



**KALAMAZOO COMMUNITY**  
**Mental Health**  
**& Substance Abuse**  
**Services**

**KALAMAZOO COMMUNITY MENTAL HEALTH  
AND SUBSTANCE ABUSE SERVICES**

**REQUEST FOR PROPOSAL  
ADMINISTRATIVE**

**FINANCIAL AUDITING  
RFP 18-01**

**KALAMAZOO COMMUNITY MENTAL HEALTH AND  
SUBSTANCE ABUSE SERVICES (KCMHSAS)**

**2030 Portage Street  
Kalamazoo, MI 49001**

**REQUEST FOR PROPOSALS FOR  
FINANCIAL AUDITING**

**I. INTRODUCTION**

**A. Purpose of the Request for Proposals**

Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) is requesting information from providers who are willing and able to provide financial auditing services for our local governmental agency.

**B. Terms of Engagement**

As a result of this RFP, KCMHSAS may elect to contract with a selected provider for this service, or to not award a contract at this time. If a contract is awarded, the time period will be approximately 2018 through 2022. We would expect the auditors to begin their fieldwork in early February, as mutually agreed upon, and anticipate that it would take approximately 10 business days.

**II. DESCRIPTION OF ORGANIZATION**

Kalamazoo Community Mental Health and Substance Abuse Services (KCMHSAS) has been delivering quality services and programs to improve the lives of those we serve for over 30 years. We provide a welcoming and diverse community partnership which collaborates and shares effective resources that support individuals and families to be successful through all phases of life. KCMHSAS works with youth, families, and adults with mental illnesses, intellectual/developmental disabilities, and substance abuse disorders to help them succeed.

We build on the strengths, hopes, and dreams of those who come in contact with KCMHSAS. We are fortunate to have dedicated and caring board members, families, individuals served, peers, staff, advocates, providers, and other collaborative partners.

KCMHSAS uses Great Plains Enterprise for our Accounting and BNA for Asset Management software. KCMHSAS has a fiscal year that runs from October 1<sup>st</sup> through September 30<sup>th</sup>. A copy of the audited Financial Statements and Supplemental Materials for the year ended September 30, 2017 will be posted, by April 10, on the KCMHSAS web site: <http://www.kazoocmh.org/OurPurpose/EventsRFPs.aspx>

**III. SCOPE OF SERVICES**

KCMHSAS is requesting information from providers who are able to provide financial auditing. KCMHSAS expects to contract with a qualified certified public accountant firm to audit its financial statements.

**A. Scope of Work to be Performed**

KCMHSAS is contracting with the audit firm to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles. This firm should also identify other reporting requirements of the organization, as applicable.

B.. Auditing Standards to be Followed

The audit should be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and governmental auditing standards.

C. Reports to be Issued

Following the completion of the audit, the firm shall issue the following reports:

- A report on examination of the financial statements of KCMHSAS including all accounts in the operating fund.
- Independent auditor's report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with previously identified standards.
- Independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance with OMB Circular 2 CFR 200 Subpart E.
- Schedule of expenditures of federal awards.
- Summary of auditors' results and schedule of findings and questioned costs.

It is expected that the reports identified above will be contained as part of one single audit report in an appropriate format..

D. Other Communication Requirements

- The auditor shall communicate in a separate letter to the Executive Director and Board of Directors, any reportable conditions and/or material weaknesses found during the audit. A reportable condition/material weakness shall be defined as a significant deficiency in the design or operation of the internal control structure that could adversely affect the organization's ability to record, process, summarize, and/or report financial data consistent with the assertions of management in the financial statements.
- Management letter, or letter indicating that no management letter is needed.

E. Report Preparation and Printing

Report preparation, editing, and printing shall be the responsibility of the selected audit firm. The audit firm shall be responsible for typing and proofing all financial statements. KCMHSAS reserves the right to approve the final draft prior to printing.

The quality of the material used in each report shall be comparable to those used in such reports for organizations similar to KCMHSAS. KCMHSAS reserves the right to reject materials that are not equal to the quality provided by its current audit firms.

F. Final Audit Reports and Communication Requirements

- 15 Copies of completed audit and Management letter
- PDF file of completed audit and management letter
- Presentation at the KCMHSAS Finance Committee Meeting in March of each year
- Presentation required at the KCMHSAS Board Meeting in March of each year

G. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditing firm's expense, for a minimum of 7 years unless the firm is notified in writing by KCMHSAS of the need to extend the retention period. The audit firm will be required to make working papers available upon request by KCMHSAS. Reports, documents, and working papers will only be released with specific written permission and direction from KCMHSAS.

The firm shall respond to reasonable inquiries of successor firms and allow successor audit firms to review the working papers related to matters of continuing accounting significance.

H. Assistance to be Provided by KCMHSAS

- Office space deemed adequate for the conduct of the examination of records.
- Local telephone service for business related calls.
- Reasonable access to Internet, fax machine and copier.
- Clerical assistance in obtaining necessary documents from files.
- Finance and management personnel, as appropriate, to provide information, documentation, and/or explanations.
- Final trial balance of specified funds for which KCMHSAS maintains accounting records, in a form acceptable to the auditor. KCMHSAS is prepared to provide trial balances to auditors in an Excel or HTML file format.
- Work papers in support of significant account balances for all funds for which KCMHSAS maintains records. KCMHSAS is prepared to provide work papers to auditors in an Excel file format.

**IV. RFP Timeline**

Activity	Timeline
Issuance of RFP	March 7, 2018
Vendor questions regarding the RFP submitted via e-mail in place of a bidder's conference. Questions should be submitted to <a href="mailto:cthomas@kazoozcmh.org">cthomas@kazoozcmh.org</a>	March 21, 2018
Answers regarding the RFP posted on the KCMHSAS public website.	March 30, 2018
Proposals due to KCMHSAS	April 30,2018
Scoring of proposals	Early May 2018
Notification of Award	May 22,2018
Contract Begins	October 1, 2018

**IV. INSTRUCTIONS FOR PROPOSAL SUBMISSION**

**A. Response Date**

1. Three **(3) hard copies** of the proposal must be sent to:  
KCMHSAS  
Attn: Charles Thomas  
2030 Portage Street Kalamazoo, MI. 49001
2. Hard copies must be labeled "RFP 18-01: Financial Auditing" and include the name & address of the applicant on the envelope.
3. An electronic copy of the proposal must be sent to [cthomas@kazoozcmh.org](mailto:cthomas@kazoozcmh.org)  
Documents should be in PDF format.
4. All proposals are due to KCMHSAS by **April 30,2018** by 12:00 P.M.
5. Faxed or late proposals will not be accepted.

**B. Proposal Content**

1. A written response is required for each item unless otherwise indicated. Failure to answer any of the items will negatively impact the applicant's score.
2. Applicants should be familiar with the exhibits referenced in this RFP.
3. Sections should be clearly labeled
4. An official authorized to bind the vendor to its provisions must sign all proposals.

**C. Incurring Costs**

Proposals should be prepared simply and economically to provide a concise description of the vendor's capability to perform the services required. KCMHSAS will not be responsible for any costs incurred in the preparation of proposals in response to this RFP. Nor will KCMHSAS be responsible for any costs incurred if the vendor agency is invited to make an oral presentation to the evaluation team.

**D. Effective Period**

All proposals submitted in response to this RFP must be valid for 90 days.

**E. Withdrawal**

The proposal may be withdrawn in person or by written request at any time prior to the opening of submitted bids. Bids cannot be withdrawn after they have been opened.

**F. Questions**

All questions relating to the preparation and/or submission of a response to this RFP should be directed to [cthomas@kazoocmh.org](mailto:cthomas@kazoocmh.org).

**G. Miscellaneous Provisions**

1. Acceptance of Proposal Content

Contents of the proposal may become contractual obligations. Failure to accept these obligations may result in cancellation of the selected vendor, who may be required to reimburse KCMHSAS for damages incurred.

2. Non-Discrimination

Vendors shall not discriminate against persons with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, because of age, ancestry, national origin, beliefs, citizenship, culture, mental or physical ability, political affiliation, sexual orientation, gender identity, race, color, religion, national origin, gender, physical appearance (height and weight), family/marital status, or any other criteria 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 be limited to, the Elliott-Larsen Civil Rights Act and the Persons with Disabilities Civil Rights Act.

3. Non-Collusion

The vendor certifies that this proposal has not been made or prepared in collusion with any other vendor and the prices, terms or conditions have not been communicated by or on behalf of the vendor to any other vendor and will not be so communicated prior to the official receipt of this proposal. This certification may be treated for all purposes as if it were a sworn statement made under oath, subject to the penalties for perjury. Moreover, it is made subject to the provisions of 18 U.S. C. Section 1001, relating to the making of false statements.

4. Freedom of Information Act

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

**V. PROPOSAL CONTENT**

**A. Administrative Requirements**

**All applicants must submit the following with their RFP Response:**

1. Cover Page with the following information
  - Legal Business Name
  - Address
  - Telephone Number(s)
  - Fax Number(s)
  - E-mail/Web Page Address
  - Tax ID Number
  - Owner (name/title)
  - Person Authorized to Sign Contracts (name/title)
  - Billing Entity Authorized to receive financial reimbursement/payment
  - Billing Contact Person and Telephone Number
  - Billing Address if different than above

2. Submit a copy of your W-9
- 3.. Disclosure if the organization or any staff person currently working for the organization has been excluded from a Federal Healthcare Program. To find information on exclusions from a Federal Healthcare Program please consult the following sites:  
<https://www.epls.gov/> (list of excluded parties/organizations);  
<http://exclusions.oig.hhs.gov/> (list of excluded individuals/entities).
4. Regulatory Issues: Disclosure of circumstances and status of any disciplinary action taken or pending against the business during the past 3 years with federal or state regulatory bodies.
5. Proof of Insurance coverage to cover the work the vendor intends to perform. Insurance coverage shall include:
  - Workers compensation, if applicable.
  - Liability and property damage insurance – protection for claims for property damage which may arise from operations under this bid, whether such operations are conducted by the vendor or any subcontractor.
6. Disclosure of any affiliation or subcontracting relationships, as applicable statements and/or other pertinent documentation identifying/describing parties that may be sub-contracted to provide services for the vendor.

**B. Proposal for Services**

1. Business Demographics
  - Provide a description of your business; number of years in business, clientele, services available and experience providing those services.
3. Relevant Experience

The proposal should list at least two similar projects completed over the last three (3) years. The list should include:

  - Name and location of business where service was provided.
  - Description of the project services.
  - References and contact information for each project.
4. Proposed Services for KCMHSAS:
  - A. Statement of Requirements

State in detail your understanding of the requirements presented by this RFP.
  - B. Statement of Auditing Standards

State in detail the auditing standards that will be used.
  - C. Work Plan

Describe in narrative form an outline of the proposed audit program. Include a proposed time line. Please identify both pre-audit fieldwork and fieldwork schedules in the proposed timeline.
  - D. Staffing

Identify the partner that will be responsible for this audit. Identify the professional, supervisory, and management staff who will be assigned to this audit. Identify the individuals by name and title, and include resumes for each one that list qualifications and detailed references of relevant governmental and

behavioral healthcare audit experience. Indicate which of these individuals will be on site for staff supervision and support.

The partner named in your response may be changed only with the express written approval of KCMHSAS, which also retains the right to approve or reject replacements.

E.. Firm Demographics

The proposal should include a brief history of the firm, its size, number of governmental and non-profit audit staff, location of office from which the work for this audit will be performed, the number of governmental and non-profit clients compared to entire client base.

The audit firm must disclose information on the circumstances and status of any disciplinary action taken or pending against the firm during the past 3 years with state regulatory bodies or professional organizations.

The audit firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past 3 years.

F. Relevant Experience

For the firm's office that will be responsible for the KCMHSAS audit, list at least 3 engagements performed in the last 3 years that are similar to the one described in this RFP. Indicate the total staff hours, the scope of work, dates, partners, and the name and telephone number and email address of the principal client contact.

This client list should include any other Mental Health Authority and/or comparable health care agencies.

G.. Independence

The firm should provide an affirmative statement that it is independent of KCMHSAS.

H. License to Practice in Michigan and Required Insurance

Your response must include an affirmative statement indicating the audit firm and all assigned key professional staff are licensed to practice in Michigan. The audit firm must confirm in writing that criminal background checks are performed for each professional staff person. The audit firm must include copies of required insurance coverage to practice this profession in Michigan.

I. Pricing

The response must include an itemization of the hourly rate and estimated hours by each category of staff assigned to this project, a not-to-exceed amount for out-of-pocket expenses, and an itemization of any internal charges. Ancillary expenses (e.g. travel, meals, etc.) will be reimbursed if itemized and separated on the audit invoices



## **VI. EVALUATION CRITERIA**

The proposals submitted will be reviewed and evaluated by a committee designated by KCMHSAS comprised of persons who have operational, administrative and technical knowledge of the specifications contained in this RFP. Evaluation criteria include, but are not limited to, the understanding of the proposed engagement as evidenced by the quality of the RFP response submitted, relevant experience, qualifications of the vendor and the approach/methodology.

## **VII. SELECTION PROCESS**

KCMHSAS reserves the right to request additional information or clarification from vendors, to allow correction of errors or omissions, and to waive irregularities and/or formalities when so doing may serve the best long-term interests of the organizations involved.

KCMHSAS reserves the right to reject any or all proposals and to proceed in any other manner selected by KCMHSAS.

KCMHSAS reserves the right to award to the vendor that it believes, in its sole discretion, best meets the needs of the organization whether or not that vendor offers the lowest costs in its proposal. RFP responders may appeal a decision within 14 calendar days of the notification of award date. 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.

All proposals submitted are subject to the terms of the Freedom of Information Act, and will be retained by KCMHSAS.

## **VIII. ATTACHMENTS:**

**A. Any?**