

September 16, 2010

Community Mental Health Authority of Clinton, Eaton, Ingham Counties (CEI) is soliciting competitive proposals for attestation services for its contract-managed group homes for 3 fiscal years beginning with the fiscal year ending September 30, 2010. Complete specifications and instructions for submitting a proposal are included in the enclosed packet.

If you are interested in bidding on this engagement, please submit your proposal by 5 p.m. October 22, 2010 to the following address:

Clinton-Eaton-Ingham Community Mental Health Authority
Contract Administrator
812 East Jolly Road, Suite 210
Lansing, Michigan 48910

Subsequent to receiving and reviewing proposals, CEI will select those firms that meet the requirements, as outlined in the Cost Proposal for Contract Home Financial Review document. At the discretion of the Selection Team and for the purpose of presenting your firm's proposal to a CEI Interview/ Recommendation Team, one hour meetings may be scheduled by CEI, beginning the week of November 1, 2010.

CEI reserves the right to reject any or all proposals and/or waive any defects or irregularities in proposals. Awarding of a contract will be made to the contractor whose proposal is in the best interests of CEI, in its sole discretion. CEI also reserves the right to negotiate changes to proposals, specifications or other matters pertaining to the proposal that are deemed desirable by CEI.

Please contact Andrew Hewat, Contract Administrator, at (517) 346-8258 if you have any questions.

Sincerely,

Andrew Hewat
Contract Manager

**CLINTON-EATON-INGHAM COMMUNITY MENTAL
HEALTH AUTHORITY
(CEI)**

***COST PROPOSAL FOR CONTRACT HOME ATTESTATION
SERVICES***

I. Purpose:

It is CEI's policy to perform a year-end cost settlement with each of the nine companies contracted to manage 34 of the organization's group homes on an annual basis. We are requesting proposals from independent contractors to perform an annual financial review/attestation of each contract home's records and to complete cost settlement documentation.

II. CEI Information:

Clinton-Eaton-Ingham Community Mental Health Authority (CEI) has provided mental health services throughout the tri-county area for more than forty years. The organization provides services to both adults and children with mental illness and developmental disabilities, as well as to adults with substance abuse treatment needs. Services include support services coordination; clinical support; family support; respite care; residential services; crisis intervention; outpatient counseling; adult vocational services; emergency services, as well as other services and programs.

CEI functions as both a direct-provider of services as well as a managed care entity for Medicaid, local and General funds for our tri-county area. The organization owns or leases 48 group homes: 14 are directly-operated by CEI, while 34 are managed under contract by 9 different companies. All homes serve adults with mental illness and developmental disabilities. For each of the 34 contract-managed homes, contractors are paid monthly in accordance with an annual budget. Within 120-150 days of year-end, each contract is cost-settled by CEI.

III. Annual Review/Attestation Requirements:

- A. 3 year contract for financial review/attestation services with CEI option to cancel or extend contract on a year to year basis.
- B. Time frame for completion of annual review
 - 1. Between January 1 - April 1 perform review of 34 contract homes.
- C. Requirements
 - 1. Statement of Revenue and Expenditures on an accrual basis.
 - 2. Revenue: Schedule of SSI/SSA/SSB, Client Payee, Food Stamps, and Resident Allowance; Reconciliation between CEI's Expenditure Report and Contract Home revenue.

3. Salaries and Wages: Reconciliation of Direct Care hours provided to budgeted hours specified in CEI contract, schedule of wages for Area Manager with a breakdown between direct care and administrative hours, schedule of bonuses paid to employees.
4. Operations: Schedule of insurance premiums, schedule of vehicle expenditures with a breakdown between purchase cost of vehicle, insurance, fuel and maintenance expenditures, schedule of utilities expense.
5. Equipment and Furnishings: Schedule of fixed assets over \$5,000 purchased during the review period.
6. Administration: Reconciliation between actual administrative expense and budgeted administration in CEI contract.
7. Prepare Cost Settlement documents: Calculate the carryover from prior budget period to the current budget period and reconcile the provider=s carryover account.
8. Other: Tests for reasonableness of expenditures, verify that CEI is listed as an additional insured on insurance policies where required, verify that licenses are current, determine that criminal background checks on staff are performed, review supporting documentation of petty cash, food stamps and client funds.

Items required in cost proposal - *your written proposal must include the following information:*

- A. Cost for services for:
FY 2011 - for review of FY 2010 financials
FY 2012 - at CEI option to extend - for FY 2011 financials
FY 2013 - at CEI option to extend - for FY 2012 financials
- B. Background information on firm.
- C. Experience reviewing or performing attestations for group homes. Submit sample/facsimile statements for review.
- D. List of 3 relevant references similar in scope.
- E. Resumes of staff to be assigned to CEI project for fiscal year 2010 including credentials and relevant experience.

This information may be submitted in any format, however, CEI prefers that your responses be as succinct as possible.