

LOS ANGELES COUNTY LAW LIBRARY

REQUEST FOR PROPOSALS FOR FINANCIAL AUDIT SERVICE

January 2018

I. INTRODUCTION & BACKGROUND

The Los Angeles County Law Library ("Library") is issuing this Request for Proposal (RFP) to solicit proposals for a contract with a CPA firm to perform its annual financial audit and prepare and submit audit reports together with accompanying management letters.

The Library is a public law library serving judges, attorneys, government officials and the general public of Los Angeles County. The Library is an independent public agency established pursuant to Sections 6300 et seq. of the California Business and Professions Code. The governing body is a seven (7) member Board of Trustees (Board). The Executive Director of the Library is appointed by the Board of Trustees.

Accounting records and financial statements are prepared and maintained by Library staff. The Library's financial statements are prepared on an accrual basis.

II. SCHEDULE & CONTRACT TERM

Proposals in response to this RFP are due by the close of business on March 30, 2018. See Section VI below for detailed information on submitting proposals.

It is anticipated that the Board of Trustees will award a contract no later than their May 23, 2018 Regular Board meeting.

Financial audit reports and management letters will be due in accordance with the following anticipated schedule:

Date	Description/Action
June 30	End of fiscal year
July 30 – Sep 30	Audit field work according to agreed schedule
October (10)	Issuance of reports and letters to Library
October (24)	Presentation of financial audit to Board of Trustees

III. CONTACT WITH LIBRARY PERSONNEL

All contact and questions on the content or intent of this RFP or on procedural matters regarding proposals must be in writing and may be mailed, e-mailed or faxed to:

Marcelino Juarez
Finance Manager
301 W First St.
Los Angeles, CA 90012
mjuarez@lalawlibrary.org
213-680-1727 (fax)

If it is discovered that the firm contacted and received information from any Library personnel, other than the person specified above, regarding this solicitation, Library, in its sole determination, may disqualify their proposal from further consideration.

IV. STATEMENT OF WORK

The purpose of this RFP is to solicit proposals for financial audits of the Library beginning with fiscal year, July 1, 2017 to June 30, 2018; preparation and submission of audit reports and accompanying management letters, as required, and a presentation of all financial audit reports and management letters to the Board of Trustees at a Regular meeting of the Board of Trustees as specified in the schedule under section II of this RFP.

A. General information regarding the Statement of Work

The examination of the Library's financial statements shall be conducted in accordance with Generally Accepted Auditing Standards (GAAS), standards set by the Governmental Accounting Standards Board (GASB), and Generally Accepted Accounting Principles (GAAP).

1. The audit must include all Library funds and fund accounts governed by the Board of Trustees.
2. The CPA firm must have a good understanding of all statements of governmental accounting standards issued by the Governmental Accounting Standards Board (GASB) including statement no. 68 (*Accounting and Financial Reporting for Pensions*) and statement no. 75 (*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*). Additionally, CPA firm must prepare required year-end journal entries derived from Library provided actuarial valuations.
3. No additional work will be compensated unless there is a written agreement identifying the scope of that additional work and signed by both parties.

B. Contract Deliverables

The selected firm must deliver fifteen (15) copies of the final financial audit report and management letter two weeks prior to the presentation of the said reports to the Board of Trustees in accordance with the schedule in section II of this RFP.

The Reports and the Letters shall be addressed to:

**Board of Law Library Trustees
Los Angeles County Law Library
301 West First Street
Los Angeles, CA 90012-3140**

1. Details regarding Reports on Examination of Financial Statements
 - a. The reports shall set forth the scope of the examination, together with an opinion.
 - b. The reports shall include the financial statements customarily associated with reports of governmental units.
 - c. The reports shall include such explanatory footnotes as considered necessary to disclose all material items.
2. Details regarding Management Letters
 - a. Management letters shall include material findings and recommendations for improvement resulting from the survey of systems of internal control conducted as part of the examination.
 - b. Management letters shall include material findings and recommendations for improvements in accounting system that were noted during the conduct of examination.
 - c. Management letters shall include material findings and noncompliance with laws and regulations coming to the attention of the firm during the course of the examination.
 - d. Management letters shall include any other material items coming to the attention of the firm during the conduct of the examination.
3. Details regarding Presentation

A representative of the company will make a public presentation of the financial audit report, management letter, and any optional recommendations to the Board of Trustees at a regular meeting of the Board of Trustees in accordance with the schedule under section II of this RFP and be available to answer questions from the Board of Trustees and the Executive Director at that time.

C. Library Support and Obligations

The Library will provide assistance in locating and obtaining required records, documentation, supporting information and listings.

The Library will provide sufficient, secure space in which the audit staff can work and free access to the Library's parking garage.

V. CONTENTS OF PROPOSAL

Submitted proposals must address the areas identified in Parts A and B of this Section.

- Part A Statement of Work
Part B Costs Associated with the Statement of Work

A. Statement of Work

1. Company Organization and Contact Information

Interested and qualified firms should provide the following:

- a. Identify the name, address, telephone, fax numbers.
- b. If established, provide the address of the company web site.
- c. Provide the name, title, telephone number and email address of the person or persons authorized to represent the company in the proposal process.
- d. If different from your response in number 3, provide the name, title, telephone number and email address of the person designated as the company contact.

2. Minimum Mandatory Requirements

a. The firm must have sufficient background and experience providing auditing, tax and management consulting services to government organizations. Firms should provide the following:

1. A statement of the company's background and experience providing auditing, tax and management consulting services for government organizations and or non-profit organizations.
2. References for similar work performed for other government or non-profit organizations.
3. Identify appropriate, current licenses.

b. The individual(s) assigned to perform the work for this contract must be qualified to perform an audit of a government unit, and auditing in general. Firms should provide the following:

1. A statement identifying the lead person(s) for this project and provide a description of their background, particularly noting similar assignments, specialized expertise or experience with government organizations.
2. A statement identifying all key personnel assigned to this project, their names and participation level. Provide a summary of each person's background, particularly noting similar assignments, specialized expertise or experience with government organizations.
3. If applicable, a statement identifying all subcontractors who will be used and the work to be performed by them. Provide a summary of each person's background, particularly noting similar assignments, specialized expertise or experience with government organizations.

3. Work to be Performed

State the approach to the audits, including the objective(s) and scope of work to be performed. Firms should provide the following:

- a. Identify the phases and work performed within each phase.
- b. Identify each milestone.
- c. Identify each person involved in each phase and the level and type of work to be performed.
- d. Provide the approximate amount of time required to complete each phase.

4. Retention of Working Papers

Include a statement acknowledging that if your company is awarded a contract, you will retain the audit work papers and related audit reports for a minimum period of five (5) years.

5. Additional Data

Provide other essential data that may assist in the evaluation of your company's proposal.

B. Costs Associated with the Statement of Work

The firm shall propose a fixed fee for completion of the identified scope of work which shall remain firm and fixed for the audit of fiscal year 2017-18. The firm shall propose a maximum permissible annual increase in the fixed fee for completion of the identified scope of work for the audits of fiscal years 2018-19 and 2019-20, in the absence of any material changes to GASB or Library operations that impact audit cost.

Proposals must also include cost sheets that address the following:

1. Financial Audit & Management Letter

- a. Labor: For each person assigned to the project, identify the approximate number of hours they will devote to the project and their hourly rate.
- b. Subcontractor Costs: Identify subcontractors by name, list their cost per hour or per day, and the number of hours or days their services will be used.
- c. Travel Costs: The Library will not reimburse travel costs.
- d. Miscellaneous Costs: Identify any miscellaneous costs or expenses that will be charged to the project. Any applied discounts or surcharges must be clearly identified.
- e. Summary: Summarize the total number of hours, subcontractor costs and miscellaneous costs.
- f. Maximum Fee: A maximum fee amount (not to exceed amount) must be clearly stated.

VI. PROPOSAL SUBMISSION AND RFP AMENDMENTS

A. Adherence to requirements, cancellation of RFP, and rejection of all or some proposals.

All proposals must be submitted in accordance with the requirements outlined in this RFP. Failure to adhere to these specifications may be cause for rejection of proposal. The Library may, at its sole discretion, reject any or all proposals submitted in response to this RFP. The Library may, at its sole discretion, cancel this RFP at any time. The Library shall not be liable for any costs incurred by the Proposer in connection with the preparation and submission of any proposal. The Library reserves the right to waive inconsequential disparities in a submitted proposal.

B. Truth and Accuracy of Representations

False, misleading, incomplete, or deceptively unresponsive statements in connection with a proposal shall be sufficient cause for rejection of the proposal. The evaluation and determination in this area shall be at the Director's sole judgment and his/her judgment shall be final.

C. Signature

Proposals must be signed by an authorized representative of the company.

D. Number of Copies

The company shall submit ten (10) complete copies of the proposal.

E. Due Date and Method of Delivery

All proposals must be received by close of business on **March 30, 2018** and be directed to:

**Sandra J. Levin
Executive Director
Los Angeles County Law Library
301 West First Street
Los Angeles, CA 90012-3140**

Any correction or resubmission provided by the company will not extend the submittal due date.

F. Amendments to the RFP

The Library has the right to modify the RFP by written addendum up until three (3) days before the proposals are due. It is the Proposer's responsibility to obtain all addenda relating to this RFP. The Library will provide all addenda relating to this RFP to those individuals or entities that Library records indicate has received copies of this RFP.

G. Notice to Proposers Regarding the Public Records Act

All proposals become the exclusive property of the Library. All proposals are subject to the California Public Records Act and when a recommendation to award a contract appears on the Board of Trustee's agenda, all such proposals submitted in response to this RFP become a matter of public record. The Library shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law.

H. Modifications or Withdrawals of Responses

Amendments may be submitted until the deadline for the RFP. Proposals may be withdrawn until the deadline for the RFP. After the deadline, proposals are only revocable with the consent of the Library.

VII. PROPOSAL EVALUATION AND SELECTION

The Library reserves the right to review, evaluate and select the successful proposal submitted pursuant to this RFP. The selection process will begin after the due date for Proposals on May 30, 2018.

Evaluation of the proposals will be made by Executive Director to determine the most overall qualified, cost-effective and responsive firm. The Executive Director will recommend a firm to the Board of Trustees and negotiate a contract for consideration, approval and award by the Board of Trustees. If a satisfactory contract cannot be negotiated or approved, the Library may, at its sole

discretion, begin contract negotiations with the next qualified firm, as determined by the Library. The recommendation to award a contract does not and cannot bind the Board of Trustees to award a contract to any prospective firm.

VIII. AWARD OF THE CONTRACT

Award of the contract will be made upon approval of the Board of Trustees at a Regular Board meeting. All firms submitting proposals will be notified of the Board's action.

The final contract shall consist of terms and conditions consistent with this RFP and the selected proposal as well as terms including, but not limited to, the following:

A. Indemnification and Insurance

Firm shall indemnify, defend and hold harmless the Library, its officers, employees, and agents from and against any and all liability, including, but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees) arising from or connected with the Contractor's acts and/or omissions arising from and/or relating to the contract.

The Contractor shall procure, maintain, and provide to the Library proof of insurance coverage for all the programs of insurance along with associated amounts.

B. Conflict of Interest

No Library employee whose position at the Library enables him/her to influence the selection of a Contractor for this RFP, or any competing RFP, nor any spouse or economic dependent of such employees, shall be employed in any capacity by a firm or have any other direct or indirect financial interest in the selection of a firm.

IX. PAYMENT OF FEES

Payment will be made following completion of the work, submission of the required audit report and management letter and presentation to the Board of Trustees. The Library may consider a progress payment if the work is in accordance with the proposed schedule of phases and milestones.