

POLICIES AND PROCEDURE MANUAL

Chapter:	Financial Management		
Title:	Finance – Procurement through Request for Proposal Procedure		
Policy: <input type="checkbox"/>	Review Cycle: Biennial	Adopted Date: 08.01.2014	Related Policies: Financial Management Procurement Policy
Procedure: <input checked="" type="checkbox"/>	Author: Chief Financial Officer	Review Date: 05.09.2023	
Page: 1 of 3			

Purpose:

The purpose of this procedure is to provide guidance to staff utilizing a Request for Proposal (RFP), Request for Information (RFI), Request for Quote (RFQ), or any other formal process to purchase goods and services, to ensure:

- A. That the Mid-State Health Network (MSHN) obtains best value for all goods and services;
- B. That a wide range of qualified vendors are notified of impending purchases;
- C. That specifications are not needlessly complex or restrictive that would exclude qualified vendors; and
- D. That prudent purchasing decisions will be made through a proscribed RFP process.

Procedure:

- A. If goods or services valued at greater than \$25,000 are to be purchased, as outlined in in the Procurement Policy, a formal procurement process will be initiated at the request of the MSHN Chief Financial Officer or his/her designee.
- B. The responsible Chief-level Administrative Officer will coordinate development of the RFI/RFP/RFQ documents and shall include input from staff, stakeholders and Community Mental Health Service Program (CMHSP) Participants as appropriate, in consultation with the Chief Financial Officer, who must approve the final formal procurement documents.
- C. Advertisements in various media (regional newspapers and/or appropriate trade publication or website) will be used to publicize RFI/RFP/RFQ when price quotes or other competitive bidding is required. All RFI/RFP/RFQs will be posted on the MSHN website. Invitations to bid may be sent to potential service providers who have previously expressed an interest in being considered for the produce or type of service addressed by the RFI/RFP/RFQ.
- D. Questions in response to an RFI/RFP/RFQ must be submitted in writing to the responsible Chief-level Administrative Officer on or before the deadline specified in the RFP/RFQ. Responses to written questions received shall be approved by the Chief Financial Officer prior to release.
- E. To be considered complete, the proposal must be submitted in the specified format, arrive on or before the specified deadline at the designated site, and be signed by an official authorized to bind the bidder to its provisions. The proposal shall remain valid for a minimum of ninety (90) days.
- F. A pre-bid conference may be scheduled for potential bidders at the discretion of the responsible MSHN Chief-level Administrative Officer in consultation with the Chief Financial Officer. The date, time and place of the pre-bid conference will be included in the advertisement/posting. Attendance at the pre-bid conference may be optional or mandatory at the discretion of the MSHN. The purpose of the pre-bid conference shall be to provide an overview of the RFI/RFP/RFQ, to profile the population to be served, and to address questions relevant to the RFI/RFP/RFQ.
- G. Bid Opening:
 - 1. The date and time for the bid opening will be included in the RFI/RFP/RFQ.
 - 2. The total bid amount will be recorded and maintained as an official document of the RFI/RFP/RFQ process and maintained by the finance department.
- H. Evaluation of Proposal/Quote:
 - 1. The responsible Chief-level Administrative Officer may at his/her discretion utilize a Proposal Evaluation Committee to evaluate and rate submitted proposals. If utilized, the Committee will be comprised of MSHN staff, stakeholders and/or member CMHSP staff, as determined

appropriate by the responsible Chief-level Administrative Officer in consultation with the Chief Financial Officer.

2. The responsible Chief-level Administrative Officer will coordinate committee activities and may serve as chairperson of the committee. The chairperson will be responsible for scheduling and coordinating bid-evaluation meetings.
 3. Stakeholders/Members selected for the committee will be screened to assure there exists no conflict of interest or bias toward any of the bidders. A committee member shall not be required to cite the reason for a conflict of interest.
 4. Committee members shall, prior to opening of the bids, determine the process for reviewing and evaluating the proposals, in accordance with bidder requirements stated in the RFI/RFP/RFQ, and shall reach group consensus on the criteria to be used to rate the bids. Whenever possible, this evaluation criteria shall be reduced to writing and developed prior to the release of the RFI/RFP/RFQ.
 5. The responsible Chief-level Administrative Officer shall ensure that each committee member has an opportunity to review the bid packages.
 6. Budget information and financial statements submitted as part of the bid will be reviewed and evaluated by the MSHN Chief Financial Officer (CFO) for completeness, fiscal integrity, etc.
 7. The review and evaluation process shall be confidential. Committee members shall not discuss or disclose information about submitted bids or the review process with anyone outside the committee, including prospective bidders, until after the process is complete.
 8. Questions requiring a response from bidders will be directed to the responsible Chief-level Administrative Officer for inquiry, and responses will be sent to all bidders after responses are approved by the Chief Financial Officer.
 9. Committee members shall use a point value system to score the proposals and shall document reasons why points were awarded as they were, including the award of bonus points, if any.
 10. Committee members may be asked to check references furnished by the bidder, necessitating contacts with other CMHSPs, licensing agents, stakeholders, consumers, recipient rights staff, and clinical and administrative staff. Findings from reference checks and site visits will be confidential and shared only with committee members.
 11. Committee members will individually rate each bidder based on ability to provide the services specified in the RFI/RFP/RFQ. Proposals which fail to address the basic elements required in the RFI/RFP/RFQ may be eliminated from consideration.
 12. If a determination is made, by the responsible Chief-level Administrative Officer, to modify the RFP after initial mailing, all bidders will be informed and offered an opportunity to respond in writing with an extension of the due date offered. The Chief Financial Officer must approve the revision to the RFI/RFP/RFQ and associated communications to potential bidders.
 13. At the conclusion of the evaluation process, it shall be the responsibility of the responsible Chief-level Administrative Officer to assure that the result(s) of committee input and deliberation are documented together with rationale for the committee's recommendation(s).
 14. At the conclusion of the bid process, all bidders will be notified of the award.
- I. All written requests for proposals shall include the following language: "Mid-State Health Network reserves the right to reject any or all proposals and/or waive any defects or irregularities in proposals. MSHN also reserves the right to negotiate changes to the proposals, specifications, or other matters pertaining to the proposals that are deemed desirable by MSHN. Award of Contract, if made, will be to the vendor(s) whose proposal is in the best interest of MSHN in its sole discretion."
 - J. This procedure is designed for the benefit of MSHN only and is not intended to nor does it give rights to any proposed vendors or other third parties. MSHN reserves the right to make purchases and award contracts to other than the low proposal or low bidder, which purchase, or award is determined in the best interest of MSHN, in its sole discretion.
 - K. Exclusions and Exceptions are listed in the Finance Procurement Policy and apply to RFI/RFP/RFQ related activities covered under this policy.

- L. The responsible Chief-level Administrative Officer will present, in writing, the evaluation committee’s ratings and final recommendations to the Chief Financial Officer, who will develop a written recommendation to the Chief Executive Officer for approval. Once approved by the CEO and if required, the Chief Financial Officer, with assistance from the Chief-level administrative officer responsible for the purchase, will prepare a Board Background and Motion containing sufficient background information and underlying rationale to support the purchase recommendation to the Board of Directors.

Applies to:

- All Mid-State Health Network Staff
 Selected MSHN Staff, as follows:
 MSHN CMHSP Participants: Policy Only Policy and Procedure
 Other: Sub-contract Providers

Definitions:

Chief-level Administrative Officer: MSHN officer of administrative services (The Deputy Director and all approved positions that include the word “Chief” in the position title.)

Best Value: Process used in competitive negotiated contracting to select the most advantageous offer by evaluating and comparing factors in addition to price

CEO: Chief executive Officer

CFO: Chief Financial Officer

GSA: General Services Administration; The executive agency responsible for supervising and directing the disposal of surplus personal property

MiDeal: Extended purchasing program which allows Michigan local units of government to use state contracts to buy goods and services

MSHN: Mid-State Health Network

REMC: Regional Educational Media Center

RFI: Request for Information

RFP: Request for Proposal

RFQ: Request for Quote

Other Related Materials:

MSHN Procurement Policy

MSHN Operating Agreement

References/Legal Authority:

2 CFR 200; Subpart D; Sections 318 through 326

Change Log:

Date of Change	Description of Change	Responsible Party
08.2014	New Procedure	P. Keyes
03.2018	Procedure Update	Chief Financial Officer
03.2019	Procedure Update	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
07.2022	Clarification Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer