

**KALAMAZOO COMMUNITY MENTAL HEALTH  
AND SUBSTANCE ABUSE SERVICES**

**ADMINISTRATIVE PROCEDURE 02.01\_01**

<b>Subject:</b> Procurement of Goods and Services		<b>Section:</b> Provider Network Management	
<b>Applies To:</b> <input checked="" type="checkbox"/> KCMHSAS Staff <input checked="" type="checkbox"/> KCMHSAS MH Contract Providers <input type="checkbox"/> KCMHSAS SA Contract Providers		<b>Page:</b>  1 of 5	
<b>Approved:</b>  ----- (Jeff Patton, Chief Executive Officer)			
<b>Revised:</b> 01/01/2014	<b>Supersedes:</b> 02/26/2013	<b>First Effective:</b> 03/27/2000	

**PURPOSE**

To establish uniform standards and procedures for the selection of contracted goods and services, and providers of mental health and substance abuse services.

**PROCEDURE**

**I. OVERVIEW**

Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) shall use a uniform process for procurement of goods and services purchased by contract. This process shall comply with Michigan Department of Community Health (MDCH) contract requirements, Southwest Michigan Behavioral Health (SWMBH) policies and federal procurement standards.

KCMHSAS will use a procurement process that is consistent and fair.

**II. IDENTIFICATION OF NEED FOR PROCUREMENT**

- A. Contract Services and Senior Executive Leadership will review the procurement schedule for existing goods and services to assure that services are procured at least every 8 years or as needed.
- B. Contract Services will be notified by Senior Executive Leadership when goods or services are to be procured. The Checklist for Procurement shall be used in determining how the goods and services will be bid out.

- C. Contract Services and Senior Executive Leadership will facilitate the development of the RFP.

### **III. DEVELOPMENT OF THE REQUEST FOR PROPOSAL**

- A. Contract Services will write the RFP along with assistance from, but not limited to staff from Senior Executive Leadership, Provider Network, Finance, Quality Management and individuals served.
- B. Contract Services shall develop a timeline for procurement, and an internal timeline defining roles and responsibilities for each RFP developed.
- C. Contract Services will facilitate the development of the scoring tool and establish a team to review proposals.
- D. Contract Services will notify the current provider panel and interested parties of the issuance of an RFP through regular mail delivery or via e-mail.
- E. Notice of request for proposals will be posted in the legal section of applicable newspapers.
- F. Applicants will be directed to the KCMHSAS web-site (<http://www.kazoocmh.org/>) where RFPs will be posted by Contract Services.
- G. Contract Services will maintain RFP content on the public portal.
- H. Contract Services will facilitate bidder's conferences and/or question and answer formats from RFP applicants, where applicable.
- I. Proposals are to come to the KCMHSAS administrative offices, as well as an electronic version sent to Contract Services staff. Proposals received in the administrative offices shall be stamped with a date of receipt on the envelope, and remain unopened.
- J. Contract Services staff shall open the original proposals, and distribute an electronic version of the proposals to the established review team.

### **IV. PROPOSAL REQUIREMENTS**

Due diligence will be conducted as part of the review of proposals. Prospective providers shall meet at a minimum, the following requirements:

- A. **Fiscal Stability**  
The organization will submit the most recent years' audit, management letter, opinion letter and (if applicable) plan of correction. The documentation will be

reviewed to see if the opinion is unqualified, that financial statements present fairly in all material respects and that the organization is in conformity with generally accepted accounting principles.

B. Legal/Regulatory Requirements

The applicant will be asked to submit, at a minimum, documentation including:

1. Legal name of business, contact information, Executive staff and governing board, necessary information on litigation, malpractice or professional negligence claims against the organization.
2. Insurance coverage
3. Article of Incorporation and proof of ability to conduct business in Michigan.
4. Documentation of accreditation from a nationally recognized accreditation body or meet MDCH certification requirements.
5. An organizational chart
6. Credentialing and re-credentialing policies and procedures.
7. Attestation statement indicating that the applicant is independent of KCMHSAS.
8. Disclosure if the organization or any staff person currently working for the organization has been excluded from a Federal Healthcare Program (Medicaid or Medicare).
9. Regulatory Issues (disclosure of circumstances and status of any disciplinary action taken or pending against their organization during the past 3 years with federal or state regulatory bodies).
10. Disclosure of sub-contracting relationships.

C. Demonstrated understanding of KCMHSAS Vision, Mission and Guiding Values.

D. Provider capability, experience and expertise.

E. Technical Approach or understanding of the scope, objectives and requirements of the services as outlined in the RFP.

F. Professional licensure and KCMHSAS credentialing / re-credentialing requirements.

G. Quality Improvement Process

**V. PROPOSAL REVIEW PROCESS**

- A. In developing the review team, efforts will be made to select and include individuals served and family members. All members of the review team shall be asked to sign an attestation statement indicating that they will keep the information confidential and that they do not have any conflict of interest with any of the applicants or in any other way being part of the review process.

- B. The selected review tool will be used with each application and to serve as documentation. For some services, reference checks will be made.
- C. Contract Services will make a recommendation of provider selection to the KCMHSAS Chief Executive Officer based on the review team recommendations, and completed credentialing of the recommended provider. The recommendation to the KCMHSAS Chief Executive Officer will be part of a RFP Summary.
- D. Contract Services will send applicants notification electronically or by letter of denial and/or award of a contract.
- E. The selected provider(s) and applicants not selected will be shared with PNWG and Senior Executive Leadership once applicants are officially notified by letter.

## **VI. DOCUMENTATION OF PROCUREMENT PROCESS**

Contract Services will maintain the following documentation:

- A. The RFP, any attachments and exhibits.
- B. Question and Answers regarding the RFP or minutes from a bidder's conference and any materials distributed to bidders.
- C. One original hard copy of all proposals submitted in response to an RFP.
- D. One electronic copy of the proposal and supporting documents.
- E. Letters and correspondence to prospective bidders and RFP applicants.
- F. Agendas of review team meetings and minutes (if applicable).
- G. Group scores and scoring compilation.
- H. Materials from oral presentations.
- I. RFP Summary which includes recommendations to the KCMHSAS Chief Executive Officer.
- J. Communication (letters and e-mail) to applicants awarded the bid and letters to those denied to the provider panel.

## **VII. DOCUMENTATION OF PROCUREMENT EXCEPTIONS**

- A. The KCMHSAS Procurement Exceptions Documentation form shall be used to document the process for selecting providers using non-competitive procurement.

2. The completed and signed form shall be filed with Contract Services procurement documentation.
- B. When the procurement methods of “Any Willing and Qualified Provider (Open Panel)” and “Selective Procurement” are used, this form will be completed by Contract Services and will be additional documentation to the RFP process documentation.

## REFERENCES

- 42 CFR Parts 400 et al. (Balanced Budget Act) X CRF 438.12
- KCMHSAS Policy 02.01 (Procurement of MH and SA or General Management Services)
- KCMHSAS Policy 02.05 (Contract Development)
- KCMHSAS Purchasing Policies/Procedures (Section 8 – Financial Management)
- KCMHSAS Policy 02.09 (Credentialing and Re-credentialing)
- Federal Procurement Standards
- OMB Circular A-87
- MDCH Contract
- Southwest Michigan Behavioral Health Policy
  - 1.3 (Procurement)

## EXHIBITS

- A. KCMHSAS RFP Review Team Attestation
- B. Exceptions to Competitive Procurement
- C. Procurement Service Review Process

**KALAMAZOO COMMUNITY MENTAL HEALTH & SUBSTANCE ABUSE SERVICES**

**Request For Proposal (RFP) Review Team Attestation Statement**

As a participant in the KCMHSAS Review Process, I \_\_\_\_\_  
certify by my signature that I agree to abide by the following expectations as part of the RFP review team:

- Maintain confidentiality of RFP applicants and proposal content.
- Disclose any individual or organizational conflict of interest or potential conflict of interest to the KCMHSAS Director of Quality Management and Contract Services and note the disclosure on this form.
- Discuss proposal content and scoring information with only members of the RFP review team.
- Proposals, scoring tools and other documents should be submitted to Contract Services for disposal following the selection of provider(s).
- Acknowledge that once the selection of providers and notification to bidders is complete, proposals and documentation regarding the RFP process are subject to the U.S. Freedom of Information Act (FOIA).

I fully understand that any fraudulent, misleading or omitted information and/or failure to abide by the expectations stated above may constitute removal from the RFP review team.

I, the undersigned, hereby certify that I understand and agree to adhere to the expectations of the KCMHSAS RFP Review Team.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title

**Conflict of Interest Disclosure**

\_\_\_\_\_  
Name

Conflict of Interest (*please describe*):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Kalamazoo Community Mental Health and Substance Abuse Services**  
**EXCEPTIONS TO COMPETITIVE PROCUREMENT**

Date \_\_\_\_\_

Staff completing form: \_\_\_\_\_

Service \_\_\_\_\_

Provider(s) Effected: \_\_\_\_\_

Populations Served \_\_\_\_\_

In accordance with KCMHSAS Policy 02.01 (Procurement of MH and General Management Services) and the Procurement Service Review Process, Competitive Procurement was not recommended at this time for the above listed service. Indicate below the reason(s) and rationale for Competitive Procurement not being completed (*choose all that apply*):

- Only one responsible source and no other supplies or services will satisfy agency requirements.
- Unusual and compelling urgency. There is a public exigency or emergency and the urgency for obtaining the item or service does not permit competitive procurement
- Expert services and/or unique qualifications
- The item or service is of limited quantity or duration
- Selection of the service provider has been delegated to an individual under a self-determination arrangement.
- Pilot projects where efficacy and effectiveness are still being evaluated. Anticipated completion date of the pilot: \_\_\_\_\_
- An organization that is peer run needs assistance in development
- After solicitation of a number of sources, competition is determined inadequate

**Justification** (*Describe any additional reasons competitive procurement was not used to select this provider*):

\_\_\_\_\_

**Signatures:**

\_\_\_\_\_  
KCMHSAS CEO or Deputy Director of Program Services

**Kalamazoo Community Mental Health and Substance Abuse Services  
PROCUREMENT REVIEW PROCESS**

<b>Date:</b>	<b>Staff Completing Form:</b>
<b>Service Element:</b>	

**Current Providers:**

Agency/Vendor

**Considerations in Service Evaluation** (check all that apply, provide details and data, where available):

<input type="checkbox"/> If identified as a pilot program, continued rationale for status of “pilot”
<input type="checkbox"/> Planned changes to payment mechanism
<input type="checkbox"/> Change in expectations/how service should be delivered
<input type="checkbox"/> Quality of Care/Performance Issues
<input type="checkbox"/> Need for Increased Choice of Providers/Capacity Issues
<input type="checkbox"/> Fiscal Viability of current provider(s) /Issues related to rate
<input type="checkbox"/> Access Issues
<input type="checkbox"/> Consumer Satisfaction/Consumer-identified Issues



**Kalamazoo Community Mental Health and Substance Abuse Services  
PROCUREMENT REVIEW PROCESS**

<p>What efforts have already been taken to resolve issues identified above?</p>
<p>Any other providers or community agencies/vendors interested in entering the market /providing this service? If yes, identify:</p>
<p><b>Recommendation to Provider Network Workgroup (PNWG):</b></p>
<p><input type="checkbox"/> No Procurement – contracts to be extended for 2 years</p>
<p><input type="checkbox"/> Procurement through Competitive Process – contract to begin: _____ (date)</p>
<p><input type="checkbox"/> Immediate Procurement – contract to begin: _____ (date)</p>
<p><input type="checkbox"/> Non-Competitive Procurement – see attached Exceptions to Competitive Procurement (02.01_01B)</p>
<p><input type="checkbox"/> KCMHSAS will provide service directly</p>
<p><input type="checkbox"/> Other Action to be taken (explain):</p>
<p>For services to be procured through a Competitive Procurement Process:</p>
<p><input type="checkbox"/> Any willing and qualified provider (open panel)</p>
<p><input type="checkbox"/> Selective Procurement – requires a single or limited number of providers</p>
<p><input type="checkbox"/> Competitive Procurement</p>
<p>If RFP will be issued, identify goal of the procurement process:</p>
<p>Date of PNWG Approval:</p>
<p>Date of CEO, Deputy Director of Program Services and/or Deputy Director of Administrative Services:</p>
<p><b>Other comments/details regarding Procurements or Action to be taken related to this service:</b></p>

**Signatures:**

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KCMHSAS CEO / Deputy Director of Program Services / Deputy Director of Administrative Services