



Request for Proposal 2020

For The MiHIN Group Audit & Tax Services

RFP 2020-002

Contact e-mail address: rfp2020-002@mihin.org

Any attempt to communicate with a member of The MiHIN Group, its staff, existing contractors or Board members regarding this RFP using any means other than the above contact e-mail address may result in instant disqualification.

Estimated Key Timeline Dates (more complete [Calendar of Events](#) is in section 1.4):

Key Milestone	Date
Public Release of RFP	June 1, 2020
Deadline for questions to the Company	June 15, 2020
All questions and answers published by the Company	June 22, 2020
All proposals due by e-mail (only) to the Company	June 29, 2020
Anticipated acceptance of RFP	August 12, 2020
Execution of engagement letter	August 31, 2020

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1. General Information

The MiHIN Group (the Company) is an affiliation of companies. The mission statements for each company is the following:

- Michigan Health Information Network Shared Services (MiHIN, <https://mihin.org>) is a 503(c)(3) public and private non-profit collaboration dedicated to improving the healthcare experience, improving quality, and decreasing cost for Michigan residents by supporting the statewide exchange of health information and making valuable data available at the point of care. MiHIN has subsidiaries are noted below.
- Interoperability Institute LLC (IOI, <https://interoperabilityinstitute.org>), a disregarded entity fully owned by MiHIN, develops technology solutions and the next generation workforce required to enable organizations and communities to harness the benefits of interoperability at scale.
- Velatura Public Benefit Corporation (Velatura, <https://velatura.org>), a for-profit corporation with MiHIN as the major shareholder, strategically aligns and connects people, organizations, technology, ideas, and information to improve healthcare, simplify work and reduce costs. Offering market-driven solutions, as well as being the sole provider of MiHIN products and services, Velatura supports organizations in their mission to interoperate and streamline the sharing of pertinent electronic information. Velatura Public Benefit Corporation has two fully owned subsidiaries (limited liability companies which are disregarded entities).
- Great Lakes Health Connect (GLHC, <https://gl-hc.org>), an entity fully owned by MiHIN as of 12/31/2019, is a 501(c)(3) nonprofit organization, offering the most comprehensive, flexible, and secure portfolio of HIE products and services in Michigan. While these tools are important, GLHC also strives to be a true partner, implementing real solutions to the challenges facing healthcare providers. We are committed to our role as a resource to support you and your goals.

Other facts about the MiHIN Group:

- Combined, MiHIN, IOI, Velatura, and GLHC are branded The MiHIN Group (the “Group”) and are consolidated as required by generally accepted accounting principles.
- Fiscal year end is September 30.
- The most recent audited financial statements showed about \$10 million assets and \$21 million revenues for the MiHIN Group.
- Majority of revenues comes from state and federal funding sources.
- Accounting for all legal entities is concentrated in one ERP system (NetSuite) and includes a heavy component of job/project costing.
- Most recent audited financial statements can be located on [Federal Audit Clearinghouse website](#) (search for *Michigan Health Information Network*).

This RFP is arranged into the following sections, plus on-line checklists/worksheets available at mihin.org/procurement:

- [Section 1](#): General Information provides a high-level overview of The MiHIN Group and a series of topics to help guide an Offeror in building an RFP response.
- [Section 2](#): Proposal Response Format provides a description of the physical response format and process along with our intent to perform unbiased evaluations of all Offeror responses.
- [Section 3](#): Criteria for Selection provides a description of Eligibility Requirements and a summary of how the evaluation process will proceed.
- [Section 4](#): General Terms and Conditions provides details of what the Company considers necessary to reach a fair and equitable contractual agreement.
- [Section 5](#): Proposal Sections describe in detail how the Offeror's statement of capabilities and experience should be organized and what information is required to be included within the response as well as limits to the size of the response.

1.1 Purpose and Scope of Request for Proposal (“RFP”)

MiHIN (Company) is soliciting proposals for an independent certified public accounting firm to provide financial and compliance auditing and tax preparation services. The Company reserves the right to split different services to be performed between multiple Offerors.

1.1.1 Scope of the Work to be Performed

Audit Services

The Offeror selected as a result of this RFP shall audit The MiHIN Group's financial statements beginning with the fiscal year ending September 30, 2020. The annual audits performed for the Company shall include, but not be limited to the following:

- **Financial Statement Audit**
- **Federal Single Audit**
- **401K Plan Audit**

Tax Services

The Offeror selected as a result of this RFP shall prepare the applicable tax forms for The MiHIN Group.

- **IRS Form 990** – MiHIN and Interoperability Institute.
- **Federal and State Tax Forms** –Velatura Public Benefit Corporation (5 states).

Additional Services

The MiHIN Group may determine that additional services are necessary and may contract with the Offeror to perform those services. The Offeror shall perform additional services only upon a written request from the Board, Finance Committee, Executive Director or Chief Financial Officer, and all additional work shall be documented by engagement memorandums.

Anticipated Timeline:

- **Audit Planning** – The successful Offeror shall provide the detailed audit and tax plan and engagement letters no later than September 15. It is expected that the Offeror will also present these items to the Finance Committee prior or around September 15.
- **Interim Fieldwork/A133 Compliance Testing** – For the fiscal year ending September 30, 2020, and thereafter interim testing should take place mid to late September 2020.
- **Fieldwork** – For the fiscal year ending September 30, 2020 and thereafter, fieldwork should commence by November 30.
- **Reporting Deadlines** – The audit report, in its final form and including the Management letter shall be completed each year no later than 15th of February for each preceding audit year.
- **Tax timing** - Tax timing shall correspond to the filing deadline requirements of the IRS or respective State regulations.

1.2 Calendar of Events

Key Milestone	Date
Public announcement and release of RFP	June 1, 2020
Last date to receive questions from Offerors (if any)	June 15, 2020
All questions and answers posted on RFP website	June 22, 2020
Offeror proposals due via e-mail to the Company by 4 pm EST	June 29, 2020
Company completes initial review and scoring of proposals and sends questions to each Offeror	July 20, 2020
Optional bidders conference call(s) to clarify questions about proposals	July 27, 2020
Offerors provide written response to questions (if any)	August 3, 2020
Offeror finalists’ demonstrations/presentations (if required)	August 3, 2020
Company completes final scoring of proposals	August 10, 2020
Company communicates RFP acceptance	August 12, 2020
Offeror provides engagement letter for fiscal year 2020	August 31, 2020

1.3 Who may respond to this RFP

This RFP is open to any peer-reviewed public accounting firm with experience and resources adequate to meet respective requirements of The MiHIN Group.

1.4 Scope

This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the services to be provided; requirements that Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

1.5 Type of Contract

The contracts are expected to be fixed fee or not-to-exceed time and materials.

1.6 Term of Contract

The expected term of the agreement will commence on the Effective Date of the engagement letter and include optional renewals to cover a total of three (3) fiscal year engagements.

1.7 Rejection of Proposals

The Company reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

1.8 Incurring Costs

The Company is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

1.9 Questions/Communications about this RFP

Offerors should [e-mail](#) all questions and communications to the Company in accordance with the instructions below and in accordance with the instructions on the RFP web page(s).

- If an Offeror has any general questions regarding this RFP, please visit the RFP website:
<https://mihin.org/procurement/>
- If the Offeror has additional questions, they must be submitted via [e-mail](#) no later than the date indicated on the [Calendar of Events](#). The Company will post all questions and answers on the RFP website.

To avoid a potential automatic disqualification, an Offeror shall not attempt to contact the Company, the Group, any Group staff, existing Group contractors, vendors, partners, or Group board members regarding the RFP during the full RFP period other than via e-mail to:

rfp2020-002@mihin.org

The Company will post the answers to questions on the [RFP website](#) by the date stated on the [Calendar of Events](#). If the Company contacts an Offeror with a question or comment, the Offeror may respond, but only through the e-mail address specified above.

All Questions & Answers as posted on the [RFP website](#) are considered as an addendum to, and part of, this RFP Document in accordance with Addenda to the RFP. Each Offeror shall be responsible to monitor the RFP website for new or revised RFP information. The Company shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Company via a posting to the [RFP website](#).

1.10 Addenda to the RFP

If the Company deems it necessary to revise any part of this RFP before the proposal response date, an addendum will be posted to the [RFP website](#).

It is each Offeror's responsibility to periodically check the [RFP website](#) for any new information or addenda to the RFP.

Answers to questions from the Question & Answers period will also be posted to the [website](#) as an addendum to the RFP.

1.11 Response Date for Submitting Your Proposal

To be considered for selection, copies of proposals must arrive on or before the time and date specified in the [Calendar of Events](#).

Proposals should be submitted electronically via [e-mail](#).

The RFP number and Offeror business name must be indicated in the Subject line.

Complete formatting instructions are in [Section 5: Proposal Sections](#). The Company requests that all information be included in one combined pdf document.

1.12 Economy of Preparation

Offerors should prepare proposals simply and economically, providing a straightforward, clear and concise description of the Offeror's ability to meet the requirements of the RFP. Page limits are listed in [Section 5](#) of this RFP Document.

1.13 Potential Post RFP Submittal Activities

Offerors should expect that the Company will follow up with references provided. If deemed necessary, Offerors may be asked to provide a written clarification of their proposal to the Company to aid understanding of the proposed Offeror's capabilities. The Company may convene a bidders' conference of all Offerors. The format of the bidder's conference will be via electronic video conferencing, will be recorded for reference and documentation, and will be posted to the [RFP website](#).

1.14 Proposal Contents

1.14.1 Confidential Information

The Company is not requesting, does not require, and does not wish to receive confidential or proprietary information or trade secrets included in Offeror's submissions in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets.

1.14.2 Use

All material submitted with the proposal shall be considered the property of the Company and may be returned only at the Company's option. The Company has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract.

Notwithstanding any Offeror copyright designations contained on proposals, the Company shall have the right to make copies and distribute proposals internally for its own internal use and to comply with any rule or order of any court of competent jurisdiction.

1.15 News Releases

Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to work resulting from this RFP without prior written approval of the Company, and then only fully in coordination with the Company and with the Company's final edit/approval authority.

1.16 Offeror's Representation and Authorizations

By submitting its proposal, each Offeror understands, represents, and acknowledges that:

All the Offeror's information and representations in the proposal are material and important, and the Company may rely upon the contents of the proposal in awarding the contract(s). Any misstatement, omission, or misrepresentation shall constitute fraudulent concealment of the true facts relating to the Proposal submission.

The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror, potential Offerors, or any Group employee.

The Offeror warrants that it has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential Offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the [Calendar of Events](#) of this RFP.

The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract

The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.

To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.

Until the selected Offeror receives a fully executed and approved written contract from the Company, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform any work on behalf of the Company.

1.17 Notification of Selection

The Company will notify selected Offerors via e-mail and a phone call to the contact provided in the response of its selection.

1.18 Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to ensure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Company version of the RFP, the Company version shall govern.

1.19 Discussions with Offerors (Oral Presentation/Negotiations)

An oral presentation by an Offeror may be required of responders. However, the Company may award a contract based on the initial proposals received without discussion with the Offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the Offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each Offeror shall be available for negotiation meetings at the Company's request. The Company reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal selection is made, each proposal is considered a working document and as such, will be kept confidential.

2. Proposal Response Format

2.1 Required Documents

Offerors must submit their proposals in the format outlined below including heading descriptions. To be considered each proposal must respond and conform to all requirements in this part of the RFP Document.

Proposal received on schedule via [e-mail](#) by 4:00 pm EST on the date of the submission deadline.

1. One-page Proposal Cover Sheet
2. One-page Cover Letter
3. Capabilities Statement
4. Technical Approach
5. Biosketches of key individuals
6. Business references
7. Fee Schedule
8. Financial Capability (Recommended)

Any supplemental support that the Offeror includes with their submission may not be reviewed.

2.2 Redistribution

The Offeror shall make no other distribution of its proposal to any other party. Each proposal page should be uniquely numbered for ease of reference.

For this RFP, the proposal must remain valid for at least 120 days from the proposal due date. If the Company selects the Offeror's proposal, the contents of the selected Offeror's proposal will be attached to the agreement and become contractual obligations of the Offeror.

The Company reserves the right to request additional information which, in the Company's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform work efforts according to the RFP.

Each Offeror that completes the submission of a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by [e-mail](#) by including the RFP Number and Letter in the Subject line along with the word "withdrawal" prior to the exact hour and date specified for proposal receipt. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new proposal which complies with all RFP requirements. Piecewise re-submissions will not be accepted.

3. Criteria for Selection

3.1 Qualifying Requirements and Nonconforming Proposals

The eight (8) items set forth in [Section 2: Proposal Response Format](#) are the only proposal requirements that the Company will consider to be non-waive-able. The Company reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformity in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.

3.2 Offeror Responsibility

An Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and possess the integrity and reliability to assure good faith performance of the contract. The Offeror Responsibility is to submit all the documents required in [Section 2](#) and to submit them by the deadline included in the [Calendar of Events](#).

3.2.1 Responsive Proposal

In order for an Offeror to be considered responsive to this RFP and therefore eligible for selection, the total score for the submittal of the Offeror's proposal must be greater than or equal to 70% of the highest scoring submittal.

3.2.2 Capability to Perform

An Offeror must demonstrate sufficient capability to assure good faith performance of the contract as specified herein to be considered by the Company, in its sole discretion, for best and final offers or contract negotiation.

3.3.3 Evaluation Criteria and Process

The success of the overall Company initiative and the Offeror's response will depend on the extent to which the Offeror's response can support the Company. A team of qualified Company staff will review and evaluate submitted proposals in a timely manner. This team will score the various sections of the Offeror's response.

4. General Terms and Conditions

Contract terms will be discussed upon an Offeror being submitted to and approved by the Company.

The Offeror is expected to negotiate expediently, and in good faith, to reach a fair and equitable contractual agreement.

The resulting professional services agreement should contain provisions addressing terms and conditions typically found in an audit and tax professional services agreement as well as any special terms and conditions which, by their nature, are necessary for the successful engagement with the Company.

5. Proposal Sections

5.1 Proposal Cover Sheet (Required)

The Proposal Cover Sheet one-page PDF file should include the following information:

- Offeror Name(s)
- Total Proposed Fee broken out by Deliverable
- Labor price
- Relevant Past Performance
- Experience
- Business Type
- Technical Aspect
- Independence as it relates to The MiHIN Group
- Additional Offeror Comments

5.2 Proposal Cover Letter (Required)

The Proposal Cover Letter one-page PDF file should include the following information:

- RFP reference number and title in the subject line
- Date of Proposal
- Legal Business Name, Address, Phone, E-mail, website
- Contact Name for this Proposal, Phone, E-mail
- Signature of Offeror Principal with binding authority for the Offeror

5.3 Capability Statement (Required)

The Capability Statement is a description of the Offeror which highlights prior experience especially as is relevant to the RFP. In this Statement, include information about your typical clients (e.g., non-profit vs for-profit, industry, size based on revenues). Five (5) page limit.

5.4 Technical Approach

Technical Approach should describe how the Offeror will address the purpose of this RFP including the scope of services in [Section 1.1](#). Ten (10) page limit.

- Include your personnel plan:
 - Summarize the number and experience level of the personnel (non-profit and for-profit clients) who will be assigned to the engagement.
 - Indicate the responsibilities of each individual and how long each has been with your company.
 - Discuss commitments you will make to staff continuity and your staff turnover experience in the last three years.
 - Indicate what office(s) personnel will be sourced from.

- Include your anticipated percent allocation of hours by major staff levels (e.g., partners, managers) and major areas of audit and tax services.
- Assure your firm's current and future client commitments allow for personnel availability for services to be provided to the Company within the timeline described in this RFP.
- Describe your firm's experience and resources (e.g., subject matter experts within the firm) related to: (a) audit and tax services for a consolidated group where a non-profit parent owns non-profit or for-profit subsidiaries; (b) compliance with federal regulations and single audit requirements where federal funding is a major source of revenue; (c) intercompany pricing/unrelated business income considerations; (d) audit procedures of stock fair values in non-public entities.
- Describe the approach the Offeror will take when auditing The MiHIN Group financial information and your understanding of the work to be performed.
- Describe the procedures that will be used for assessing fraud risk and preparing audit responses in accordance with appropriate standards.
- Clearly describe your philosophy and procedures in formulating management letter comments.
- Describe your firm's commitment to service quality and customer service. What is the availability of your client servicing team? For example, do you have a sundown or 24 hour rule for response to client inquiry? How do you monitor customer satisfaction?
- Offerors must furnish their last peer review report and explain any significant weaknesses that were identified by the report.
- How many clients will the personnel assigned to the engagement be working on at one time?
- How do you measure the performance of your professional staff?

5.5 Biosketches of Key Individuals (Required)

Provide detailed biographies of key individuals including the following information: personal statement, positions and honors, relevant expertise, and accomplishments. **Each biosketch must be submitted as a PDF limited to one page.**

5.6 Business References (Required)

Provide a minimum three (3) business references; letters of reference are preferred; however, Offerors may provide reference name and contact information. Ideally, these references would be comparable to the Company in size and industry. **All lists of references should be submitted as a PDF limited to one page.**

5.7 Fee Schedule (Required)

Offerors should submit a complete fee schedule for services within the [Scope of the Work to be Performed](#). Provide a detailed fee estimate for each of the three years broken out by deliverable.

Also address your expense policy detailing how travel, etc. are billed. If you bill separately for questions on technical matters that arise throughout the year, describe billing rates. Finally, submit current standard billing rates for classes of professional personnel for each of the last three years. This should be submitted as a PDF file limited to one page.

5.8 Financial Capability (Recommended)

If Offeror's company is a publicly traded company, please provide a link to Offeror's financial records on Offeror's website; otherwise, provide one of the most recent annual financial documents such as audited financial statements. Externally prepared financial statements are preferred, but not required. Financial statements must include the Offeror's Balance Sheet, and Income Statement or Profit/Loss Statements. Also include a Dun & Bradstreet (D&B) comprehensive report if available.

5.9 Other Information

Offeror's are free to submit additional information at their discretion, but please note that the information should fit within the pagination limits specified above. If the information exceeds those limits, it may not be reviewed.

THIS PAGE REPRESENTS THE END OF THIS REQUEST FOR PROPOSAL