

**Request for Proposal
for
Financial Auditing Services**

**Flat River Community Library
200 West Judd Street
Greenville, MI 48838**

**Issue Date: April 1, 2016
Deadline Due Date: April 29, 2016
By 5:00 p.m.**

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**SECTION I
NOTICE OF PROPOSAL
RESPONSES DUE ON OR BEFORE FRIDAY, APRIL 29, 2016**

Flat River Community Library (hereafter “FRCL”) is issuing this Request for Proposal (hereafter “RFP”) for the financial audit of FRCL’s financial statements.

FRCL is seeking a three year contract term for audit services; for Fiscal Years ending June 30, 2016; June 30, 2017, and June 30, 2018.

Copies of this RFP may be found at www.flatriverlibrary.org under “About · Requests for Proposals.”

Questions about this RFP should be addressed to:

Laura Powers, Library Director
Flat River Community Library
200 W. Judd St.
Greenville, MI 48838
Email: grelp@flatriverlibrary.org

All questions concerning this RFP must be in writing; email is acceptable. Telephone calls are not acceptable. A direct response will be returned to the prospective Vendor posing the question and to registered prospective Vendors. To register, send an email with the subject line as “Audit RFP Registration” to grelp@flatriverlibrary.org indicating your interest in the project including your Name, Title, Company, telephone number and email address.

Questions and responses will also be posted on the FRCL website (www.flatriverlibrary.org) under “About · Requests for Proposals.” Prospective Vendors who do not register are responsible for checking the FRCL website to review questions and responses.

Questions will be accepted until April 22, 2016.

FRCL reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent auditor who, based on evaluation of all responses and applying all criteria and oral interviews if necessary, is determined to be the best qualified to meet the needs of FRCL.

FRCL intends to select and begin contract agreement negotiations with a Vendor by the middle of May 2016 and to have an agreed contract agreement by early June 2016. Audits are typically done the end of August each year.

If necessary, this RFP may be amended prior to the Due Date. All such amendments will be made via email from FRCL to all registered prospective Vendors and by posting the new information to the FRCL website.

SECTION II INTRODUCTION TO FLAT RIVER COMMUNITY LIBRARY (FRCL)

FRCL is organized under Michigan Public Act 24 of 1989 that provides for the establishment and maintenance of district libraries. FRCL serves the municipalities of the City of Greenville, the Township of Montcalm, the Township of Eureka, and the Township of Fairplain.

FRCL's fiscal year 2015-2016 budget is approximately \$750 thousand. FRCL uses QuickBooks software and hires an independent contractor for accounting and payroll services.

FRCL is governed by the Flat River Community Library Board that is comprised of two appointed representatives from each municipality served. The Board meets monthly. The primary funding for FRCL is from the local operating millage.

SECTION III INSTRUCTIONS

- A.** Proposer shall submit itemized pricing as specified on the FRCL VENDOR SUBMITTAL FORM supplied by FRCL in this RFP. All prices must be plain and clearly stated. **FAILURE TO SUBMIT PRICING ON THE VENDOR SUBMITTAL FORM WILL RESULT IN THE PROPOSAL NOT BEING CONSIDERED.**

On or before 5:00 p.m., April 29, 2016, please return TWO PRINT COPIES and AN ELECTRONIC COPY VIA EMAIL of your response to FRCL at the following address: **(A public bid opening will not occur)**

Laura Powers, Library Director
Flat River Community Library
200 W. Judd St.
Greenville, MI 48838
Email: grelp@flatriverlibrary.org

- B.** A proposal received after the due date and time will be disqualified.
- C.** Facsimiles of the proposal will not be accepted.
- D.** FRCL shall not be responsible for any cost or expense the Proposer incurs during the preparation of this proposal.
- E.** Proposals shall be in full conformity with all the conditions set forth in the Instructions, General Conditions, Bid Details, Auditing Standards, Proposers Qualifications and Contractual Arrangements.

- F. Should a Proposer find discrepancies in, or omissions from the Instructions, General Conditions, Bid Details, Auditing Standards, Proposers Qualifications, Contractual Arrangements and Vendor Submittal Form, or should be in doubt as to the meaning, Laura Powers, the Library Director, may be contacted via email at grelp@flatriverlibrary.org. FRCL will not be responsible or respond to any verbal questions.
- G. It is the Proposer's responsibility to note any detail or specification that, in their opinion, is not practical or functional.
- H. All proposals submitted shall remain firm for a period of (90) days beginning April 29, 2016.
- I. FRCL reserves the right to accept or reject any or all Proposals in whole or in part, or to waive any informality therein. If in the FRCL's opinion it is in their best interest, the contract may be awarded to other than the lowest Proposer.
- J. FRCL is a federally constituted government body and IS NOT subject to Michigan State or Federal excise taxes. No taxes should be included in the cost proposal.
- K. The contract shall be awarded by FRCL when a Proposer has been issued a "Notice to Proceed".

**SECTION IV
GENERAL CONDITIONS**

OWNER RESPONSIBILITIES

- A. The Owner is defined as:
Flat River Community Library
200 W. Judd St.
Greenville, MI 48838
- B. The Owner shall be the interpreter of all specifications covered in this document.

AUTHORITY OF THE LIBRARY COOPERATIVE DIRECTOR

The FRCL Library Director shall decide all questions which may arise.

VENDOR RESPONSIBILITY

The Vendor is defined as:
The Proposer awarded the contract to provide the audit services specified elsewhere in this RFP.

INDEMNITY

The Vendor agrees to indemnify FRCL, and save it harmless, from any and all claims that may be brought against FRCL or the Vendor by reason of any error, act or omission of the Vendor, the Vendor's agents or its employees, in connection with this agreement.

ABILITY OF BIDDER

It is the intention of FRCL to award the contract to a Vendor whose ability is fully equal to fulfilling the terms of this proposal in a satisfactory manner.

LEGAL CONDITIONS

The Vendor agrees to abide by all Federal, State, County and local laws and regulations.

TERMINATION OF CONTRACT AGREEMENT

FRCL expects that the Vendor will complete in full, the terms of the contract agreement.

DEFAULT TERMINATION

In the event of any default by the Vendor, FRCL, without prejudice to any other right or remedy it may have, shall have the right to terminate this agreement with no early out penalties, after giving the vendor thirty (30) days previous written notice. It shall be considered a default whenever the Vendor shall: declare bankruptcy, become insolvent, or assign its assets for the benefit of its creditors; violate or disregard any provision of this agreement; fail to perform the work according to the agreed upon schedule, including amendments or modifications thereof; or fail to provide competent personnel and proper materials.

PAYMENT TERMS

- A. FRCL will pay 90% of the annual audit charge upon the draft audit presentation to the Library Director and 10% following the final audit and in person presentation to the Board.

**SECTION V
BID DETAILS**

- A. Pricing should be provided for a three (3) year or thirty-six (36) month contract.
- B. Proposer must provide a “not-to-exceed” cost of services being offered for each fiscal year of the engagement
- C. Proposer should submit all other requested information as specified on the Vendor Submittal Form.

**SECTION VI
AUDITING STANDARDS**

- A. The primary purpose of the audit is to provide an opinion as to whether FRCL’s basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

- B. The examination of the financial records, accounts and procedures shall be made in accordance with generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants in its Statements of Auditing Standards and by the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General on the United States.
- C. In accordance with Government Auditing Standards, Vendor agrees to provide a report on internal control related to the financial statements and compliance with laws, regulations, and the provision of contracts or grant agreements as required by Government Auditing Standards.
- D. The examination and audit will include any other tests of the accounting records and such other auditing procedures necessary to fulfill the auditing and reporting requirements of Public Act 2 of 1968, (MCL 141.421 et seq.)
- E. Vendor agrees to fulfill all State of Michigan Department of Treasury reporting requirements and to furnish the State of Michigan Department of Treasury with all required reports.
- F. The Vendor agrees that it will perform its obligations hereunder in accordance with all applicable Federal, State and local laws, rules and regulations now or hereafter in effect.

SECTION VII PROPOSER'S QUALIFICATIONS

The following must be affirmed in the proposal response:

- A. The Proposer must be a certified public accountant registered with the Michigan State Board of Accountancy to practice in Michigan.
- B. The Proposer has staff trained and experienced in governmental auditing.
- C. The Proposer meets the independence requirements of the Standards for Audit Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office.
- D. The Proposer has a system of quality control for its accounting and auditing practice that meets the requirements of the quality control standards established by the AICPA.
- E. Proposers are requested to provide FRCL with a profile of general background information. This should include:
 - A description of your company, the number of years in business, size, location and whether it is local or regional in operations.

- Describe the recent local and or regional office auditing experience similar to the type of audit requested and the names, email addresses and telephone numbers of client officials responsible for three of the audits listed.

F. Proposer's Approach to the Audit.

Proposers are required to submit a description of the work plan that will be employed that will allow the auditor to satisfactorily accomplish the scope of the audit.

- The work plan should describe the audit work that will be performed, the staff level that will be assigned to the work and the related time estimates for each significant work segment. The planned use of specialists should also be specified.

G. Proposer may provide any additional data that may be helpful in the selection process.

SECTION VIII CONTRACUTUAL ARRANGEMENTS

- A. Vendor agrees to provide FRCL with a proposed Contract Agreement and or Letter of Understanding no later than fourteen (14) days after receipt of the "Notification to Proceed."
- B. Vendor shall communicate with FRCL staff in September, to determine any necessary end-of-year actions.
- C. Field work should begin in August of each year and reports should be issued no later than November 30 of each year.
- D. To ensure the quality of the audit, FRCL may request, from time to time, a report and/or conferences with FRCL's staff and/or Officers and/or Board Members on the progress of the audit.
- E. After the completion of each audit, Vendor agrees to hold an exit conference with the Library Director to discuss the results of the audit.
- F. Vendor agrees to present in person the results of the audit to the Board at their regularly scheduled meetings in October or November.
- G. Working papers shall be retained for at least five years. The working papers will be available for examination by authorized representatives of the State of Michigan and, if required, the appropriate federal audit agency and the General Accounting Office.

- H. The auditor shall furnish FRCL with 15 print copies and one electronic copy via email of all required reports. In addition, the auditor shall furnish the requested number of copies to each federal and state agency, as applicable.
- I. Vendor agrees to fulfill all State of Michigan Department of Treasury reporting requirements and to furnish the State of Michigan Department of Treasury with all required reports.
- J. FRCL retains the right to cancel the contract without reason provided that the Vendor is given at least sixty (60) days written notice of its intent to cancel. This provision should not be understood as waiving the FRCL's right to terminate the contract for cause or stop work immediately for unsatisfactory work, but is supplementary to that provision.

**FLAT RIVER COMMUNITY LIBRARY
200 W. Judd St.
Greenville, MI 48868**

VENDOR SUBMITTAL FORM

Company Name: _____

Company Address: _____

Telephone Number: _____ Fax Number: _____

Contact Name: _____ Contact E-Mail: _____

PROPOSAL REQUIREMENTS CHECKLIST

SECTION III INSTRUCTIONS

- Submit two proposal print copies and an electronic copy via email to grelp@flatriverlibrary.org on or before April 29, 2016.
- Pricing for 3 years is clearly stated on Vendor Submittal Form.

SECTION V BID DETAILS

- "Not-to-Exceed" cost of services is offered for each fiscal year of the engagement.

SECTION VI AUDITING STANDARDS

- The proposal confirms that the audit will be performed in accordance to all applicable auditing standards.

SECTION VII PROPOSER'S QUALIFICATIONS

- All items in Section VII are affirmed and or provided in the proposal response.
- Attach three references of clients with similar scope of service (including company name, address, telephone, e-mail and contact name).
- Proposer gives FRCL permission to contact the references listed.

SECTION VIII CONTRACTUAL ARRANGEMENTS

- The selected Vendor agrees to provide FRCL with a proposed Contract Agreement and or Letter of Understanding no later than fourteen (14) days after receipt of the "Notification to Proceed."

COST PROPOSAL

3 YEAR, 36 MONTH COST OF AUDIT:

Year one June 30, 2016 \$ _____
Year two June 30, 2017 \$ _____
Year three June 30, 2018 \$ _____