

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

Prior Approval Date: 10/17/2007  
Current Approval Date: 01/14/2023

Proposed by:  01/13/2023  
Chief Executive Officer Date

Approved by:  01/14/2023  
County Executive Office Date

## I. ABSTRACT

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

## II. APPLICATION

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

## III. POLICY

It is the policy of MCCMH that contractual public or private services estimated to be valued at more than \$5,000 in any given year shall be acquired through a formal procurement process. The procurement process shall occur through a competitive bidding process, or as warranted, through the non-competitive negotiations process contained in this policy.

## IV. DEFINITIONS

### A. Competitive Bid

The formal process of soliciting proposals/quotations for the provision of services through the issuance of a Request for Proposal (Exhibit A). This process is used when the cost exceeds \$5,000 in any given year.

### B. Delegated Function

A function or responsibility MCCMH is required to provide to meet contractual regulations and/or accreditation standards, which MCCMH subsequently assigns to a third party via contract or pre-delegation agreement. The contractor is given the responsibility to carry out the delegated

function, and MCCMH remains accountable for the proper performance of the delegated function.

C. Emergency Purchases

Immediate procurement of services when a threat to public health, welfare, or safety exists and the urgency for obtaining the service does not permit a delay incident to competitive solicitation.

D. Network Provider

MCCMH directly-operated or contract service providers.

E. Non-Competitive Negotiation

Selection of a provider of services and/or negotiation of a written contract that does not occur through a competitive bidding process. Documentation is required and must be filed with each purchase order indicating the specific reason(s) for the non-competitive negotiation and how pricing was determined.

F. Request for Proposal (RFP)

General requirements delineated by MCCMH for the submission of a proposal/quotation in the procurement of services. Such requirements are pursuant to applicable statute, rules, regulations, licensing requirements and the needs of the population to be served.

## V. STANDARDS

A. Selection of network providers to provide services to MCCMH, for which the cost exceeds \$5,000 in any given year, shall be accomplished through competitive bidding.

B. MCCMH may select a provider of services through non-competitive negotiation when:

1. The provision of services is available only from a single source;
2. After solicitation of several sources competition is determined inadequate;
3. The services sought are professional services (e.g., psychological testing) of limited quantity or duration;
4. The services are unique and/or the selection of the service provider has been delegated to the individual under a voucher or self-determination program;
5. Continuity of care is a paramount concern in adding residential or other services to 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 services does not permit a delay incident to competitive solicitation; extension/expansion of current contracts may occur under this provision.

C. The MCCMH Board reserves the right to reject or to waive any defect(s) in any or all

proposals/quotations.

- D. After the publication and release of an RFP is made, there shall be no alteration, addition, or deletion from the RFP packet without written notification to all bidders.
- E. Final approval decisions of any or all proposals/quotations submitted through competitive bids and RFPs shall be made solely by the MCCMH Board.
- F. Rate changes mandated by the State shall be implemented without being required to go through the MCCMH Board approval process.
- G. MCCMH may add services to existing provider contracts with rates determined by the State's standards without being required to go through the MCCMH Board approval process.
- H. MCCMH rate changes not mandated by the State, with the exception of single case agreements, shall go through the MCCMH Board approval process.

## **VI. PROCEDURES**

### **A. Proposals/Quotations Development**

1. Upon determination of the need for services, MCCMH shall create an RFP package containing information and forms necessary for any interested party to respond to the requested services. The RFP Package shall be posted on the MCCMH website and a governmental bid site.
2. MCCMH shall prepare a list of all entities requesting RFP packages that identifies those who have previously provided similar services for MCCMH, other community mental health service programs (CMHSPs) or MDHHS, or previously requested to be notified of RFPs and send notice of the open RFP.
3. The RFP package(s) shall include, as applicable:
  - a. An announcement of the date, time, and location of a bidders' meeting for providers interested in submitting proposals/quotations to MCCMH;
  - b. A description of specific criteria to be met for the provision of services;
  - c. Identification of the MCCMH population to be served along with any special factors to be considered in the provision of services;
  - d. Identification of specific performance standards to be included in the contract;
  - e. Identification of PIHP/MCO delegated functions to be included in the contract;

- f. Specification of the requirements for budget/finance detail;
  - g. Designation of the applicable statutes, rules, regulations, licensing requirements, and other criteria to be satisfied;
  - h. The deadline date for submission of proposals/quotations which shall not be less than ten (10) business days from public announcement. Proposals received after the deadline date may not be considered;
  - i. A description of the proposed evaluation criteria by category, including but not limited to network provider capability, technical approach, and financial aspects;
  - j. The specific minimum requirements for the duration of all prices quoted by the bidder.
4. Proposals/quotations submitted for consideration shall contain, at a minimum, the information listed below and appropriate documentation. Proposals/quotations not including the information shall be rejected.
- a. Information pertaining to the services to be provided as required in the RFP, with appropriate documentation.
  - b. Information describing the bidder's compliance with local ordinances, statutes, rules, regulations, licensing requirements, as applicable, and MCCMH specific criteria related to the following:
    - i. Estimated costs for the provision of services, including all related costs such as taxes, necessary permits, fees, and insurance, etc.
    - ii. Proposed contractual terms including, but not limited to length of the agreement, taxes, insurances, special conditions, etc.
  - c. For services, the bidder's credit and financial statements, including business and personal references.

## B. Proposal/Quotation Selection

### 1. Procurement Committee

- a. The MCCMH Procurement Committee shall include appropriate staff and person served groups with an interest in receiving the proposed service.
- b. The Procurement Committee shall examine, evaluate, and score submitted proposals/quotations for potential selection utilizing the evaluation criteria as stated in the RFP and the Attachment A Provider Profile Application submitted pursuant to the provisions of MCCMH MCO Policy 3-004, " Provider Profile Application."

- c. Committee members shall receive reimbursement, based upon hardship or need, for travel or other expenses directly related to procurement reviews with approval of the MCCMH Chief Executive Officer (CEO).
  - d. The Committee shall submit a summary of the proposals/quotations, evaluation results, and selection recommendations to the CEO.
  - e. The CEO 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. Cost assessments of the proposal/quotation relative to other provider submissions and the availability of public funds.
  - b. The provider's history as a satisfactory supplier of services to MCCMH, other CMHSPs, or MDHHS.
  - c. Assessment of the soundness of the submitting provider as an organization or corporation to provide services.
  - d. Evaluation of the bidder's prior contractual performance under contract with MCCMH, if available.
  - e. Satisfaction of the submission requirements and criteria contained in the RFP and this policy.
  - f. Information from the Provider Profile Application.
  - g. Satisfaction of the RFP's general specifications.
3. If the proposal includes the procurement of any delegated functions, MCCMH shall 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.
4. Negotiations may occur with prospective providers whose proposals prove them to be qualified, responsible, and capable of performing the work.

### C. Post-Approval Process

1. MCCMH shall send written notice to those providers whose proposals/quotations were not approved for selection with the reason for the decision.

2. Following approval by the MCCMH Board, MCCMH shall send written notice to the provider that submitted the accepted proposal/quotation. The notice provides confirmation of the selection and approval of the provider's proposal/quotation for the provision of 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 shall be maintained by MCCMH as back-up documentation of the RFP process. MCCMH shall keep all relevant information for no less than five (5) years.

D. Agreement Approval

1. All MCCMH contracts require approval by the MCCMH Board.
2. Following Board approval, all contracts must be signed by the County Executive or designee for them to be binding on the County.

E. Rescission of the Approved Proposal/Quotation

1. An approved proposal/quotation shall be subject to rescission if MCCMH 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 MCCMH.

**VII. REFERENCES**

- A. MCL 330.1228; MSA 14.800(228)
- B. MDHHS/CMHSP Managed Mental Health Supports and Services Contract
- C. Macomb County Charter
- D. 42 CFR 438.230(b)
- E. MCCMH MCO Policy 3-004, "Provider Profile Application"

**VIII. EXHIBITS**

MCCMH Request for Proposal