INVITATION TO BID (Request for Proposal)

August 31, 2022

PROJECT
Annual Professional Auditing Services for Three Year Term

PROJECT DESCRIPTION
The Topeka and Shawnee County Public Library is a 21st-century, landmark library; most recently named the Library Journal’s 2016 Library of the Year. The Library features the Alice C. Sabatini Gallery, the Millennium Café, Chandler Booktique (used bookstore), free meeting rooms, computer training and internet access. Located in the heart of Shawnee County, the Library has a collection of about 425,000 items and serves nearly 111,000 cardholders. About 1,500 people walk through the doors daily. Bookmobiles make about 25 stops six days a week traveling across the county and the Library provides services to 40 senior living facilities and 130 homebound individuals. The Digital Branch Library, www.tscpl.org, serves customers’ needs 24/7.

The Library District encompasses Topeka and Shawnee County (except for Rossville and Silver Lake townships) and is a municipal corporation governed by an appointed, ten-member Board of Trustees. It is a separate and unique Kansas municipal government with taxing authority and is not part of another governmental entity. Additional support is provided by the Library Foundation (a financial statement component unit) and the Friends of the Library, both 501(c)(3) organizations.

The Topeka and Shawnee County Public Library is soliciting bid proposals from qualified certified public accounting firms to prepare and audit the Library’s financial statements.

The staff recommendation for a multi-year bid is for the three years ending 12/31/2022, 12/31/2023 and 12/31/2024 with audits beginning each January in 2023, 2024 and 2025.

BID RECEIVING
Date: Monday, September 26, 2022
Time: 3:00 pm CDT
Place: Hughes Room, 205 (2nd floor), Topeka and Shawnee County Public Library, 1515 S.W. 10th Avenue, Topeka, KS

Attendance at the bid receiving is not required. Those who do not attend shall ensure the bid is received by the Topeka and Shawnee County Public Library prior to 3:00 PM CDT.
Topeka & Shawnee County Public Library
Project: Annual Professional Auditing Services for Three Year Term – August 31, 2022

**TIMELINE OF BID PROCESS**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time Details</th>
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<tbody>
<tr>
<td>RFP Issued</td>
<td>Wednesday, August 31, 2022</td>
</tr>
<tr>
<td>Last Day to Submit Bidder Questions</td>
<td>Tuesday, September 13, 2022</td>
</tr>
<tr>
<td>Bid Receiving</td>
<td>Monday, September 26, 2022 3:00 pm CDT; bidder attendance is optional</td>
</tr>
<tr>
<td>Board Consideration of Award</td>
<td>Thursday, October 20, 2022 4:00 pm CDT; bidders do not need to be present at the Board meeting</td>
</tr>
<tr>
<td>Notification of Decision to Bidders</td>
<td>Friday, October 21, 2022 (via email)</td>
</tr>
<tr>
<td>Contract Awarded</td>
<td>Tuesday, November 1, 2022 (no later)</td>
</tr>
<tr>
<td>Audit Start Date</td>
<td>Tuesday, January 17, 2023</td>
</tr>
<tr>
<td>Audit Board Approval Date</td>
<td>Thursday, April 20, 2023</td>
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**OWNER**
Topeka & Shawnee County Public Library
1515 S.W. 10th Avenue
Topeka, KS  66604-1374
INSTRUCTIONS TO BIDDERS

Date: August 31, 2022

PROJECT: Annual Professional Auditing Services for Three Year Term

DEFINITIONS:
Bidding documents include Invitation to Bid, Instructions to Bidders, and Bid Form including any Addenda issued prior to bid receiving.

ADDENDA:
Addenda are written or graphic instruments issued prior to bid receiving which modify or interpret the bidding documents, including specifications, additions, deletions, clarifications, or corrections.

Prior to bid receiving, Addenda will be posted on the Owner’s website and each Bidder recorded by the Owner as having received the bidding documents will be notified.

Bidders shall acknowledge receipt of Addenda on the Bid Form.

Any questions or requests for information by interested bidders will be posted on the Library’s website as a public document for anyone’s review.

EXAMINATION OF BIDDING DOCUMENTS:
Each Bidder shall examine the bidding documents carefully. Any interpretation or correction will be issued as an Addendum by the Owner. ONLY A WRITTEN INTERPRETATION OR CORRECTION BY ADDENDUM SHALL BE BINDING.

BID PREPARATION
A single bid will be received for the procurement of annual professional auditing services for a three year term.

The Owner is a political subdivision of the State of Kansas, eligible for government contract prices, and is exempt for the Kansas Retailers’ Sales Tax Act and Kansas Compensating Tax Act under the provisions of Kansas Statutes Annotated (K.S.A.) Supplement 79-3606(b).

Bids shall be made upon the BID FORM included with these specifications. Fill in all blanks on the BID FORM clearly with typewriter or ink. Erasures or other changes in a bid must be explained or noted over the signature of the Bidder. Signature shall be in longhand by a principal duly authorized to sign contracts. Bids shall contain no alterations or recapitulation of the work.

The Owner reserves the right to: (1) waive any informalities or minor defects in the bids or bidding procedures; (2) reject any or all bids; (3) rebid the project at a later date if bids are rejected; and (4) accept the bid that, in the judgment of the Topeka and Shawnee County Public Library, will be in the best interest of the Library, whether or not said bid is the lowest bid.

Bidders may not use omissions or errors in the Specifications or other contract documents to their advantage. The Owner reserves the right to issue new instructions correcting any such errors or omissions, which new instructions shall be treated as if originally included.

The Owner may make any investigation it deems necessary to determine the ability of the Bidder to perform the work. Bidders shall furnish information for this purpose to the Owner upon
request. The Owner reserves the right to reject any bid if the evidence submitted by, or other investigation of, the Bidder fails to satisfy the Owner that the Bidder has the proper qualifications, experience, equipment, manpower, or financial and managerial capability to carry out the obligations of the contract agreement or to perform the work as specified.

The Bidder shall be paid based on work progress and in accordance with the contract agreement upon award, with the final payment contingent upon confirmation of the filing of the audit report with the State of Kansas (K.S.A. 75-1124).

Bids shall be prepared and submitted in accordance with these INSTRUCTIONS TO BIDDERS.

Mail, deliver or email the BID FORM to: Kim Strube
Chief Financial Officer
TOPEKA & SHAWNEE COUNTY PUBLIC LIBRARY
1515 S.W. 10th Avenue
Topeka, KS  66604-1374
kstrube@tscpl.org

If submitting a paper BID FORM, enclose the BID FORM in a sealed opaque envelope bearing the legend:

<table>
<thead>
<tr>
<th>BID FORM</th>
<th>Annual Professional Auditing Services for Three Year Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project:</td>
<td></td>
</tr>
<tr>
<td>Bidder:</td>
<td>(your company name)</td>
</tr>
<tr>
<td>Address:</td>
<td>(your company address)</td>
</tr>
</tbody>
</table>

Please note email submission of BID FORMS is not secure, unless initiated in that manner by the Bidder. All documents in an emailed bid must be in read-only pdf format. Please contact Kim Strube if you do not receive an email confirming receipt of your bid form.

COORDINATOR: The Coordinator shall assume general coordination and direction of the project. The Coordinator is:

Kim Strube
Chief Financial Officer
Voice:  (785) 580-4482
Fax:  (785) 580-4496
E-Mail: kstrube@tscpl.org
BIDDER’S REPRESENTATION:
The Bidder, by responding to this bid, represents that
1. The Bidder read and understood the INSTRUCTIONS TO BIDDERS.
2. The Bidder carefully examined all bidding documents pertaining to the project.
3. The Bidder acknowledges receipt of Addenda, if any.

BID RECEIVING:
The Owner will receive and publicly open and read bid proposal forms at the time and place indicated in the INVITATION TO BID.

The bid proposal shall include all costs for annual professional auditing services for a three year term, bid by each year.

No oral or telephone bids will be considered. Modifications by telephone will be considered only on BID FORMS delivered to Owner prior to time set for bid receiving.

BID WITHDRAWAL:
A Bidder may withdraw a BID FORM in writing, including via email, to Owner prior to time fixed for bid receiving.

Unless otherwise provided in any supplement to these INSTRUCTIONS TO BIDDERS, no Bidder shall modify, withdraw, or cancel the bid, or any part thereof, for thirty (30) calendar days after the date for receiving bids.

EVALUATION CRITERIA:
It is anticipated that evaluation of bid proposals will be conducted in accordance with this plan.

A. Public Opening of Bid Proposals
   Monday, September 26, 2022, 3:00 pm CDT

B. Review of Bid Proposals and References
   The Library’s executive management team will review and evaluate the bid proposals, contact references and share results, concerns and recommendations with the Board of Trustees Audit Committee.

C. Oral Presentations/Interviews
   At its sole discretion, the Board of Trustees Audit Committee may require on-site presentations or interviews before the final selection is made.

D. Final Selection
   The final recommendation to the Board of Trustees will include the evaluation of materials provided in the submission of qualifications, sealed cost bid proposal, references, and information provided during any presentation or interview.

   The Topeka and Shawnee County Public Library Board of Trustees will consider approval of a bidder at their regular meeting on Thursday, October 20, 2022 at 4:00 pm. Bidders do not need to be present for the Board meeting.

   While cost is a factor in any bid award, it is not the only factor and may not be the determining fact. An award to the lowest bidder is not required.
AWARD OF CONTRACT:
The approved bidder must be prepared to provide an audit services contract for the three year term upon notification of bid approval. The contract will be awarded as soon as possible to the responsible Bidder submitting the lowest acceptable bid, provided:
1. Evidence of the experience, qualifications and fiscal responsibility of the Bidder and the time of completion are all acceptable to the Owner.
2. The total of acceptable bids is within the Owner's financial budget for the project.
3. The contract is legally acceptable.

REJECTION OF BIDS:
The Bidder acknowledges the Owner's right to reject any and all bids and to waive any formality or irregularity in any bid received. The Bidder recognizes the Owner's right to reject any bid, which fails to submit the data required by the bidding documents, or is in any way incomplete or irregular.
PROPOSED SCOPE OF WORK:

A. Introduction

The Topeka and Shawnee County Public Library is soliciting bid proposals from qualified certified public accounting firms to: (1) prepare financial statements in accordance with Generally Accepted Accounting Principles and the pronouncements of the Governmental Accounting Standards Board from client-prepared adjusting entries; and (2) perform an audit in accordance with Generally Accepted Auditing Standards of the Library’s governmental activities, discretely presented component unit, each major fund and aggregate remaining fund information and related notes to the financial statements as of and for the years ending December 31, 2022, 2023, and 2024, which collectively comprise the basic financial statements.

The Library: (1) manages its operations on a fiscal year based on the calendar year; (2) prepares monthly financial reports on a cash basis, with encumbrances and budgetary comparison commonly found in governmental accounting; and (3) prepares adjusting journal entries to convert from this basis to a financial statement presentation using the economic resources measurement focus and the accrual basis of accounting.

For payroll, timekeeping, human resources and leave management, the Library uses Paycom software and services. Its non-payroll financial system is Black Mountain Software. The audit is currently conducted by making extensive use of electronic reporting, data transmission, spreadsheets and other documents that are uploaded through the auditor’s electronic system. This has reduced the on-site field work from 2 to 3 weeks to 8 to 10 days.

B. Term of Engagement

A three year contract is contemplated, subject to the annual review and recommendation of the Board of Trustees.

C. Scope of Work to be Performed

The Topeka and Shawnee Public Library desires the auditor to express an opinion on the fair presentation of its general purpose financial statements, and its component unit, audited in conformity with Generally Accepted Accounting Principles.

D. Auditing Standards to be followed

To meet the requirements of this bid, the audit shall be performed in accordance with Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. General Accounting Office’s Government Auditing Standards and the Kansas Municipal Audit Guide.

E. Reports to be issued

Following the completion of the audit of the fiscal year’s financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with Generally Accepted Accounting Principles.
2. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with governmental auditing standards.

The auditor shall communicate in a letter to management any significant deficiencies and material weaknesses according to the statements on auditing standards.

Reportable conditions that are also material weaknesses shall be identified as such in the report.

Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Board of Trustees and to the Chief Executive Officer.

Reporting to the Audit Committee. Auditors shall ensure that the Topeka and Shawnee County Public Library Audit Committee is informed of each of the following:

1. The auditor’s responsibility under Generally Accepted Auditing Standards
2. Significant accounting policies
3. Management judgments and accounting estimates
4. Significant audit adjustments
5. Other information in documents containing audited financial statements
6. Disagreements with management
7. Management consultation with other accountants
8. Major issues discussed with management prior to retention
9. Difficulties encountered in performing the audit

F. Special Consideration
The financial statements of the Library Foundation are included as a component unit of the financial statements of the Topeka and Shawnee County Public Library.

All working papers and reports must be retained at the auditor’s expense, for a minimum of three (3) years, unless the firm is notified in writing by the Topeka and Shawnee County Public Library of the need to extend the retention period. The auditor will be required to make working papers available, upon request and including electronically, to the following parties or their designees:

- Topeka and Shawnee County Public Library
- Auditors of entities of which the Topeka and Shawnee County Public Library is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing account significance.
Additional Information

A. Fund Structure

The Topeka and Shawnee County Public Library uses the following types and account groups in its financial reporting:

- **Major Governmental Funds**
  - General Fund
  - Employee Benefit Fund
  - Capital Improvement Fund
  - Debt Service (Bond and Interest) Fund

- **Non Major Governmental Funds**
  - State Aid Fund
  - Federal & State Grants (2)
  - Other Special Revenue Funds (33)
  - Permanent Funds (2)

B. Prior Audit Report


C. Audit Timeline

- Field work to begin onsite on January 17, 2023
- Field work (usually only 8-10 days onsite) completed by February 28, 2023
- Draft report to CFO for review by March 27, 2023 (provided third-party-provided information is complete and available)
- Management Discussion and Analysis document to auditor by March 31, 2023
- Final draft copies by April 11, 2023
- Auditor meets with Audit Committee April 12, 2023
- Final report and presentation to Board of Trustees April 20, 2023
- This is a sample timeline for year one and subsequent years must follow a similar timeline.

D. Provision of Information by Third-Parties

The Library provides a limited postemployment medical insurance plan for qualifying retirees. The Library directly contracts with a third-party actuarial and consulting firm and provides the data necessary for the firm to prepare the calculations and valuations for inclusion in the adjusting entries, financial statement presentation and Other Postemployment Healthcare Benefits footnote.

The Library is a participating employer within the Kansas Public Employees Retirement System (KPERS) and must prepare adjusting entries, financial statement inclusion and supporting documents, and the Defined Benefit Pension Plan footnote. KPERS provides the necessary information to participating employers and their auditors to prepare the required calculations, valuations and financial statement presentation.
E. Submission of Bid Proposals

Submission of a bid proposal indicates acceptance by the vendor of the conditions contained in this bid document unless clearly and specifically noted in the bid proposal submitted.

Bidders are required to supply to the Library three (3) copies of complete bid proposals which shall be organized as follows.

- Title Page
- Table of Contents with page numbers
- Detailed bid proposal as defined in the following sections

F. Qualifications and Scope of Work

1. A signed letter of transmittal briefly stating the bidder’s understanding of the project, the commitment to perform the work within the time period, and a statement regarding why the bidder believes to be the best qualified firm to perform the service.

2. Company Information
   The company’s information must state overall size, the size of the firm’s governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis. The proposal must explain how the firm will meet the Board of Trustees’ requirement that the selected audit firm change the audit manager at least once during the term of the contract.

   An explanation of the firm’s ability to accept, support and provide electronic data exchange, transmission of reports and workpapers and retention of workpapers.

   The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific governmental engagements.

   The bidder shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past five (5) years with state regulatory bodies or professional organizations.

3. Professional Resumes
   The bidder must provide a list of all key personnel to be used on the project. The list must include:

   - A complete resume with a brief description of the audits on which personnel have worked.

4. References
   The Bidder must submit references from the most significant governmental client engagements performed within the last three years that are similar to the engagement described in this proposal (annual audited financial statements prepared in accordance with Generally Accepted Accounting Principles and pronouncements of the
Governmental Accounting Standards Board). Please include the total number of staff hours spent on each engagement. References must include the organization name, date of last completed audit by the bidder, link to the online audit documents if possible, and the principal contact person’s name, telephone number and email address.

5. Specific Audit Approach
The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the audit.

Bidders are required to provide the following information on their audit approach:

- Proposed segmentation of the engagement
- Level of staff and number of hours to be assigned to each proposed segment of the engagement
- Sample sizes and the extent to which statistical sampling is to be used in the engagement
- Approach to be taken to gain and document an understanding of the library’s internal control structure
- Approach to be taken in determining laws and regulations that will be subject to audit test work
- Approach to be taken in drawing audit samples for purposes of test of compliance
- Approach to be taken for current and forthcoming pronouncements and related reporting requirements/footnotes required by the Governmental Accounting Standards Board

6. Identification of Anticipated Potential Challenges
The bid proposal should identify and describe any anticipated potential challenges, the bidder’s approach to resolving these problems and any special assistance that will be requested from the Library.

7. Any further information that the bidder may feel is of value to this decision process may be included.
BID FORM--Single Contract

Owner: Topeka & Shawnee County Public Library
1515 S.W. 10th Avenue
Topeka, KS  66604-1374

In compliance with the invitation and instructions to Bidders, the undersigned proposes to provide professional auditing services for the audit of financial statements and review of internal controls for the years ending 12/31/2022, 2023 and 2024.

Schedule of Professional Fees:

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<th>Year ended 12/31/2022</th>
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<tr>
<td>Year ended 12/31/2023</td>
<td>___________</td>
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<tr>
<td>Year ended 12/31/2024</td>
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ADDENDA
Receipt is acknowledged of Addenda numbers ________________.

REFERENCES: Required references have been included with the proposal, including business name, contact name, telephone number, email address and link to online audit documents, if possible.

YES____  NO_____

DECLARATION
The undersigned hereby declares the bid specifications have been carefully examined and this proposal is submitted in compliance therewith. The undersigned understands that competence and responsibility, time of completion, as well as any other factors of interest to the Owner may be a consideration in making the award. The Owner reserves the right to reject any or all proposals, to accept or reject alternate proposals and unit prices, and waive technicalities concerning the bid proposals received as it may be in the Owner’s best interest to do so.

______________________________________  _______________________
Authorized Representative’s Signature     Date

______________________________________  _______________________
Title     Telephone

______________________________________  _______________________
Company     Fax

______________________________________  _______________________
Street Address     E-Mail

______________________________________  _______________________
City/State/Zip