

INTEGRATED SERVICES OF KALAMAZOO

ADMINISTRATIVE PROCEDURE 02.01_02

Subject: Procurement of Goods and Clinical Services	Section: Provider Network Management
Applies To: <input checked="" type="checkbox"/> ISK Staff <input checked="" type="checkbox"/> ISK Contract Providers	Page: 1 of 8
Revised: 02/16/2019	Supersedes: 01/26/2016

PURPOSE

To establish uniform standards and procedures for the competitive procurement of contracted Consumer goods and services, and providers of mental health and co-occurring services.

Integrated Services of Kalamazoo (ISK) will formally review the need for procurement in all service areas at a minimum of every two years. The following procedures will be used when reviewing the need for procurement and the implementation of any necessary procurement for identified service needs.

ISK staff will follow the guidelines outlined in policy [08.19 \(Procurement Guidelines\)](#) for the procurement of non-consumer services, in conjunction with the requirements outlined within this policy for the Request for Proposal (RFP) process (Section III-VI).

PROCEDURE

I. OVERVIEW

ISK shall use a uniform process for procurement of consumer goods and services purchased by contract. This process shall comply with Michigan Department of Health and Human Services (MDHHS) contract requirements, Southwest Michigan Behavioral Health (SWMBH) policies and Federal procurement standards.

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

II. IDENTIFICATION OF NEED FOR PROCUREMENT FOR CLINICAL PROGRAM SERVICES

A. At least every two years, ISK staff will conduct a Service Review Process for the full-service array based on the established service review schedule. The Director of Quality Management and Contract Services, the Contracts Planning Committee, and the Senior Executive will conduct the Service Review Process for

the clinical programs and services. The review process is data-based and provides a review of the need for procurement in specific service areas. Programs, providers, and service areas will be reviewed for utilization patterns, outcomes, capacity concerns, choice options, service quality, service gaps, evidence-based practices, and provider fiscal viability. Based on the review process, a decision may be made to:

1. Open panel for any willing qualified provider;
 2. Procure services through a competitive process
 3. Procure services through a non-competitive process as supported by exhibit [02.01_02B \(Exceptions to Competitive Procurement\)](#);
 4. Request a system plan of correction;
 5. Make a change in service array or service design; or
 6. Make an adjustment in procedures.
- B. The recommendations from the review process will be provided to the Provider Network Workgroup for formal recommendation and would then be presented to the ISK Chief Executive Officer (CEO) and/or Deputy Director of Program Services for approval and signature.
- C. ISK generally uses a two-year contract for those providers awarded a service contract. When a service is going to be procured, a one-year extension may be made to the current standard contract to accommodate the procurement process and decisions to be made during that year. Efforts will be made to align contract renewal cycles. Contracts awarded through the procurement process will generally be awarded a one-year contract to be followed by the standard two-year contract barring any concerns identified in the Service Review Process. All services must be procured at least once every eight years or as determined by the formal review process that occurs every two years. Exceptions of Competitive Procurement will be documented on exhibit [02.01_02B \(Exceptions to Competitive Procurement\)](#).
- D. The Contract Department will assist with coordination and the facilitation of the development of the RFP to ensure consistency and compliance with procurement rules, policies, and procedures.

III. DEVELOPMENT OF THE REQUEST FOR PROPOSAL

- A. The following steps will be used in the RFP development:
1. The Contracts Planning Committee, Provider Network Workgroup, relevant Department Heads or Senior Executives, the Deputy Director of Administrative Services, and the Deputy Director of Program Services determine procurement schedule.
 2. The Quality Management and Contract department reviews current regulatory requirements for fair and open procurement processes and communicates any changes to the relevant ISK staff and committees.

3. Contract Services staff, with the Contracts Planning Committee and applicable Senior Executive staff, identifies provider panel eligibility criteria based on current boilerplate compliance, laws and regulations.
 4. Population Teams will determine the number of providers that will be needed for each service.
- B. As program services and/or goods are selected for procurement, a RFP team will be developed with membership that is representative across relevant departments and stakeholders. The team will include, but may not be limited to, staff from Senior Executive Leadership, Provider Network, Finance, Quality Management and individuals served as applicable. A staff lead from the Contracts Department will be identified at the onset of the RFP development.
- C. Prior to the development of the identified RFP, an internal stakeholder review and discussion will occur for considerations related to potential changes in payment structure, program design, program service delivery model, etc. The identified team lead, in collaboration with the RFP team, will then write the Request for Proposal using the ISK standardized RFP templates for Administrative procurement and Clinical services procurement.
- D. The RFP team is responsible for the creation of the specific procurement review and decision criteria based on service specifications.
- E. For program service procurement, Provider Network staff, in partnership with Contract staff, writes service specifications for the service to be procured.
- F. The RFP team shall develop a timeline for the procurement, which will include Provider Network Workgroup review, and an internal timeline defining roles and responsibilities for each RFP developed.
- G. Contract staff will ensure the development of the scoring tool and act as an impartial facilitator to ensure compliance with all rules, regulations, and consistency in the fair and equitable processes.
- H. Contract Services or identified RFP team staff will notify the current provider panel and interested parties of the issuance of an RFP through regular mail delivery or via e-mail.
- I. Notice of request for proposals will be posted in the legal section of applicable newspapers.
- J. Applicants will be directed to the ISK web-site (<https://iskzoo.org/>) where RFPs will be posted by Contract Services.
- K. Contract Services will maintain RFP content on the public portal.

- L. Contract Services will facilitate bidders' conferences and/or question and answer formats from RFP applicants, where applicable.
 - 1. Questions will be taken at the Bidders' Conference, as provided, through email for an identified time period thereafter. Questions submitted after the end of the question and answer period will not be answered.
 - 2. All questions and answers will be documented in writing and made available to all bidders.
 - 3. Proposal due dates will be clear and provided in the packet and at the Bidders' Conference when one occurs.
 - 4. Proposals will be date and time stamped upon receipt at the ISK offices or electronically. Postmarks will not be accepted for determination of timeliness.

- M. Proposals are to come to the ISK administrative offices, as well as an electronic version sent to Contract Services staff upon request within the issued RFP. Proposals received in the administrative offices shall be stamped with a date of receipt on the envelope and remain unopened.

- N. 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 year's audit (or as otherwise indicated in the RFP), 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 ISK.
 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 ISK Vision, Mission and Guiding Values.
- D. Provider capability, experience and expertise.
- E. Demonstrated understanding of the scope, objectives and requirements of the services as outlined in the RFP.
- F. Professional licensure and compliance with ISK credentialing / re-credentialing requirements as outlined in ISK policy [02.09 \(Credentialing, Re-Credentialing and Criminal History Screening\)](#) and associated exhibits.
- G. Quality Improvement Process
- H. Provider performance and consideration of any concerns or issues identified through the ISK Quality Monitoring Review process or contract sanctions.

V. PROPOSAL REVIEW PROCESS

- A. In developing the review team, efforts will be made to select and include individuals served and family members, when applicable. 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 prior to the review of submitted materials from prospective providers. If a conflict of interest presents itself upon receipt of applicants, the review team member(s) will withdraw from the RFP 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. The RFP team will make a recommendation of provider selection to the Deputy Director of Program Services and/or the Deputy Director of Administrative Services for review and approval.
- D. The final selection recommendation will then be provided to the ISK CEO/Deputy Director of Program Services and/or the Deputy Director of Administrative Services based on the review team recommendations and

completed credentialing of the recommended provider. The recommendation to the ISK CEO/ Deputy Director of Program Services and/or the Deputy Director of Administrative Services will be part of a RFP Summary.

- E. Contract Services will send applicants notification electronically or by letter of denial and/or award of a contract.
- F. 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. Questions and Answers regarding the RFP or minutes from a bidders' conference and any materials distributed to bidders.
- C. One original hard copy of all proposals submitted in response to a 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. The final aggregate scoring compilation.
- H. Materials from oral presentations.
- I. RFP Summary which includes recommendations to the ISK CEO.
- J. Communication (letters and e-mail) to applicants awarded the bid and to those denied to the provider panel.

VII. DOCUMENTATION OF PROCUREMENT EXCEPTIONS

- A. The ISK Exceptions to Competitive Procurement form shall be used to document the process for selecting providers using non-competitive procurement.
 - 1. The form shall be completed by the ISK Contract staff and signed by the CEO or Deputy Director of Program Services or Deputy Director of Administrative Services.
 - 2. The completed and signed form shall be filed with the Contract Department procurement documentation.

- B. When the procurement methods of “Any Willing and Qualified Provider (Open Panel)” is used, the form will be completed by Contract Services and will be additional documentation to the RFP process documentation.

VIII. LIMITED APPEAL REVIEW PROCESS

In accordance with Policy [02.01 \(Procurement of Mental Health and General Management Services\)](#), an internal review process will take place when a bidder chooses to appeal an award decision. The internal review process will be limited to alleged violations of the procurement process and shall not address the qualitative review by the Review Teams. Appeal determinations will be made within 2 weeks of the receipt of all required information from the bidder. The following steps will occur for this process:

- A. Bidder will document objections in writing and will submit to the Director of Quality Management and Contract Services by the date specified in the RFP.
- B. The bidder’s objection, along with supporting documentation, will be initially reviewed by the Deputy Director of Program Services and the Deputy Director of Administrative Services to assess grounds for the bidder appeal.
- C. The ISK internal review committee will then convene to render a final determination. The internal review committee will be comprised of the CEO, Deputy Director of Administrative Services, and other identified relevant staff who were not involved in the particular RFP that is under review.

REFERENCES

- 42 CFR Parts 400 et al. (Balanced Budget Act) X CRF 438.12
- ISK Policy [02.01 \(Procurement of Mental Health and General Management Services\)](#)
- ISK Policy [02.05 \(Contract Development\)](#)
- ISK Policy [02.09 \(Credentialing, Re-Credentialing and Criminal History Screening\)](#)
- ISK Policy [08.19 \(Procurement Guidelines\)](#)
- Federal Procurement Standards
- OMB Circular A-87
- MDHHS Contract

EXHIBITS

- A. [ISK RFP Review Team Attestation](#)
- B. [Exceptions to Competitive Procurement](#)
- C. [Procurement Service Review Process](#)

INTEGRATED SERVICES OF KALAMAZOO

Request For Proposal (RFP) Review Team Attestation Statement

As a participant in the ISK 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 ISK 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 ISK RFP Review Team.

Signature

Date

Name (print)

Title

Conflict of Interest Disclosure

Name

Conflict of Interest (*please describe*):

Integrated Services of Kalamazoo
EXCEPTIONS TO COMPETITIVE PROCUREMENT

Date: _____
Staff Completing form: _____
Service: _____
Provider(s) Effected: _____
Populations Served: _____

In accordance with ISK 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:

ISK CEO or Deputy Director of Program Services

**Integrated Services of Kalamazoo
PROCUREMENT REVIEW PROCESS**

Date:	Staff Completing Form:
Service Element:	

Current Providers:

Agency/Vendor

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

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

Integrated Services of Kalamazoo
PROCUREMENT REVIEW PROCESS

What efforts have already been taken to resolve issues identified above?
Any other providers or community agencies/vendors interested in entering the market /providing this service? If yes, identify:
Recommendation to Provider Network Workgroup (PNWG):
<input type="checkbox"/> No Procurement – contracts to be extended for 2 years
<input type="checkbox"/> Procurement through Competitive Process – contract to begin: _____ (date)
<input type="checkbox"/> Immediate Procurement – contract to begin: _____ (date)
<input type="checkbox"/> Non-Competitive Procurement – see attached Exceptions to Competitive Procurement (02.01_02B)
<input type="checkbox"/> ISK will provide service directly
Other Action to be taken (explain):
For services to be procured through a Competitive Procurement Process: <input type="checkbox"/> Any willing and qualified provider (open panel) <input type="checkbox"/> Selective Procurement – requires a single or limited number of providers <input type="checkbox"/> Competitive Procurement
If RFP will be issued, identify goal of the procurement process:
Date of PNWG Approval:
Date of CEO, Deputy Director of Program Services and/or Deputy Director of Administrative Services:
Other comments/details regarding Procurements or Action to be taken related to this service:

Signatures:

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