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City of DeSoto Public Library District Investigative Summary

Summary of Significant Complaint(s) reported:

The Missouri State Auditor's Office received a complaint alleging the De Soto Public Library District (Library) mismanaged public funds and lacked transparency in choosing the most expensive contractor for a renovation project.

Background:

The Library is located in Jefferson County. The Library was established in 1935 and is supported by taxes from individuals residing within the city limits of the City of De Soto. The Library is governed by its Board of Trustees, composed of 9 individuals appointed by the Mayor of De Soto, who serve 3-year terms and receive no compensation.

Methodology:

Our investigation included a review of documentation related to the procurement process as well as the reasoning and supporting documentation for the proposal award decision. Documentation reviewed included all the construction proposals received and the Board of Trustees meeting minutes from June - December 2025. District bylaws and policies related to procurement were also reviewed.

Complaint Review:

The Board did not document its reasoning for selecting a proposal that was not the lowest cost, and did not have procurement policies and procedures in place at the time of the award.

In October 2025, the De Soto Public library issued a request for proposals (RFP) for a three-phase project: (1) the replacement of the entrance door for American with Disabilities Act (ADA) compliance, (2) construction of a new office and study room, and (3) construction of a new ADA-compliant restroom. The Library received four responses in November 2025. The RFP evaluation criteria included multiple factors including cost, relevant experience, demonstrated expertise, quality and clarity of the proposed methodology, ability to meet the proposed timeline, and references and past performance on similar projects. The Board indicated it considered these factors and voted unanimously to award the project to Tom Madden & Sons Construction (Madden) in a public meeting after inviting all the bidding parties to the meeting to answer any questions or address any concerns the Board may have with their proposal. Madden's original proposal of \$209,986 was the highest proposal. The other 3 proposals ranged in cost from \$127,506 to \$208,818.

The Board did not document the basis for the award decision at the time it was awarded. Instead it only listed its preference for the awarded contractor within the meeting minutes. The Board of Trustees indicated in its response that it felt the non-winning proposals did not provide sufficient clarity or did not align with a timeline that would minimize disruption to the Library, and the winning proposal, although the highest,

was the most comprehensive in following the RFP including scope completeness, level of detail, ADA compliance, timeline clarity, and details of union work. Madden also offered a shorter project timeline. In our comparison of the proposals, we noted Madden appeared to have a more comprehensive proposal; detailing a basic schedule for each phase of the project, with a more detailed schedule offered on proposal approval, as well as an estimate that breaks down individual costs and details the work to be completed. The Board signed a contract with the winning bidder in January 2026 based on the bid and included language requiring the contractor to be insured, bonded, and comply with all relevant laws including prevailing wage laws. While the Board's response indicates it had sufficient reasoning to select the awarded contractor, the transparency of the proposal evaluation process would have been improved if the Library documented its reasoning using criteria outlined in the RFP and retained such documentation.

In addition, at the time of awarding the proposal the Library did not have a specific purchasing policy and instead followed its bylaws. These bylaws do not require bidding or requests for proposals but instead rely on the judgement of the Board of Trustees and the Library Building Committee to direct the Library Director "to obtain quotes, bids, proposals, or offers related to the building, grounds, equipment, or other physical assets of the library." On February 9, 2026, after our initial investigative letter, the Board, on the advice of counsel, developed and approved a procurement policy. However neither the bylaws nor the newly approved policy require a documented bid or proposal evaluation process.

Additional Concerns:

During our review of the November Board meeting minutes, we noted the Board approved granting Christmas bonuses, totaling \$1,500, for employees. Paying bonuses is a violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." In response to our questions about the bonuses, the Board's legal counsel indicated it has now advised the Board on the legal issues related to awarding bonuses.

Conclusion:

Our review found the Board selected the highest cost proposal for the door replacement project. While the Board's response provided their reasoning for selecting the contractor, opportunities exist to improve the transparency of procurement decisions by performing a formal, documented bid/proposal evaluation process. This would allow the Library to easily report the reasoning for procurement decisions when asked by citizens or other bidders. We will close the investigation with recommendations for the Board to revise its newly created procurement policies to require formal, documented, bid/proposal evaluations. The Board should also refrain from awarding employee bonuses in violation of the Missouri Constitution.