

## POLICIES AND PROCEDURE MANUAL

<b>Chapter:</b>	<b>Financial Management</b>		
<b>Title:</b>	<b>Finance – Procurement through Request for Proposal Procedure</b>		
<b>Policy:</b> <input type="checkbox"/>	<b>Review Cycle:</b> Annually	<b>Adopted Date:</b> 08.01.2014	<b>Related Policies:</b> Financial Management Procurement Policy
<b>Procedure:</b> <input checked="" type="checkbox"/>	<b>Author:</b> Chief Financial Officer	<b>Review Date:</b> 03.2018	
<b>Version:</b> 1.0		<b>Revision Eff. Date:</b>	
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**Purpose:**

The purpose of this procedure is to provide guidance to staff utilizing a Request for Proposal (RFP) or Request for Quote (RFQ) 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 RFP or RFQ will be initiated at the request of the MSHN Chief Executive Officer or his/her designee.
- B. The responsible Administrative Officer will coordinate development of the RFP/RFQ documents and shall include input from staff, stakeholders and Community Mental Health Service Program (CMHSP) Participants as appropriate.
- C. Advertisements in various media (regional newspapers and/or appropriate trade publication or website) will be used to publicize RFP/RFQ when competitive bidding is required. All 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 contracting for the type of service addressed by the RFP/RFQ.
- D. Questions in response to an RFP/RFQ must be submitted in writing to the responsible Administrative Officer on or before the deadline specified in the RFP/RFQ.
- 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 Administrative 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 RFP/RFQ, to profile the population to be served, and to address questions relevant to the RFP/RFQ.
- G. Bid Opening:
  - 1. The date and time for the bid opening will be included in the RFP/RFQ.
  - 2. The total bid amount will be recorded and maintained as an official document of the RFP/RFQ process.
- H. Evaluation of Proposal/Quote:
  - 1. The responsible 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 Administrative Officer.
  - 2. The responsible 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 RFP/RFQ, and shall reach group consensus on the criteria to be used to rate the bids.
  5. The responsible 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.
  8. Questions requiring a response from bidders will be directed to the responsible Administrative Officer for inquiry, and responses will be sent to all bidders.
  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 RFP/RFQ. Proposals which fail to address the basic elements required in the RFP/RFQ may be eliminated from consideration.
  12. If a determination is made, by the responsible 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.
  13. At the conclusion of the evaluation process, it shall be the responsibility of the responsible Administrative Officer to assure changes or modifications to the RFP that occurred as a result of committee input and deliberation shall be 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. Obtaining cost proposals through the RFP process shall not apply to:
    1. The purchase of food and consumable supplies.
    2. Goods or service contracts entered into under the State of Michigan "MiDeal" program, the State of Michigan "REMC program," or the United States Federal Government's "GSA program."
    3. Sole Source Exceptions. In the case of sole source exceptions, a letter is to be attached to the contract stating the reason for application of this exception.
    4. Under certain circumstances, MSHN may contract with providers through single-source procurement without a competitive procurement process. These circumstances may include any one or more of the following, and shall be documented by the responsible Administrative Officer and verified by the MSHN CFO or CEO:

- a. The service is available only from a single source;
  - b. There is an urgent or emergent need for the service;
  - c. After solicitation through a number of sources, there is a lack of qualified provider candidates;
  - d. The services sought are unique or highly specialized;
  - e. The services sought are professional services of limited quantity or short duration (e.g. Psychological testing);
  - f. Through the person-centered planning process, the consumer has chosen a qualified non-network provider as his/her provider of choice.
  - g. Where, for purposes of continuity of care, an existing qualified network provider or provider panel may be selected to provide a service.
- L. The responsible Administrative Officer will review the committee's ratings and final recommendations with the CEO or designee.

**Applies to:**

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

**Definitions:**

Administrative Officer: MSHN officer of administrative services (Chief Executive Officer, Chief Financial Officer, Deputy Director, Chief Clinical Officer, Chief Information Officer)

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

RFP: Request for Proposal

RFQ: Request for Quote

**Other Related Materials:**

MSHN Procurement Policy

MSHN Operating Agreement

**References/Legal Authority:**

OMB Circular 2 CFR 200 200.320 Procurement Standards.

**Change Log:**

Date of Change	Description of Change	Responsible Party
08.2014	New Procedure	P. Keyes
03.2018	Procedure Update	Chief Financial Officer