

**Allegheny Regional Asset District
Request for Proposal for a Consultant
Special Audit of the Carnegie Library of Pittsburgh**

The Allegheny Regional Asset District (District) is seeking the services of a qualified consultant (“special auditor”) to conduct a special audit/review of the Carnegie Library of Pittsburgh (CLP) in accordance with the scope of services outlined in this request for proposal.

Background

The District is a special purpose unit of local government provided for in Act 77 of 1993. The District Board is charged with the responsibility of allocating one half of the Allegheny County sales tax to governmental and non-profit entities which the Board designates as “regional assets.” All of the grants are paid out pursuant to the terms and conditions of a grant agreement. (See radworkshere.org for more information about the District, its budget and oversight process.)

Although Act 77 does not provide for the District to operate assets, it does give the District board oversight responsibility. In that regard, the District requires applications, yearly comprehensive financial audits and other reports. In addition, District staff and board committees meet with assets regularly. CLP is currently in compliance with all filings and reporting requirements set forth by the District.

The grant agreement with CLP provides for the District to engage the services of a special auditor to “evaluate the status of the regional asset and recommend remedial actions to address any managerial, financial or other problems of the regional asset.” Earlier in 2009, CLP published a document, *Sustaining Our Future: Libraries of Life-Composite Report*, which states that, unless increased and sustainable sources of revenue are found, CLP will face a structural deficit beginning in 2009, growing to \$6 million by 2014. As a result of those projections, the Trustees of CLP, on October 5, 2009, adopted a cost reduction program involving branch closings and consolidations and other measures designed to narrow that gap. Public concern has been raised about whether the library was required to undertake these changes based on the latest financial projections and whether alternatives were fully considered.

Tasks to be Accomplished

The purpose of this special audit is to assist the public as well as the District and the Library Trustees in understanding the options available to CLP as it manages the system.

The special auditor would be asked to:

1. Test the assumptions made in CLP’s financial projections to determine their reasonableness. As a part of that process, update the assumptions with current information and revise the projections accordingly. All projections should assume that CLP is compliant with Commonwealth standards for library operations.
2. Provide a costing out of the proposed expenditure reductions including the projected operating and capital savings by each branch closing, consolidation.
3. Review and estimate the budget impact of CLP’s cost containment efforts to date to confirm that efforts were made by the library to reduce expenditures.
4. Review the latest proposed 2010 budget and provide a detail of the make-up of each line item and whether the amount budgeted is reasonable given historic spending levels.

5. Compare CLP's revenue sources and spending in various categories with similarly sized and organized libraries.
6. Evaluate whether realistic alternatives were considered by library management/Trustees leading up to the October 5 plan. Include in this review an examination of the minutes of the board and board committees and other records.
7. Evaluate the criteria for the changes in the branch operations as well as the application of those criteria to branches impacted by the closings.
8. Evaluate CLP's system for determining compensation and benefits with comparisons to similarly sized district type libraries. Include an analysis of executive level staffing/compensation in the comparisons.
9. Evaluate and make recommendations on CLP's internal cost control procedures.
10. Submit any recommendations and/or improvements that might be made in the operations and/or financial controls as a result of the review of any of the matters listed above.

Deliverables

1. At the completion of the work, the consultant will provide a final, written report in both hard copy and electronic format.
2. The consultant can expect to make a presentation of the report at a District board meeting as well as at other sessions.

Submitting a Proposal

Qualified parties should submit the following no later than November 10, 2009.

1. A proposal describing your qualifications (or the qualifications of the team assigned to the project) and how the tasks would be carried out.
2. An estimate of time from the agreed upon start date to delivery of the written report. Carnegie Library, as required by agreement, has indicated that it will fully cooperate with the review, and the staff of the District will be available to assist as well. The District expects that the report will be filed before the end of the first quarter of 2010.
3. Resumes of all consultants who would be involved in the project.
4. Names and contact people at three non profit/government agencies who have been your clients in the last 18 months and whether your firm has been under contract to the Carnegie Library of Pittsburgh at any time in the last 36 months. Also list any firm conflicts of interest that might arise as a result of associations with CLP or RAD.
5. A fixed/maximum price cost for the review based on the scope outlined above.
6. The District seeks participation by minority and women owned businesses in its activities. Please indicate if you are certified as such or would affiliate with a certified firm for this work.

Submissions should be sent to and questions directed to:

**David L. Donahoe, Executive Director
Allegheny Regional Asset District
425 Sixth Avenue Suite 1610
Pittsburgh PA 15219
412-227-1900
dd@radworkshere.org**