

(was MCCMH Policy 5-05-035)

Chapter: **PROVIDER NETWORK MANAGEMENT**
Title: **PROCUREMENT OF GOODS AND SERVICES**

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Executive Director

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Date

I. Abstract

This policy establishes the standards and procedures of the Macomb County Community Mental Health Board (MCCMH) regarding the solicitation of goods and service provider capacity from public or private sector entities for the direct-operated and contract network providers of MCCMH services.

II. Application

This policy shall apply to all current and prospective network providers of the MCCMH Board who wish to submit a proposal to provide goods and/or services for the MCCMH Board.

III. Policy

It is the policy of the MCCMH Board that goods and contractual public or private services estimated to be valued at \$5000.00 or more shall be acquired through a formal Procurement Process. The Procurement Process shall be through a Competitive Bidding Process, or, if warranted, through the Non-Competitive Negotiations Process contained in this policy.

IV. Definitions

- A. Network Provider
MCCMH directly-operated or contract providers of services to MCCMH consumers.
- B. Competitive Bid
The formal process of soliciting proposals/quotations for the provision of goods or services for which the cost exceeds \$5,000.00 through public advertisements pursuant to the issuance of a Request for Proposal (RFP), MCCMH #199 (Exhibit A) by the

MCCMH Board.

- C. Request For Proposal, MCCMH #199 (Exhibit A)
The general specifications required for submission of a proposal/quotation for the procurement of goods and services as delineated by the MCCMH Board pursuant to applicable statute, rules, regulations, licensing requirements and the needs of the population to be served.
- D. Non-Competitive Negotiation
Selection of a provider of goods or services and/or negotiation of a written contract which does not occur through a competitive bidding process. Documentation is required and must be filed with each purchase order indicating the specific reasons (see Standard B.) for the non-competitive negotiation and how the pricing was determined.
- E. Emergency Purchases
Immediate procurement of goods or services when there exists a threat to public health, welfare, or safety and the urgency for obtaining the goods or service does not permit a delay incident to competitive solicitation.
- F. Delegated Function
Any function covered by the provisions of the federal Balanced Budget Act that the MCCMH, as a PIHP/MCO, is required to provide under contract with the Michigan Department of Mental Health that is assigned to a third party via contract between the PIHP and the third party.

V. Standards

- A. Plans for programmatic development will be reviewed by the appropriate MCCMH consumer advisory councils. The process for behavioral health services shall include review by the MCCMH Citizens Advisory Council. The process for substance abuse services shall include review by the Substance Abuse Advisory Council.
- B. Unless otherwise excepted by MCCMH Board approval, selection of a network provider to provide goods or services to MCCMH for which the cost exceeds \$5,000.00 shall be accomplished through competitive bidding. Under certain circumstances, the MCCMH Board may select a provider of goods or services through non-competitive negotiation.
- C. Non-competitive negotiation may be considered when:
 - 1. The provision of goods or services is available only from a single source;
 - 2. After solicitation of a number of sources competition is determined inadequate;

3. The goods or services sought are goods or professional services of limited quantity or duration;
4. The goods or services are unique and/or the selection of the provider has been granted to the consumer under a voucher or self-determination program;
5. Continuity of care is a paramount concern in adding residential or other services to already existing service contracts; extension/expansion of current contracts may occur under this provision; and/or
6. There is a public exigency or emergency, and the urgency for obtaining the goods or services does not permit a delay incident to competitive solicitation; extension/expansion of current contracts may occur under this provision.

In each emergency as much competition as is practical under the circumstances shall be factored into the decision of award. Written documentation specifying the nature of the emergency must be included in the contract file.

- D. The MCCMH Board reserves the right to reject or to waive any defect(s) in any or all proposals/quotations.
- E. After the publication and release of a RFP is made, there will be no alteration, addition or deletion from the RFP packet without written notification of such to all bidders.
- F. Decisions regarding final approval of any or all proposals/quotations submitted through the process of competitive bids and RFPs shall be made solely by the MCCMH Board.

VI. Procedures

A. Proposals/Quotations Development

1. Upon determination of the need for goods or services, the MCCMH Business Management Director or designee shall place an advertisement in the Public Notice Section of the major newspapers serving Macomb and its surrounding Counties. The purpose of the advertisement shall be to notify interested entities of the impending goods or services to be obtained by MCCMH and to invite them to contact the MCCMH Business Management Director's Office to secure a RFP package within ten (10) business days from the date of the advertisement.
2. The MCCMH Business Management Director or designee shall prepare a list of all entities requesting RFP packages, whether solicited via advertisement or other means, with identification of those who have previously provided similar goods or services for MCCMH, other CMHSPs, or the Michigan Department of Community

Mental Health (MDCH). The MCCMH Business Management Director or designee shall forward a RFP package to all listed entities.

3. The RFP package(s) shall include, as applicable:
 - a. Announcement of the date, time, and location of a bidders' meeting for providers interested in the submission of proposals/quotations to MCCMH for the provision of goods or services;
 - b. A copy of this policy;
 - c. A description of specific criteria to be met for the goods or services to be provided;
 - d. Identification of the MCCMH consumer population to be served along with any special factors to be considered in the provision of services;
 - e. Identification of specific performance standards to be included in the contract;
 - f. Identification of PIHP/MCO delegated functions to be included in the contract;
 - g. Specification of the requirements for budget/finance detail;
 - h. Designation of the applicable statutes, rules, regulations, licensing requirements and other criteria to be satisfied;
 - i. The deadline date for submission of proposals/quotations which shall not be less than ten (10) business days from the printed public announcement. Proposals received after the deadline date will not be considered;
 - j. A Network Provider Qualification Statement, MCCMH #200 (Exhibit B);
 - k. A description of the proposed Evaluation Criteria by category, including but not limited to Network Provider Capability, Technical Approach, and Financial Aspects. Each category will indicate maximum points available;
 - l. The specific minimum requirements for the duration of all prices quoted by the bidder;
 - m. A copy of the Draft/Proposed Contract with the MCCMH Board, if available; and
 - n. A Provider Profile Application (Exhibit C).

4. Proposals/Quotations submitted for MCCMH Board consideration shall contain, at a minimum, the information listed below, with appropriate documentation. Proposals/quotations not including the information shall be subject to rejection.
 1. Information pertaining to the goods or services to be provided as required in the RFP, with appropriate documentation.
 2. Information describing the bidder's compliance with local ordinances, statutes, rules, regulations, licensing requirements, as applicable, and MCCMH specific criteria related to the following:
 - a. Estimated costs for the provision of services to MCCMH, including all related costs, e.g., taxes, necessary permits, fees, and insurance, etc.
 - b. Proposed contractual terms including, but not limited to, length of the agreement, taxes, insurances, special conditions, etc.
 3. For services, the bidder's credit and financial statements, including business and personal references obtained from the Network Provider Qualification Statement, MCCMH #200 (Exhibit B).
 4. A completed Provider Profile Application (Exhibit C).

B. Proposal/Quotation Selection

1. Proposal Evaluation Team
 - a. Proposal Evaluation Teams shall include appropriate staff and individual consumers and/or consumer interest groups that have an interest in receiving the proposed service.
 - b. The Proposal Evaluation Team shall examine, evaluate and score all submitted proposals/quotations for potential selection utilizing the Evaluation Criteria as stated in the RFP and the Network Application/Profiling information submitted pursuant to the provisions of MCCMH MCO Policy 3-004, "Network Application / Profiling Process."
 - c. Team members shall receive reimbursement, **based upon hardship or need**, for travel or other expenses directly related to procurement reviews with approval of the MCCMH Executive Director.
 - d. The Team will submit a summary of the proposals/quotations, evaluation results

and selection recommendations to the MCCMH Executive Director.

- e. MCCMH Executive Director or designee(s) shall submit a recommendation to the MCCMH Board for final approval, along with information relative to other submissions and the rationale upon which recommendations are made.
2. Evaluation of proposals/quotations for potential selection of a RFP bidder shall include, as applicable:
 - a. Assessment of costs of the proposal/quotation relative to submissions by other providers and the availability of public funds.
 - b. Prior history of the provider, from the Provider Qualification Statement (Exhibit B), as a satisfactory supplier of goods or services provided to MCCMH, other Community Mental Health Service Programs (CMHSPs), or the Michigan Department of Community Health (MDCH).
 - c. Assessment of the soundness of the submitting provider as an organization or corporation to provide goods or services.
 - d. Evaluation of prior contractual performance of the bidder under contract with MCCMH Board, if available.
 - e. Satisfaction of the submission requirements and criteria contained in the RFP and this policy.
 - f. Information contained on the Provider Profile Application.
 - g. Satisfaction of the general specifications of the RFP.
 3. If the proposal includes the procurement of any PIHP/MCO delegated functions, MCCMH will evaluate the prospective provider's ability to perform the activities to be delegated, based on the documentation submitted. MCCMH reserves the right to request further documentation to determine the prospective provider's ability to perform the specific function, prior to delegation.

C. Post-Approval Process

1. The MCCMH Business Management Director shall send written notice to those providers whose proposals/quotations were not approved for selection that their submissions were not selected, and the reason for the decision, i.e. their relative score is insufficient.

2. Following approval by the MCCMH Board, the MCCMH Director of the Business Management Division shall send written notice (a facsimile transmission is acceptable) to the provider which submitted the accepted proposal/quotation informing it of the selection and approval of its proposal/quotation for the provision of goods or contractual services for MCCMH.
 3. The proposed Agreement with associated funding information shall be submitted to the MCCMH Board for review and approval.
 4. All documents submitted to MCCMH relevant to the proposals, evaluation forms and recommendations will be maintained by MCCMH as back-up documentation of the RFP process. Substance Abuse documentation will be maintained by the Office of Substance Abuse. All relevant information shall be kept for no less than seven (7) years by the MCCMH Board.
- D. Agreement Approval
1. All contracts require approval by the MCCMH Board.
- E. Rescission of the Approved Proposal/Quotation
1. An approved proposal/quotation shall be subject to rescission if the MCCMH Board and the provider fail to agree upon acceptable contractual terms.
 2. An approved proposal/quotation shall be subject to rescission if the provider fails to tailor the submission to MCCMH in accordance with the specifications contained in the RFP and within the agreed upon costs, pursuant to those approved by the MCCMH Board.
 3. Any bidder may withdraw its submitted proposal at any time during the Procurement Process. The decision to withdraw a proposal must be submitted in writing to the MCCMH Board.

VII. References / Legal Authority

- A. MCL 330.1228; MSA 14.800(228)
- B. MDCH/CMHSP Specialty Supports and Services Managed Care Contract
- C. County of Macomb Policy and Procedures, as adopted May/1994 by the Macomb County Board of Commissioners
- D. MCCMH MCO Policy 3-004, "Network Application / Profiling Process"
- E. 42 CFR 438.230(b)

VIII. Exhibits

- A. Request for Proposal, MCCMH #199
- B. Network Provider Qualification Statement, MCCMH #200
- C. Provider Profile Application