



Community
MENTAL HEALTH
CLINTON • EATON • INGHAM

REQUEST FOR PROPOSAL

FINANCIAL, SINGLE AND COMPLIANCE
EXAMINATION AUDIT SERVICES

CLINTON, EATON, INGHAM COMMUNITY MENTAL HEALTH AUTHORITY

REQUEST FOR PROPOSALS FOR FINANCIAL AND COMPLIANCE EXAMINATION AUDIT SERVICES

I. OVERVIEW OF REQUEST FOR PROPOSAL (RFP)

Community Mental Health Authority of Clinton, Eaton and Ingham Counties (CMHA-CEI) is requesting proposals from certified public accounting (CPA) firms to perform financial, single compliance examination audits. We invite your firm to submit a proposal to us for consideration. A description of our organization, the services needed, and other pertinent information follows:

II. DESCRIPTION OF ORGANIZATION

CMHA-CEI is a public, governmental body, initially formed by the County Commissioners of Clinton, Eaton and Ingham Counties in 1964, has a 12-member board of directors appointed by the County Commissioners of all three counties, and is responsible for the behavioral health and related service needs of approximately 12,000 residents of the tri-county area in four populations:

- Children and adolescents with severe emotional disturbance
- Adults with mental illness
- Adults, children, and adolescents with intellectual and developmental disabilities
- Persons with substance use disorders

CMHA-CMHA-CEI began operations as a federally funded community mental health center, serving the residents of Lansing. In the years since, responsibility for funding and service coordination passed to the State of Michigan which, through the state Mental Health Code, passed legislation transferring greater levels of responsibility for mental health services from the State to local government. As a "local" Community Mental Health Organization, over the years CMHA-CEI has taken on various managed care functions across the tri-county area, in addition to service delivery, including: making determinations about the package of services that a consumer receives, resolving complaints and disputes, contracting with and paying bidders/sub-contractors, ensuring compliance with federal and state requirements, making decisions as to how to use funds by serving persons in more cost effective ways, and measuring and ensuring the performance of the system in a wide range of areas.

Today, through various Federal and State funding sources, CMHA-CEI provides an array of services to individuals and their families needing treatment or supports for mental illness, intellectual and developmental disabilities, substance use disorders and/or co-occurring disorders. CMHA-CEI has a broad array of directly-operated

behavioral health programs, as well as contractual relationships with a number of sub-contractor providers.

III. SCOPE OF SERVICES

Annual Audit Requirements

- A. 3-year contract for audit services with CMHA-CEI option to cancel or extend contract on a year to year basis.

- B. Timeframe for completion of annual audit
 - 1. Initial Planning Meeting- November.
 - 2. Interim field work -Early December.
 - 3. Regular field work- January.
 - 4. Issuance of draft financial statements and management letter-beginning of March.
 - 5. Meeting with management staff to discuss financial statements and management letter-beginning of March.
 - 6. Issuance of final financial statements and management letter-late March.
 - 7. Presentation of final reports to the Finance Committee of the CMHA-CEI Board of Directors-April.

- C. Required annual reports
 - 1. General Purpose Financial Statement and Independent Auditor's Report stating whether the financial statements present fairly, in all material respects, the financial position of CMHA-CEI, in conformity with generally accepted accounting principles.
 - 2. Report to Board of Trustees (Wrap-up)
 - 3. Michigan Department of Health and Human Services (MDHHS) Compliance Examination (Attestation)
 - 4. Single Audit of Federal Awards by the Uniform Guidance

- D. Audit Standards
 - 1. Audit will be in accordance with generally accepted auditing standards.
 - 2. Audit of federal programs will be made in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States; OMB Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations; and with the Michigan Department of Health and Human Services audit guidelines.
 - 3. Community Health compliance report will be completed in accordance with the CMH Compliance Examination Guidelines issued by M

MDHHS.

- E. Compliance review of financial information provided in MDHHS cost report.

IV. CONTENT OF PROPOSALS

Written proposals should contain the following elements:

- A. Business Organization and History: State the full name, address, phone, fax and email contact information for the company. Provide an overview of the company's history including size, range of services and volume of work.
- B. Narrative: Provide a narrative summary description of the proposed effort and of the services to be delivered.
- C. Documentation: State the percentage of the firm's 2019 revenues related to auditing.
- D. Relevant Experience: Describe your organization's prior experience auditing governmental entities, auditing behavioral and physical health industry, including Medicaid fee-for-service and prepaid-capitation systems. Provide information on whether you provide services to any related industry associations or groups.
- E. Resume and Credentials: Provide resumes of staff to be assigned to CMHA-CEI project for fiscal year 2019 if you are successful in your bid including credentials and relevant experience. This must include the supervising partner/principal, the audit supervisor/manager, in-charge accountant and audit staff. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.

Note: staff assigned to the CMHA-CEI audit in ensuing years must have equal or better qualifications. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.

- F. Approach: Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.
- G. Price Proposal: Attach a schedule with an outline of the costs for audit services for:

1. FY 2019
 2. FY 2020 (at CMHA-CMHA-CEI option to extend)
 3. FY 2021 (at CMHA-CMHA-CEI option to extend)
 4. Furnish standard billing rates for classes of professional personnel for each of the last three years.
- H. References: Provide the names and contact information for three relevant audit references similar in size and scope of CMHA-CEI who can speak to your company's work during the past 2-3 years.
- I. Peer Review: Include a copy of your firm's most recent peer review.
- J. Independence: Provide an affirmative statement that your company is independent of CMHA-CEI.
- K. This information may be submitted in any format; however, CMHA-CEI prefers that your responses be as succinct as possible.

V. PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

A. Response Date

Proposals must be received by the Contract and Network Administrator at Community Mental Health Authority of Clinton, Eaton, and Ingham Counties, 812 E. Jolly Rd., Suite 311, Lansing, Michigan 48910, no later than **3 P.M. on June 3, 2019**. Proposals must be clearly marked "RFP – Financial, Single and Compliance Examination Audit Services, Attn: Brittany Pazdan" on the outside of the envelope. Envelope must include the name and address of the RFP bidder.

B. Incurring Costs

Proposals should be prepared simply and economically to provide a concise description of the company's capabilities to perform the services required.

CMHA-CEI will not be responsible for any costs incurred in the preparation of proposals in response to this RFP; nor will CMHA-CEI be responsible for any costs incurred if the bidder is invited to make an oral presentation to the evaluation team.

C. Signature

An official authorized to bind the bidder to its provisions must sign all proposals.

D. Effective Period

All proposals submitted to this RFP must be valid for at least 60 days.

E. Number of Copies

Bidders must submit one hard copy must be submitted with the cover letter signed by an officer authorized by your organization as well as one electronic copy of the proposal

F. Withdrawal

The proposal may be withdrawn in person or by written request, unless CMHA-CEI has accepted the proposal in writing. All proposals submitted are subject to the terms of the Freedom of Information Act, and will be retained by CMHA-CEI, whether or not the Bidder selected has submitted the proposal with the lowest costs.

G. Proposal Submission

Faxed or late proposals will not be accepted.

H. Bidder Questions

Questions or comments regarding this RFP must be put in writing and received by the Authority no later than 4:00 p.m. EST on May 27, 2019. Written questions are to be e-mailed to pazdan@ceicmh.org with the subject line, "RFP – Financial, Single and Compliance Examination Audit Services."

The Authority shall not be obligated to answer any questions received after the above-specified deadline or any questions submitted in a manner other than as instructed above. Responses to written questions will be dispersed to interested parties as well as posted on our website by May 30, 2019.

VI. EVALUATION CRITERIA

The proposals submitted will be evaluated by a committee comprised of management, financial, contract management staff and board of directors. Evaluation criteria shall include, but not be limited to, the understanding of the proposed engagement as evidenced by the quality of the proposal response, relevant experience, references, firm's peer review report, qualifications of the bidder, interviews with senior engagement personnel assigned to our organization and total proposed cost.

VII. SELECTION PROCESS

CMHA-CEI reserves the right to reject any or all proposals and/or waive any defects or irregularities in proposals. Award of a contract, if made, will be made to the bidder whose proposal is in the best interest of CMHA-CEI in its sole discretion. CMHA-CEI also reserves the right to negotiate changes to the proposals, specifications, required elements, or other matters pertaining to the proposal that may be deemed desirable to CMHA-CEI.

VIII. GENERAL INFORMATION

A. Oral Presentation/Interview

Upon request by CMHA-CEI, some bidders may be selected to make an oral presentation or interview with the evaluation committee. The decision to interview will be made by the evaluation committee in its sole discretion.

B. Proposal Retention

CMHA-CEI will retain all proposals submitted.

C. Acceptance of Proposal Content

The contents of the proposal of the selected bidder may become contractual obligations. Failure to accept these obligations may result in cancellation of the selection.

D. Type of Contract

It is expected that a contract entered into as a result of this RFP will be a 3 Year agreement for the provision of audit services with CMHA-CEI option to cancel or extend contract on a year to year basis.

E. Non-Discrimination

CMHA-CEI contractors shall not discriminate against a vendor with respect to hire, tenure, terms, conditions or privileges or employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status, or disability that is unrelated to the vendor's ability to perform the duties of a particular job or position. The vendor shall observe and comply with all applicable federal, state, and local laws, ordinances, rules, and regulations which shall be deemed to include, but not limited to, the Elliot-Larsen Civil Rights Act and the Persons with Disabilities Civil Rights Act.

F. Freedom of Information Act

Information submitted in response to this solicitation is subject to the Michigan Freedom of Information Act and may not be held in confidence after the proposal is received.