.

Section III EVALUATION OF PROPOSALS

Evaluation consideration will include the following:

A. Technical Factors

- 1. Responsiveness of the proposal and demonstration of clear understanding of the work to be performed.
- 2. Appropriateness and adequacy of proposed procedures.
 - a) Necessity of procedures.
 - b) Realistic time estimates for completion of the audit.
 - c) Appropriateness of the assigned staff levels
 - d) Timeliness of expected completion.
- 3. Technical experience of the proposer office related to clients with the following characteristics:
 - a) Work with governmental entities
 - b) Relevant experience for Burton Endowment Fund operations and special events
- 4. Qualifications of staff to be assigned to the audit will be determined from resumes submitted, education and position in the firm. Years and types of audit experience will also be considered, as well as professional activities and overall supervision to be exercised over the audit team by firm's management.

B. Cost Factors

- 1. Cost of the work to be performed.

Section IV AWARD OF ENGAGEMENT

- A. The eventual agreement between the successful audit organization (proposer) and The Burton Endowment Fund will be awarded to the proposer whose bid conforms to this RFP and is the most advantageous to the Burton Endowment Fund. This will be determined by the evaluation process described in Section III, and the opinion of The Detroit Public Library as to which audit firm is considered the best qualified to provide audit services to the Burton Endowment Fund.
- B. The Detroit Public Library reserves the right to reject any and all proposals, to waive informalities and minor irregularities in proposals received, and to request additional information from proposers.
- C. The Detroit Public Library reserves the right to accept other than the lowest price offers.
- D. ADDENDA AND MODIFICATIONS

During the bidding period, the bidders may raise questions on the information contained in the bidding documents. Accordingly, the Director of Business and Financial Operations may revise the bidding documents in order to clarify, correct, or explain certain items.

Questions **must** be submitted in writing to the Director of Business and Financial Operation, no later than 7 calendar days prior to bid date. Any related addenda to this RFP, including written answers to questions, will be posted on the libraries official website at www.detroitpubliclibrary.org under the section of Bids and Proposals, then under the appropriate heading. Addenda and updates will **NOT** be sent directly to vendors. It is recommended that participating vendors check the website daily for addenda and updates after release date. Vendors should print out, sign, and return addenda acknowledgement(s) with their RFP response.

Non-Collusion Affidavit

Appendix B

Bid Title _____

State of _____:

: s.s.

County of _____:

I state that I am _____ of _____

(Title)

(Name of Firm)

and that I am authorized to make this affidavit on behalf of my Firm, its Owner, Directors, and Officers. I am the person responsible in my firm for the price(s) and the amount of the bid.

I state that:

1. The price(s) and the amounts of this bid have been arrived at independently and without consultation, communication or agreement with any other contractor, bidder or potential bidder.
2. Neither the price(s) nor the amount of the bid, and neither the approximate price(s) nor the approximate amount of the bid, have been disclosed to any other firm or person who is a bidder or potential bidder, and they will not be disclosed before the bid opening.
3. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a bid higher than this bid, or to submit any intentionally high or noncompetitive or other form of complementary bid.
4. The bid of my firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or noncompetitive bid.
5. _____, its affiliates, subsidiaries, officers, directors and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract, except as follows:

Detroit Public Library

Non-Collusion Agreement
Page 2

that misstatement in this affidavit is and shall be treated as fraudulent concealment from the Detroit Public Library of the true facts relating to the submission of bids for this contract.

(Signature)

(Printed Name)

(Position / Job Title)

Notary Seal:

Notary Public Signature

Commission Expiration Date

Protests and Appeals

Any bidder or offeror who is aggrieved in connection with the solicitation award of a contract may protest to the Detroit Public Library Purchasing Agent or designee.

The protest shall be submitted in writing to the Library Purchasing Agent within five (5) calendar days after such aggrieved person or company knows or should have known of the facts giving rise thereto. If the fifth calendar day falls on a weekend or Library holiday, the protesting party may submit the protest on the first workday following such weekend or holiday. Failure to submit a timely protest shall bar consideration of the protest.

The written protest shall include the Bid/RFP date, requisition number, and the title of the Library project. The document should clearly state the facts believed to constitute an error in award recommendation and the desired remedy. The Purchasing Agent is not required to take into consideration any material filed by any party after the protest deadline.

The Purchasing Agent or authorized designee will provide a written decision to the protesting party after investigating the matter within 30 days of receipt of the protest.

Until issuing a final decision on a timely protest, purchasing operations will not award a contract or purchase order pursuant to a disputed solicitation. However, if there is a threat to public health, safety or welfare or a danger of immediate and substantial harm to Library property in the delay in making the award, the Purchasing Agent or designee may proceed with award and document justification for such action.

Appeal

If a protest is not resolved to the bidders satisfaction, the bidder may submit a notice of appeal, (and it must be so stated on the outer envelope), to the Detroit Public Library Chief Administrative Officer, through the Purchasing Agent, within five (5) days from the bidders receipt of the Detroit Public Libraries response to their protest. The decision of the Chief Administrative Officer will be final, conclusive, and binding on all parties concerned.

Filing Fee

The written protest to the Library Purchasing Agent must be accompanied by a filing fee in the form of a money order or cashier's check payable to the Detroit Public Library in the amount of one (1) percent of the amount of the Bid/RFP or proposed contract, or \$1,000.00, whichever is less. The filing fee shall guarantee the payment of all costs, which adjudged against the protester in any administrative proceeding. If the protest is denied the filing fee shall be forfeited to the Detroit Public Library in lieu of payment of costs for administrative proceedings. If the Detroit Public Library upholds the protest, the filing fee shall be returned to protester.

Right to Reject

The Detroit Public Library reserves the right to wave any irregularity in any bid/RFP, or to reject any and all bids/RFP for any reason whatsoever, without recourse from respondent, or to split award by items unless otherwise stipulated, should it be deemed for its best interest.

Acknowledgement Signature of Respondent

Date

Printed Name

Position

Statement of No Proposal

Note: if you do not intend to submit a proposal on this commodity or service, please return this form immediately.

The Purchasing Department of the Detroit Public Library wishes to keep its vendors' list file up-to-date. If, for any reason, you cannot supply the commodity/service noted on the attached solicitation; this form must be completed and returned to: Purchasing Department at 5201 Woodward Avenue, Detroit, Michigan, 48202, to remain on the particular vendor list for future projects of this type.

If you do not respond to this inquiry by the due date and time of this solicitation, we will assume that you can no longer supply this commodity/service and your name will be removed from this vendors' list.

PLEASE COMPLETE AND RETURN

We the undersigned have declined to submit on this proposal for the following reasons:

- ☐ Specifications to "tight" i.e. geared toward one brand or service (explain below).
- ☐ Specifications are unclear (explain below).
- ☐ We are unable to meet specifications.
- ☐ Our schedule would not permit us to perform
- ☐ Insufficient time to respond to RFP/IFB.
- ☐ We were unable to meet bond requirements.
- ☐ We were unable to meet insurance requirements.
- ☐ We are not able to offer this product or service.
- ☐ Please remove us from your vendor list (explain why below).
- ☐ Other (specify below).

Remarks:

Signed: _____ Title: _____

Firm: _____

Address _____
(Street) (City) (State) (Zip)

Phone: (____) _____ Fax: (____) _____

Date: _____