

# ***SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY***

## **ADMINISTRATIVE POLICY**

**NUMBER: BA080**

**NAME: PROCUREMENT AND BID POLICY**

INITIAL APPROVAL DATE:	02/19/2002	BY: Sanilac CMH Board
(LAST) REVISION DATE:	09/11/2024	BY: CFO
(LAST) REVIEW DATE:	12/12/2024	BY: Policy Committee
DISCONTINUED DATE:	N/A	BY: N/A

### **I. PURPOSE**

Sanilac County Community Mental Health Authority (Sanilac CMH) will encourage open and free competition in the purchase of all supplies, merchandise, and articles and services for the operation of its programs. The intent is to accomplish this objective while minimizing the administrative costs of implementing this policy.

### **II. POLICY**

This policy shall apply to the purchase of equipment, capital improvements, supplies, and contract services.

Professional assistance such as legal services, computer consultants, auditing, engineers, architects, etc. is not required to be bid but may be bid at the discretion of the Sanilac CMH Board.

In addition, certain provisions of this policy may be waived by the Sanilac CMH Board for the purpose of utilizing a single source vendor.

### **III. DEFINITIONS**

- A. Procurement – Includes all stages of the process of acquiring products and services, beginning with the process for determining a need for a service and ending with contract completion.
- B. Single Source: Situations in which a product or service can only be provided by a limited number of vendors. Examples would be customized lift vans, telepsychiatry services, language interpreters, specialized service contractors, etc.

### **IV. STANDARDS**

- A. The procurement process outlined in this policy will be used for the acquisition of all property and services, including certain designated mental health services (together, Procurement Transactions), specifically excluding those outlined below. The Board will sole source a contract in the following types of situations:
  - 1. There is a public emergency service need that must be fulfilled and the nature of the emergency precludes following a competitive process because of the delay involved in such a process.

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2. The service is available only from one single source.
  3. After solicitation of a number of sources, competition is determined inadequate.
  4. The services involved are professional services (e.g., psychological testing) of limited quantity or duration.
  5. The services are unique (e.g., financial intermediaries for recipient's using vouchers or personal service budgets) and/or the selection of the service provider has been delegated to the consumer under a self-determination program.
  6. Existing residential service systems, where continuity of care arrangements are of concern.
- B. Designated procurement transactions for the acquisition of property or services will be obtained or sub-contracted using the Request for Proposal (RFP) process. In-house capabilities and capacity are reviewed prior to completion of the RFP. After this review is complete, it is determined which needed services can be outsourced and why. The nature and scope of services that may be outsourced are those found in the MDHHS Medicaid Provider Manual (Sections Behavioral Health, Intellectual & Developmental Disability, Substance Use Disorder and CCBHC). The Board reserves the right to issue a Request for Information (RFI) to pre-qualify bidders for an RFP process. The RFP must include:
1. A clear description of any technical requirements of the bidder (capital reserve, staffing, IS capacity, experience of organization, etc.) specifically indicating what is *required* versus *preferred*.
  2. An evaluation process that indicates what factors are used for evaluation and a timeframe for completion.
  3. A cost/price analysis using a weighted cost method indicating that cost alone is not a determinative factor.
  4. A clear indication of how cost/price negotiations will occur.
  5. Any modifications to the RFP must be in writing and sent to all who received the original RFP.
  6. The evaluation process will include a team of reviewers who are free from any conflict of interest or bias and will include an individual whenever possible and practicable. The evaluation team must reach consensus on the decision to select a successful bidder.
  7. All documents pertaining to the Procurement Process will be maintained by the Agency for at least four (4) years.
  8. The person identifying the service need will provide notice to the appropriate parties that there is a need for a particular service.
  9. The appropriate parties will discuss the request for service with the CMH Management Team. The Management Team shall make a recommendation based on pre-

established criteria, which type of provider solicitation will be made.

10. Contract Management prepares a request following the pre-established format outlined in the RFP. NOTE: This RFP may be modified to accommodate a particular request.
11. Contract Management will then publish a public notice.
12. Contract Management will provide a general announcement to the current provider network of the RFP.
13. Contract Management will distribute an RFP to all parties requesting one.
14. On the due date outlined in the RFP an Administrative Review Team (which is made up of at least contract management, fiscal staff, and an individual with clinical/programmatic experience of the target population/service area of the RFP) reviews each proposal and evaluates according to the evaluation materials included in the RFP. This review may include requests from any provider for any additional information and/or oral presentation as appropriate. The Team verifies, using the MSA listing – Notice of Suspended Providers or telephoning 1-800-292-2550, that the potential contract award recipient has not been suspended by MSA; and selects within 60 days the most appropriate service providers OR processes another RFP if no provider was considered appropriate.
15. Contract Management then notifies all parties of the result of the RFP, and then develops a contract.

**C. Competition**

1. All procurement transactions for the acquisition of property or services must be conducted in a manner providing full and open competition and must not:
  - a. Restrict competition,
  - b. Place unreasonable requirements on firms in order for them to qualify to do business,
  - c. Require unnecessary experience and excessive bonding,
  - d. Create noncompetitive pricing practices between firms or between affiliated companies,
  - e. Create noncompetitive contracts to consultants that are on retainer contracts,
  - f. Create organizational conflicts of interest,
  - g. Specify only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement. A brand name can be used only as a description of a product, but not as a requirement of the vendor.
  - h. Create any arbitrary action in the procurement process.
2. The process cannot impose geographical preferences.
3. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft grant applications, or contract specifications, requirements, statements of work, invitations for bids and/or requests for proposals, shall be excluded from competing for such procurements.

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4. There must be written procedures for the procurement process with a clear description of requirements.
5. There shall be a description of all requirements that must be fulfilled as well as other factors that will be used in evaluating bids and proposals.

### **V. BIDS**

#### **A. Bid Dollar Ranges**

When determining bid dollar ranges, the Agency will make a good faith effort to determine the appropriate range and follow the outlined processes and include documentation to confirm the good faith effort. The bid ranges outlined below apply only to one-time purchases or new contractual arrangements involving a new vendor or new service. Any contractual ongoing services are approved with the normal contractual board approval process which is done in aggregate on a regular basis to approve changes in cost or by following the RFP process. This applies to IT services and subscriptions, Residential Services, Inpatient Services, Clinical Contractual Services, etc.

1. \$0 - \$10,000
  - a. Programs are encouraged to conduct pricing comparisons by telephone, or other methods. Written specifications for this dollar range are not required.
  - b. Advertisements are not required for items in this dollar range.
  - c. No Board action is required for items in this category other than auditing of monthly claims.
2. \$10,001 - \$35,000
  - a. Whenever possible, programs are required to obtain at least 3 written bids. Each bid should be kept on file.
  - b. Advertisements are not required for items in this dollar range.
  - c. All bids are to be submitted to the appropriate Board Committee and Board for bid award.
3. \$35,001 or more
  - a. Whenever possible, programs are required to obtain at least 3 closed sealed bids. Each bid should be kept on file. (This requirement is omitted in single source situations with documentation.)
  - b. Notification of bid specification availability must be circulated at least one time in appropriate locations (i.e., posting on Agency external website, posting on Sanilac County website, advertising in the appropriate newspaper, posting to the Agency Facebook page, etc.). If certain brands of computer or other equipment are specified and if it is known that said brands are not available in Sanilac County, then circulation as provided above is not required. (This requirement is omitted in single source situations with documentation.)
  - c. All bids are to be submitted to the appropriate Board Committee and Board for bid award.
  - d. Because bids in this category must be closed and sealed, fax bids will not be accepted. Sanilac CMH will comply with 2 CFR 200.317-200.327.

### **VI. POLICY WAIVER**

Provisions of this policy may be waived from time to time by two of the three following: Board Chair, Board Vice Chair, Board Auditor and the CEO if following the normal purchasing policy

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would impair the ability to provide services and perform regular operations. Examples might include plumbing, electrical, heating, computer or similar problems where time or other constraints would not allow for normal bidding procedures.

1. Used Equipment - If used equipment is being purchased, advertisements are not required and bids are not required. Used equipment can vary in age, condition, etc. and bid comparisons would not be possible.
2. Residential Home Repairs and Client Needs – Residential home improvements or repairs and client needs do not need to be advertised even though the range for bids will follow the above ranges and board approval.
3. IT equipment and services through RHC – RHC (Rural Health Consortium) is an organization that bids out IT equipment and services and assists in selecting the best vendor at deep discounts. In many cases payment is made up front, and a rebate is received at a later date. When RHC is utilized the normal bid process stated above will not be followed.
4. Any construction projects that are completed internally, utilizing Agency maintenance staff, will not be bid out even if the project will exceed the bid range above. The project cost will be communicated to the Board if exceeding the bid range above.

### **VII. RECORDKEEPING**

Records should be maintained of bids received for documentation purposes. Whenever possible, a file will be maintained of bid specifications for various items in order to assist in future purchases of like items.

### **VIII. BID SUBMITTAL DEADLINE**

Bids received after stated deadlines will not be considered.

### **IX. DISCLAIMER**

Sanilac County Community Mental Health Authority reserves the right to reject any and all bids and choose the bid that is in the best interests of the Agency. Any vendor or parties who bid under this policy are doing so of their own free will and without liability to Sanilac County Community Mental Health Authority.

A bid may be awarded to a higher bidder for reasons such as, but not limited to, quality, service, reliability, convenience, dependability, etc.

### **X. REFERENCES**

2 CFR 200.317-200.327