

(was MCCMH Policy 5-05-030)

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Chapter: **PROVIDER NETWORK MANAGEMENT**  
Title: **PROCUREMENT OF SPECIALIZED RESIDENTIAL FACILITIES**

Prior Approval Date: 9/18/05  
Current Approval Date: 10/12/06

Approved by: \_\_\_\_\_  
Executive Director Date

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**I. Abstract**

This policy establishes the standards and procedures of the Macomb County Community Mental Health Board (MCCMH) regarding the procurement and development of specialized residential facilities.

**II. Application**

This policy shall apply to all current and prospective residential developers of the MCCMH Board who wish to submit a proposal to provide residential development for the MCCMH Board.

**III. Policy**

It is the policy of the MCCMH Board that the development of specialized residential facilities shall be procured through a formal competitive bid and Request For Proposal process pursuant to this policy.

**IV. Definitions**

**A. Competitive Bid**

The formal process of soliciting proposals/quotations for development of a specialized residential facility or facilities through public advertisements pursuant to the issuance of a Request For Proposal (RFP), MCCMH #199 (Exhibit A), by the MCCMH Board.

**B. Request For Proposal, MCCMH #199 (Exhibit A)**

The general specifications required for submission of a proposal/quotation for the development of a specific specialized residential facility or facilities as delineated by the MCCMH Board pursuant to applicable statute, rules, regulations, licensing requirements and the needs of the population to be served.

C. Delegated Function

Any function covered by the provisions of the federal Balanced Budget Act which the MCCMH, as a PIHP/MCO, is required to provide under contract with the Michigan Department of Mental Health that is assigned to a third party via contract between the PIHP and the third party.

**V. Standards**

- A. Selection of an entity to develop a specialized residential facility or facilities will be reviewed by the appropriate MCCMH consumer advisory councils. The process for behavioral health services shall include review by the MCCMH Citizens Advisory Council. The process for substance abuse services shall include review by the Substance Abuse Advisory Council.
- B. Selection of an entity to develop a specialized residential facility or facilities shall be accomplished through the process of competitive bids and Request For Proposals (RFP).
- C. Specialized residential facilities to be developed may include homes of new construction or existing homes with renovations in compliance with specifications of the RFP at the discretion of the MCCMH Board.
- D. Generally, specialized residential facilities to be developed shall be no larger than six beds. Exceptions shall be approved by the MCCMH Board.
- E. The MCCMH Board reserves the right to reject or to waive any defect(s) in any or all proposals/quotations.
- F. After the publication and release of the RFP is made, there will be no alteration, addition or deletion from the RFP packet without written notification of such to all bidders.
- G. Decisions regarding final approval of any or all proposals/quotations submitted through the process of competitive bids and RFPs shall be made solely by the MCCMH Board.

**VI. Procedures**

- A. Proposals/Quotations Development

1. Upon determination of need for a specialized residential facility or facilities, the MCCMH Business Manager or designee shall place an advertisement in the Public Notice section of the major newspapers serving Macomb and its surrounding Counties. The purpose of the advertisement shall be to notify interested entities of the planned specialized residential development and to invite them to contact the MCCMH Business Management Director's Office to secure a RFP package within ten (10) business days from the date of the advertisement.
2. The MCCMH Business Management Director or designee shall prepare a list of all entities requesting RFP packages, whether solicited via advertisement or other means, with identification of those who have previously developed residential facilities for MCCMH, other CMHSPs, or the Michigan Department of Community Health (MDCH). The MCCMH Business Management Director or designee shall forward an RFP package to all listed entities.
3. The RFP package(s) shall include, as applicable:
  - a. Announcement of the date, time, and location of a bidder's meeting for entities interested in submission of proposals/quotations to MCCMH for specialized residential development;
  - b. A copy of this policy;
  - c. A description of specific criteria to be met for the specialized residential facility or facilities to be developed;
  - d. Copy of MCCMH's standard/proposed lease for the residential facility or facilities;
  - e. Identification of the residential population to be served along with any special factors to be considered in facility development;
  - f. Designation of the applicable statutes, rules, regulations, licensing requirements to be satisfied;
  - g. Identification of PIHP/MCO delegated functions to be included in the contract;
  - h. The deadline date for submission of proposals/quotations which shall not be less than ten (10) business days from the printed public announcement. Proposals received after the deadline date will not be considered; and
  - i. A Network Provider Qualification Statement, MCCMH #200 (Exhibit B).
4. Proposals/quotations submitted for MCCMH Board consideration shall contain, at a minimum, the information listed below, with appropriate documentation. Proposals/quotations not including the information shall be subject to rejection.

- a. Site(s)
  - 1) location of proposed site(s)
  - 2) cost of proposed site(s)
  - 3) site improvements needed with estimate of costs(s)
  - 4) local zoning authority approval(s) for intended use
  - 5) availability of utilities (water, sewer, electricity, fuel, telephone)
  - 6) land accommodation for new or replacement septic system/drainage field, with County Health Department approval for site septic system, if applicable
  - 7) land control documents (deeds, land contracts)
  - 8) certified site surveys (two copies) with identification of existing structures, easements, appurtenances on the land
  - 9) site plan for new construction (2 copies) including soil content, contours, elevations, utilities, set-backs, monuments, plantings, etc.
  
- b. Facility(s)
  - 1) Copy of plans for new construction or renovation plans for existing building(s) in accordance with local building codes, statutes, rules, regulations, licensing requirements and MCCMH specific criteria;
  - 2) Costs of construction or renovation including all related costs, e.g., taxes, necessary permits, fees, mortgage payments (principal, interest, taxes, and insurance), etc.;
  - 3) Proposed lease terms including, but not limited to, length of lease, annual rent, taxes, insurances, special conditions, etc.; and
  - 4) Credit and financial statements, including business and personal references

B. Proposal/Quotation Selection

1. Proposal Evaluation Team
  - a. Proposal Evaluation Teams shall include appropriate staff and individual consumers and/or consumer interest groups.
  - b. The Proposal Evaluation Team shall examine, evaluate and score all submitted proposals/quotations for potential selection utilizing the Evaluation Criteria as stated in the RFP and the Network Application/Profiling information.
  - c. Team members shall receive reimbursement, **based upon hardship or need**,

for travel or other expenses directly related to procurement reviews with approval of the MCCMH Executive Director.

- d. The Team will submit a summary of the proposals/quotations, evaluation results and selection recommendations to the MCCMH Executive Director.
  - e. MCCMH Executive Director or designee(s) shall submit a recommendation to the MCCMH Board for final approval, along with information relative to other submissions and the rationale upon which recommendations are made.
2. Evaluation of proposals/quotations for potential selection of a RFP bidder shall include, as applicable:
- a. Assessment of costs of the proposal/quotation relative to submissions by other residential developers and the availability of public funds.
  - b. Prior history of the residential developer, from the Network Provider Qualification Statement (Exhibit B), as a satisfactory supplier of residential services provided to MCCMH, other Community Mental Health Service Programs (CMHSPs), or the Michigan Department of Community Health (MDCH).
  - c. Assessment of the soundness of the submitting residential developer as an organization or corporation to develop residential services.
  - d. Evaluation of prior contractual performance of the bidder under contract with MCCMH Board, if available.
  - e. Satisfaction of the submission requirements and criteria contained in the RFP and this policy.
  - f. Satisfaction of the following general specifications:
    - 1) the adequacy of space for the number and impairment considerations of persons who will be residing in the facility (see MCCMH MCO Policy 9-670, "Services for Consumers Affected by Physical Barriers", Reference D);
    - 2) the availability of an inter-connected multi-station smoke detection system powered by household electrical current which, when activated, initiates an alarm which is audible in all areas of the facility; is installed on all levels of the structure including unfinished levels; with additional strobe detectors in common activity areas; and with battery back-up to assure operation of the system in the event of power failure;

- 3) the availability of at least one bathroom which is barrier-free and includes a walk-in/roll-in shower;
  - 4) connection of all primary exits by a five foot sidewalk leading to a place of safety in front of the facility;
  - 5) availability of a garage which will accommodate a van for use by the residents; and
  - 6) installation of ramps, if needed, which are five feet wide and have no more than one inch fall per running foot.
3. If the proposal includes the procurement of any PIHP/MCO delegated functions, MCCMH will evaluate the prospective provider's ability to perform the activities to be delegated, based on the documentation submitted. MCCMH reserves the right to request further documentation to determine the prospective provider's ability to perform the specific function, prior to delegation.

C. Post-Approval Process

1. The MCCMH Business Management Director shall send written notice to those entities whose proposals/quotations were not approved for selection that their submissions were not selected and the reason for the decision, i.e. their relative score is insufficient.
2. Following approval by the MCCMH Board, the MCCMH Director of the Business Management Division shall send written notice (a facsimile transmission is acceptable) to the entity which submitted the accepted proposal/quotation informing it of the selection and approval of its proposal/quotation for the provision of residential services for MCCMH.
3. Following notification of MCCMH Board approval, the residential developer shall have thirty (30) days to finalize financing and obtain building permits for the project.
4. The MCCMH Business Management Division Director or designee shall schedule a preconstruction meeting with the residential developer to develop a construction timeline and review the terms and conditions of the proposed lease.
5. Copy of the land control document (deed or land contract) in the lessor's name shall be submitted to the MCCMH Administrative Office.

6. Copy of the County Health Department's approval of the water volume and quality and the septic system (if applicable) shall be submitted to the MCCMH Administrative Office.
  7. Copy of the final Certificate of Occupancy shall be obtained and submitted to the MCCMH Administrative Office.
  8. All leases with associated funding information shall be submitted to the MCCMH Board for review and approval following review and approval by:
    - a. County Corporation Counsel
    - b. County Finance Department
    - c. County Office of Risk Management and Safety
  9. All documents submitted to MCCMH relevant to the proposals, evaluation forms and recommendations will be maintained by MCCMH as back-up documentation of the RFP process.
- D. Agreement Approval
1. All contracts/leases require approval by the MCCMH Board.
- E. Rescission of the Approved Proposal/Quotation
1. An approved proposal/quotation shall be subject to rescission if the MCCMH Board and the residential developer fail to agree upon acceptable contractual terms.
  2. Inability of the MCCMH Board and the residential developer to agree upon an acceptable lease shall subject the project to cancellation.
  3. Failure of the residential developer to construct or renovate the residential facility in accordance with the specifications and within the agreed upon costs pursuant to those approved by the MCCMH Board shall subject the project to cancellation.
  4. Failure of the residential developer to fulfill the agreed upon construction timeline for any reason (except weather) shall subject the residential developer to possible cancellation of approval for the project.
  5. Any bidder may withdraw its submitted proposal at any time during the Procurement Process. The decision to withdraw a proposal must be submitted in writing to the MCCMH Board.

**VII. References / Legal Authority**

- A. MCL 330.1228; MSA 14.800(228)
- B. MDCH/CMHSP Specialty Supports and Services Managed Care Contract
- C. County of Macomb Purchasing Policy and Guideline, as adopted May/1994 by the Macomb County Board of Commissioners
- D. MCCMH MCO Policy 9-670, "Services for Consumers Affected by Physical Barriers"
- E. 42 CFR 438.230(b)

**VIII. Exhibits**

- A. Request for Proposal, MCCMH #199
- B. Network Provider Qualification Statement, MCCMH #200



September 25, 1996

**REQUEST FOR PROPOSAL**

The Macomb County Community Mental Health Board is accepting proposals for the provision of \_\_\_\_\_ . The services must meet the following requirements: \_\_\_\_\_

Bidders may obtain a proposal packet by contacting the MCCMH Business Management Division at the Provider Network Unit by Calling (586) 469-6472.

Deadline for the proposal is 5:00 p.m. **DAY, DATE.**

September 25, 1996

Dear Prospective Bidder:

Macomb County Community Mental Health (MCCMH) is currently requesting a proposal for \_\_\_\_\_.

Enclosed are:

1. Service Features Guidelines;
2. MCCMH Policy on Procurement of Services;
3. Network Provider Qualification Statement.

All bids will be evaluated with reference to the following criteria:

1. The cost of the services to be provided;
2. The ability, capacity, and skill of the bidder to perform the contract, and to provide the services required;
3. The character, integrity, reputation, judgment, experience, and efficiency of the bidder, based upon objective verifiable information;
4. The bidder's history of compliance with applicable laws and ordinances relating to contract performance;
5. The number and scope of conditions attached to the bid; and

**Prospective Network Providers shall be required to comply with MCCMH MCO Policy 3-004, "Network Application / Profiling Process."**

Request for Proposal, MCCMH #199-2 (rev. 9/02), MCCMH MCO Policy 3-030 Exhibit A

Letter to Service Bidders  
September 25, 1996  
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6. Whether the bidder is presently in default to the MCCMH Board for any reason.

The MCCMH Board reserves the right to reject all bids, to waive or not to waive informalities or irregularities in bids or bidding procedures, to accept any bid, even though not the lowest.

Proposals are to be submitted to:

Provider Network  
Attention: Area Manager  
7 North Gratiot  
108 Mews Building  
Mt Clemens, Michigan 48043

The deadline is **TIME, DAY, DATE.**

Sincerely,

John Kinch  
MCCMH Business Management Director

## **MACOMB COUNTY COMMUNITY MENTAL HEALTH**

5th Floor, County Building  
10 North Main Street  
Mount Clemens, Michigan 48043  
Phone: (586) 469-5275

### **Service Feature Guidelines**

All of the services provided to Macomb County Community Mental Health must meet specific guidelines and regulations. The following features reflect what is required to comply to those regulations and what we have found through past experience to be desirable.

#### **Features Required**

1. Provide costs of the services to be provided including all related costs, e.g., taxes, necessary permits, fees, taxes, and insurance, etc.
2. Provide the proposed Service Agreement terms including, but not limited to, length of the contract, annual fees, taxes, insurances, special conditions, etc.
3. Provide credit and financial statements, including business and personal references, on the Network Provider Qualifications Statement (enclosed).

#### **Desirable Features**

1. Provide
2. Provide
3. Provide

**MACOMB COUNTY COMMUNITY MENTAL HEALTH  
PROCUREMENT OF SERVICES**

**NETWORK PROVIDER QUALIFICATION STATEMENT**

License No.: \_\_\_\_\_ Years in Business: \_\_\_\_\_

Former business names operated under: \_\_\_\_\_  
\_\_\_\_\_

If Corporation: Corporate ID No.: \_\_\_\_\_ Date Incorporated: \_\_\_\_\_

Names of President, Vice-President, Secretary, and Treasurer:  
\_\_\_\_\_  
\_\_\_\_\_

Names of all partners: \_\_\_\_\_  
\_\_\_\_\_

Limited or general: \_\_\_\_\_

If D.B.A., list name of primary license: \_\_\_\_\_  
\_\_\_\_\_

List of major services your company has provided - location and references with telephone number:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List training, education, etc. of key individuals in organization: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

List trade references: \_\_\_\_\_  
\_\_\_\_\_

List bank references: \_\_\_\_\_  
\_\_\_\_\_

Attach copy of personal or business financial statement (include name, telephone number, address of accountant, bookkeeper, etc.)

Name, address and telephone number of Bonding Company / Agent:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public / Personal Signature Guarantee