

# Bid Opportunity for Accounting/Financial Management System and Support Mid-State Health Network

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## Purpose

This document outlines the Mid-State Health Network (MSHN) Prepaid Inpatient Health Plan need for Financial System and Accounting Functions that may be provided by an outside accounting firm on behalf of Mid-State Health Network (MSHN), and details the bid process for the functions.

MSHN is a regional entity, which was formed pursuant to 1974 P.A. 258, as amended, MCL §330.1204b, as a public governmental entity separate from the CMHSP Participants that established it. The CMHSP Participants formed Mid-State Health Network to serve as the prepaid inpatient health plan (“PIHP”) for the twenty-one counties designated by the Michigan Department of Community Health as Region 5. The Community Mental Health Service Program (CMHSP) Participants include Bay-Arenac Behavioral Health, Clinton-Eaton-Ingham Community Mental Health Authority, Community Mental Health for Central Michigan, Community Mental Health Authority (located in Gratiot County), Community Mental Health Authority (located in Tuscola County), Huron County Community Mental Health Authority, Ionia County Community Mental Health Authority, LifeWays Community Mental Health Authority, Montcalm County Community Mental Health Authority, Newaygo County Community Mental Health Authority, Saginaw County Community Mental Health Authority, and Shiawassee County Community Mental Health Authority. Beginning January 1, 2014, MSHN entered into a contract with the State of Michigan for Medicaid funding, and entered into subcontracts with the CMHSPs in its region for the provision of Mental Health, Substance Use Disorder, and Developmental Disabilities services.

## Project Details

MSHN is seeking a financial system and accounting functions vendor capable of processing all MSHN accounting and financial statement reporting. This includes support to the MSHN Chief Financial Officer (CFO) for using the system remotely and providing services for the accounting needs of MSHN (transfer of General Ledger and Chart of Accounts from current vendor, accounts receivable, electronic and/or printed accounts payable, budget, financial statements, accounting for investments, reporting, etc.). This does not include required reporting to the State of Michigan or other funders (FSR, MUNC, etc.), or direct reporting to the MSHN Board of Directors.

## Bidder Expectations

- From the time that a bid is announced, no communication from a prospective bidder to any other prospective bidder regarding this bid opportunity will occur other than as facilitated by MSHN (exceptions) is permissible to gain further understanding of the current contract requirements and expectations.
- An E-Letter of Intent must be received by September 8, 2017.
- Proposals will be written and emailed to MSHN by the communicated due date, provided in Adobe Acrobat (.pdf) files, and will be reviewed by the MSHN Executive Staff.
- Additional Q&A and/or demonstration opportunities will be scheduled as requested. Questions should be submitted by email directly to the designated contact noted below. Responses will be disseminated to all parties that have submitted an intent to apply.
- While there are no page limit requirements, please only include meaningful information that informs/aids the evaluation and bid-selection process.

## General Bidder Requirements

All bidders wishing to perform the function on behalf of MSHN will provide the following in their written proposal:

- A description of how the bidder will fulfill the requirements of the function, including:
  - A description of staffing capacity and competency to perform the required function;
  - A delineation of the processes, flowcharts, timelines, and expectations; and
  - A description of how the bidder will engage collaboratively with MSHN staff (as applicable) to perform the functions;
- Establish a project timeline for meeting the scope of work and deliverables including any start-up and/or infrastructure requirements;
- Identification of any assumptions, constraints, risks or dependencies;
- The cost to MSHN for the provision of this service beginning October 1, 2017 ending on September 30, 2020;
- The proposal should specify costs necessary to establish the functions (start-up costs); and
- Bidders must disclose any intention to subcontract any part of the function, and what percentage of the work will be performed by a subcontractor.

## General Proposal Requirements

All proposals for the provision of processes and systems must describe how the bidder will:

Ensure on-going communication with MSHN regarding contract requirements and coordination of the function;

- Provide consultation and/or training for MSHN staff as necessary;
- Provide feedback to MSHN staff;
- Provide assurance of staffing capacity and competency sufficient to perform the duties as outlined;
- Specific Retained Functions Proposal Requirements Demonstrate competency:
  - CMHSP participants will provide the results of external financial audits performed during the previous 2 fiscal years, highlighting any previous material findings.
  - Outside accounting firms will provide references for firm clients who receive similar services.
- The name of the accounting/financial software to be used, how long it has been in use, its version, and timelines for future upgrades.
- A broad description of the information technology platforms supporting the accounting/financial management system, and the sustainability/replacement plan. (Bidders may use whatever high-level description that best provides description and how it will be maintained, including potential costs for upgrade that PIHP may incur. This could include: description of the version(s) or age(s) of the platform(s), how long it has been in use, the last time it was upgraded, other pertinent specifications of the software/hardware, etc.).
- A description of how data backup/archiving and file restoration for the accounting/financial management system is achieved.
- A description of back-up and retention of source documents, and MSHN staff access to source documents. (This should identify whether paper records are kept and accessed manually, or if the accounting/financial management system can access electronic records from within the application. Demonstration required for electronic records).
- Provide a sample accounting software financial statement generation (directly from the accounting software).
- Provide the ability for remote connectivity to access the accounting/financial management system general ledger, accounts payable, accounts receivable, supporting documents, and financial statements.
- Provide the ability for drill down from financial statements and general ledger to transaction detail and supporting documentation (Demonstration required).
- Provide the ability to download information into a format that can be read by Microsoft Excel. (Demonstration required).
- Provide ad hoc financial reporting capability. (Demonstration required).

- Provide a description of the education, experience and length of employment of the accounting/finance staff providing support.
- Provide the number of staff capable of providing support to ensure redundancy of skill sets.
- Describe how audit support will be provided, including related experience with CMHSP/PIHP audits

### MSHN Account Transaction History

- Electronic payment
  - Four monthly payments to 12 CMHSPs and (distribution list prepared by MSHN CFO)
  - Bi-weekly check runs of up to 100 vendors
  - Quarterly tax and Hospital Rate Adjustment payments 40 vendors
- Journal entries
  - Monthly receipts of Medicaid, Block Grant, and Public Act 2 local revenue (entries prepared by MSHN CFO)
  - Journal entries for Payroll and benefits processed under an existing contract with a PEO (entries prepared by MSHN CFO)
  - Record wires for purchase of investments and accruals for interest
  - Journal entries for procurement card transactions automatically pulled from MSHN bank
- Accounting for investment of reserve accounts
- Financial statements and budget amendments on a bi-monthly basis
- Annual financial and compliance audit assistance (audit performed under an existing separate contract)

Bank accounts include 1 general checking, 2 savings for reserves, and 1 investment of reserves

### Quality Standards & Performance Measurement

- The contractor shall assure adherence to accounting standards under GAAP and GFOA;
- The contractor will provide timely and accurate communication and performance:
  - Accounts payable and receivable;
  - Accruals
  - Journal entry recording
  - Bank account reconciliation;
  - Financial statement preparation;
  - Budget trending for operational expenses;
  - Annual audit support

### Budget

#### 1. **Financial Budget**

The budget shall provide detail of cost for direct staffing, administration, software, start-up costs, etc. A budget narrative may be added to provide additional detail.

#### 2. **Payment Schedule:**

The contractor is expected to bill MSHN monthly. MSHN will make payment within 30 days of invoice receipt.

### Selection Criteria

- MSHN shall establish RFP specific scoring criteria and method in advance of RFP/RFI release.
- The prospective contractor provides evidence of competency and capacity to perform the functions defined herein.

- Bidder support for defined requirements and project timeline are sufficient to demonstrate capacity to achieve the stated program goals and performance requirements.
- If the selection is competitive and all other factors are equal, the contract will be awarded to the bidder with the proposal of best value. Best value will be determined at MSHN's sole discretion.
- MSHN reserves the right to request bidder follow-up meetings for the demonstration of competency and capacity.
- MSHN reserves the right to reject any and all bids

### Terms and Conditions

- **Contract Term:** It is expected that the contract will commence at a mutually agreeable date on or after October 1, 2017 and continue through September 30, 2020. The term may be extended by mutual agreement provided all contract terms are met.
- **Contract Scope:** The successful bidder will assure sufficient capacity to perform the functions detailed.
- **Primary Point of Contact:** The contractor shall designate, through MSHN, a primary point of contact.

### Bidder Requirements

- The bidder must provide assurance of appropriate liability insurance.
- The bidder must provide evidence of appropriate staff qualification/licensure to perform the essential duties of the agreement.
- The proposal shall include a signed and notarized Certificate of Compliance with Public Act 517 of 2012 on the form provided with this RFP.

### Bid Procedure

- The bidder shall provide an e-copy of the proposal and all required attachments no later than September 30, 2017.
- Attachments shall include:
  - Designation of the primary point of contract and a related resume;
  - A response to all required elements including provisions of appropriately referenced attachments;
  - A project implementation plan including infrastructure development;
  - A budget proposal as defined;
  - Professional and customer references for the related scope of work;
  - A proposed Administrative Services Agreement (Contract) related to the scope of work identified in the RFP and bidder's response; and
  - Other support materials necessary to demonstrate the bidder's competency and capacity to achieve the goals and performance requirements of this proposal.

### Contacts

- All questions should be submitted in writing by e-mail.
- Questions and proposals should be directed to:

Leslie Thomas, CFO  
 Mid-State Health Network  
 530 W. Ionia, Ste. F, Lansing, MI 48933  
[Leslie.Thomas@midstatehealthnetwork.org](mailto:Leslie.Thomas@midstatehealthnetwork.org)

**CERTIFICATE OF COMPLIANCE WITH PUBLIC ACT 517 OF 2012**

I certify that neither \_\_\_\_\_ (Company), nor any of its successors, parent companies, subsidiaries, or companies under common control, are an “Iran Linked Business” engaged in investment activities of \$20,000,000.00 or more with the energy sector of Iran, within the meaning of Michigan Public Act 517 of 2012. In the event it is awarded a Contract as a result of this Request for Proposals, Company will not become an “Iran Linked Business” during the course of performing the work under the Contract.

NOTE: IF A PERSON OR ENTITY FALSELY CERTIFIES THAT IT IS NOT AN IRAN LINKED BUSINESS AS DEFINED BY PUBLIC ACT 517 OF 2012, IT WILL BE RESPONSIBLE FOR CIVIL PENALTIES OF NOT MORE THAN \$250,000.00 OR TWO TIMES THE AMOUNT OF THE CONTRACT FOR WHICH THE FALSE CERTIFICATION WAS MADE, WHICHEVER IS GREATER, PLUS COSTS AND REASONABLE ATTORNEY FEES INCURRED, AS MORE FULLY SET FORTH IN SECTION 5 OF ACT NO. 517, PUBLIC ACTS OF 2012.

\_\_\_\_\_  
(Name of Company)

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Subscribed to and sworn before me,  
a Notary Public, on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_, Notary Public  
\_\_\_\_\_ County, State of Michigan  
Acting in \_\_\_\_\_ County, Michigan  
My Commission Expires: \_\_\_\_\_